

REVISED ON Feb. 8, 2018
Testimony Supporting SB 1507 and HB 4001
Before the
House Committee on Energy and Environment and the
Senate Committee on Environment and Natural Resources
Feb. 7, 2018
Philip H. Carver, Ph.D.

Hello Chairs and members of the committees. Thank you for holding this hearing. My name is Phil Carver. Until I retired in April, I worked for state government for 37 years on energy and climate change issues. For at least a decade studies have shown that the cost of waiting to reduce emissions far outweighs the cost of immediate action.¹ These two bills are ready for floor votes this session.

Under the Paris Climate Agreement of two years ago, all of the world's countries have agreed to reduce their emissions, mostly through carbon pricing, including China. Oregon's per capita emissions are higher than most other countries. All the world's countries agreed that an increase of two degrees Celsius for surface temperature should be the red line for climate change that we must not cross. Unfortunately, we are likely to cross that line anyway.

We have already increased the temperature by one degree. With strong action now, the world can avoid the disastrous effects of a three degree increase. As a comparison, at the depth of the last ice age, it was only five degrees cooler.

Under these two bills Oregon can join with California, Ontario and Quebec and participate in their trading system for carbon allowances. This system has shown a stable and slowly increasing price. As a Ph.D. economist, I can assure you that a carbon pricing system is the most efficient way to reduce our carbon footprint.

The current price of allowances is likely to yield an increase in the price of gasoline of about 15 cent per gallon in 2021, other factors equal. That is a modest price to pay for a livable climate for our children and grandchildren. Consumers will also see similar price increases for other fossil-fuel products. The funds collected can pay to reinforce our roads and bridges against larger storms and the Cascadia Subduction Earthquake. The funds can also reduce costs for families and businesses.

We have already waited too long. Thank you for your work on this issue.

¹ http://www.diw.de/documents/publikationen/73/diw_01.c.43084.de/diw_wr_2005-12.pdf