



February 9, 2018

Dear Chair Dembrow, Vice-Chair Olsen, and Members of the Senate Environment Committee
and

Chair Helm, Vice-Chair Power, and Members of the House Energy and Environment
Committee:

Thank you for your consideration of SB 1507 and HB 4001 (Clean Energy Jobs bill – Cap, Trade, Invest) and for the opportunity to provide written testimony on behalf of the members of the Oregon Business Alliance for Climate.

As an organization that represents some of Oregon’s leading and innovative businesses, we urge passage of this important legislation for our state’s long-term economic and environmental health. Significant work was done during the 2017 session which carried into an extensive Working Groups process in the Fall that engaged a broad spectrum of stakeholders across many important policy issues. That hard work is reflected in the comprehensive legislation you have before you now.

We support this proposed legislation because it will reduce Oregon’s emissions through a well-designed, market-based carbon pricing program that will also drive reinvestment and innovation into the State’s economy. It aligns with Oregon’s climate goals, it maintains the viability and competitive health of existing Oregon businesses, offers linkages to the Western Climate Initiative (WCI) and it mitigates impacts on low-income communities, communities of color, and rural communities.

While we recognize and applaud that both Senate and House bills retain the Cap and Invest model and opportunity to link to the WCI, we have identified four key areas where the Oregon Business Alliance for Climate has specific recommendations culled from both bills.

EITE Identification Criteria and Allowance Allocations

The Oregon Business Alliance for Climate supports the language in House bill 4001, which would develop methodology and 3rd party analysis during rule-making to determine which companies would be identified as an EITE. This should be prioritized in rule making and provide sufficient planning and transition assistance to EITE’s. In terms of allowance allocations, we support the concept of a ceiling on free allowances that would decline over time and be supported by emission specific data as it relates to the overall cap.



Offset Compliance Percentages

The Oregon Business Alliance for Climate supports the language in Senate bill 1507 that sets the maximum amount of offsets at 8%. Further, we believe that offset projects should be based on approved protocols which provide for linkage, and uphold environmental integrity ensuring reductions are real, permanent and additional.

Allowance Allocations for Investor Owned Utilities

The Oregon Business Alliance for Climate supports the Senate hybrid approach for allowance allocations for IOU's that consists of a portion of free allowances for existing compliance obligations from electricity generated from coal and a consignment auction model for the remaining emissions. We also recommend that utility-specific baselines be considered during rule-making in order to determine compliance obligation and allowance allocations.

Program Governance

The Oregon Business Alliance for Climate supports the governance structure that includes a 21-member advisory committee appointed by the Governor and staffed by the DEQ. We strongly urge the legislature to include business representation that has experience in program investments, project finance and economics, preferably in the renewables and energy sectors.

Oregon is not on pace to meet the state's carbon reduction goals through voluntary action so legislative action is imperative. Passing Cap & Invest legislation now, in the 2018 short session, will also free up the Legislature to focus its attention on revenue in 2019.

The legislation before you now will provide important momentum for our state to become a Clean Economy leader and provide more family wage jobs in climate resilient industries. We believe this is where Oregon can make its most significant contributions toward addressing climate change – by inventing, developing, building and selling low and zero emission technologies and products.

We urge you to adopt Cap & Invest legislation in 2018 so we can all get to work.

Respectfully,

Tom Kelly, Chair
and Members, Oregon Business Alliance Board of Directors



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Ameresco
ARCIFORM
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