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Testimony in Support of Carbon Pricing: House Bill 4001, Senate Bill 1507

Submitted to: House Energy and Environment and Senate Environment and Natural Resources

Submitted by: Catherine Macdonald, Oregon Director of Policy & External Affairs, The Nature Conservancy

Chairs Dembrow and Helm, Vice Chairs Olsen, Power and Reschke, and members of the committees:

The Nature Conservancy is a global, science-based and non-partisan conservation organization. Our mission is to protect the lands and waters on which all life depends.

The Nature Conservancy was incorporated in Oregon in 1961. Today we have over 50,000 supporters statewide with members in every county in Oregon. Our staff, based in communities across the state, work collaboratively with tribes; local, state and federal agencies and elected officials; private landowners; businesses; and natural resource stakeholders to develop innovative solutions to the major challenges facing people and nature.

Thank you for the opportunity to provide testimony in support of House Bill 4001 and Senate Bill 1507. Climate change is the number one threat to people and nature. Impacts are already being seen in Oregon and across the world. The atmosphere is getting hotter; our oceans are becoming increasingly acidic; glaciers are melting; and fire seasons are getting longer and more intense. These changes will have profound impacts on fish and wildlife as well as the health and prosperity of Oregon businesses and communities without swift action.

As such, **addressing climate change – by reducing emissions, increasing carbon sequestration and improving the resilience is one of The Nature Conservancy’s top priorities here in Oregon and around the world.**

The Nature Conservancy recognizes carbon pricing as a critical tool for reducing greenhouse gas (GHG) emissions. We also recognize that an economy-wide mechanism such as carbon pricing must be very carefully designed with Oregon’s economy and business sectors in mind. We will not succeed in meeting our climate mitigation and adaptation goals if measures to reduce our GHG footprint negatively impact our economy, drive businesses out of Oregon or do harm to climate impacted communities.

We greatly appreciate the time and attention these committees spent during the last two legislative sessions studying carbon pricing programs. We also want to thank the Chairs and other bill sponsors for engaging stakeholders this fall to gather input to make improvements to the legislative proposals.

In our view significant improvements have been made that address several issues raised by stakeholders, including:

- The establishment of a Joint Legislative Committee on Climate to provide oversight during the three-year program development period.
- Streamlined governance structure that improves the efficiency and effectiveness for management of the program.
- More explicit language about the role natural and working lands can play in mitigating climate change¹.
- More explicit treatment of Emission Intensive, Trade Exposed businesses.
- More explicit provisions to protect low-income Oregonians from energy price increases.
- Increased clarity on the intent to link with the Western Climate Initiative.

We see strengths in both bills and urge the Committees to strive for a final bill designed to provide significant reductions in GHG emissions and increased sequestration in Oregon while:

- Being neutral-to-positive for Oregon's economy and business sectors, paying special attention to energy intensive and trade exposed sectors;
- Mitigating impacts to low-income Oregonians and contributing to a just transition to a low carbon economy; and
- Harnessing the power of natural and working lands strategies – especially where doing so will provide co-benefits to help Oregon's fish and wildlife and people adapt to the unavoidable impacts from climate change.

In advancing this legislation, we encourage you to provide sufficient funding to the Oregon Department of Environmental Quality to conduct the economic analyses and other needed studies to inform rulemaking to best achieve the program's goals.

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¹ A recent global analysis done by Conservancy scientists estimates that natural pathways involving conservation, restoration, and changes in land management could provide up to 37 percent of the global GHG emission reduction needed by 2030 ([Griscom, et al. 2017](#)).