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February 22, 2018

**RE: OPPOSITION TO -12 AMENDMENT TO HB 4001**

Dear Chair Williamson, Vice-Chair McLane, Vice-Chair Rayfield, and Members of the House Rules Committee:

As organizations representing Oregon's Consumer-Owned Utilities (COUs), we urge you to oppose the -12 amendment to HB 4001. While Oregon's COUs feature some of the cleanest carbon profiles in the nation, we worked closely with the Clean Energy Jobs Work Group on compliance tools under a proposed cap and trade program, including free allowances for regulated COUs and local control over allowance revenues. Unfortunately, the -12 amendment eliminates these important provisions and substitutes an uncertain and bureaucratic regulatory regime that offers no protection for our utilities, residential customers, and industries that generate jobs in our local economies.

Previously, we raised other concerns with HB 4001, most notably the incongruity of advancing a carbon pricing program while the State of Oregon devalues our region's greatest carbon-free resource – our federal hydropower – by litigating to spill more water over the dams for an untested fish program. However, we believe the -12 amendment moves the state further in the wrong direction by granting default authority to the Environmental Quality Commission (EQC) to design a cap and trade program. We believe this is the wrong approach: a policy of this magnitude demands robust legislative oversight that is accountable to Oregonians and the communities which we serve.

Finally, the -12 amendment is a dramatic departure from HB 4001 passed by the House Energy and Environment Committee and is further evidence that the short session is not the appropriate venue to pass legislation of this complexity. Accordingly, we urge you to oppose the -12 amendment to HB 4001.

Thank you for your consideration.

Ted Case, ORECA  
Danelle Romain, OPUDA  
Jennifer Joly, OMEU