

February 6, 2018

Senate Committee on Environment and Natural Resources
House Committee on Energy and Environment
Oregon State Capitol
900 NE Court Street, Room 347
Salem, Oregon 97301

RE: HB 4001 and SB 1507 – SUPPORT

Dear Chair Dembrow, Chair Helm, and Committee Members:

I am writing on behalf of the Union of Concerned Scientists (UCS) in support of House Bill 4001 and Senate Bill 1507, measures that would establish a cap-and-invest program to reduce global warming pollution in Oregon and invest in Oregon's clean energy economy.

While Oregon has taken considerable steps to reign in global warming pollution from electricity production and cars and trucks, the state is not yet on track to meet its pollution reduction goals. We believe a cap-and-invest program is the right tool to get Oregon on track:

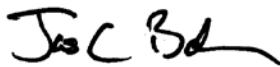
- **HB 4001 and SB 1507 would provide greater assurance that Oregon will meet its targets for reducing global warming emissions statewide** because the central design feature of a cap-and-invest program is a limited pool of pollution permits (i.e., the "cap"), which shrinks each year to ensure that emissions are staying in line with emission reduction targets.
- A cap-and-invest policy generates significant proceeds from the sale of pollution permits. **These proceeds will empower the legislature to invest significantly in Oregon's clean energy economy**—making renewable energy more affordable, improving the energy efficiency of homes and other buildings, increasing transportation options, and expanding clean energy job training programs.
- Oregon is already experiencing the impacts of climate change, from higher temperatures to a warmer and more acidic ocean, from increased wildfire activity to reduced snowpack. **A cap-and-invest program will help ensure that the costs of climate change are better reflected in the decisions businesses make about what to produce and how to produce it.**

The work that legislators and stakeholders put in last year and during the work groups this Fall has paid off. While there are details that need to be resolved with stakeholders, based on UCS's work across the country on cap-and-invest proposals, we can confidently say that both HB 4001 and SB 1507 are both very well-written and thoughtfully constructed bills.

The two bills are largely similar, but they differ with respect to: (1) the share of offsets allowed for compliance, (2) distribution of allowances to electric utilities, (3) identification of energy-intensive and trade-exposed industries, and (4) regulation of F-gases. While UCS believes the approach taken in HB 4001 would be better for the climate and the public interest, but both bills are generally sound in terms of reducing global warming emissions.

Because no state or nation can solve climate change on its own, fully addressing climate change requires collective action across the world. Fortunately, every nation other than the United States has committed to the goals of the Paris Climate Agreement. Therefore, it is up to the Legislature whether Oregon will be a leader in solving this momentous challenge. We hope you seize the unique opportunity you have in 2018 to pass a cap-and-invest program into law.

Sincerely,

A handwritten signature in black ink that reads "Jason Barbose". The signature is written in a cursive, slightly stylized font.

Jason Barbose
Western States Policy Manager