

February 6, 2018

REP Ken Helm and SEN Michael Dembrow
900 Court Street NE
Salem, OR 97301

Re: Role of Offsets in Supporting Economic Development

Dear Representative Helm and Senator Dembrow,

The below-listed organizations (Coalition) provide investment funds and expertise to develop, implement, and manage offset projects. The Coalition is strongly supportive of Oregon's efforts to reduce statewide greenhouse gas (GHG) emissions through a market-based program, including the use of high-quality carbon offsets. The Coalition would like to see the Oregon Legislature maximize the number of offsets in SB 1507 and in HB 4001 used as a critical component of cost containment and a source of rural economic development in Oregon.

Offsets target emission sources outside the cap; reducing emissions from industries not directly regulated by the State. These sources are often found in rural and disadvantaged communities; reducing emissions from these sources generates positive environmental outcomes for those communities. The Coalition has first-hand experience in California on how clear rules and a strong lasting price signal on offsets use can mobilize investments in offset projects that produce environmental and economic benefits in disadvantaged communities.

Offsets have reduced 16 million tons of carbon dioxide emissions from 54 projects located in California in sectors not covered by the cap, 22 of which occurred in disadvantaged communities in California. Additionally, offset projects outside of California have provided benefit to 18 disadvantaged communities while reducing nearly 3 million metric tons of emissions in those communities.

Oregon is already reaping the advantage in disadvantaged communities from a compliance carbon market that support offsets as evidenced by the Warm Springs Improved Forest Management on the Warm Springs Reservation and TMF Biofuels Livestock Digester project in Boardman.

Oregon's efforts to establish a cap on greenhouse gas emissions with clear long-term policy on offsets has the potential to leverage investments from organizations that are part of this Coalition towards projects in Oregon.



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