



February 22, 2018

Chair Williamson,
Members of the House Committee on Rules
Oregon State Capitol
Salem, OR 97301

Re: Strong Support for House Bill 4001

Dear Chair Williamson and Members of the Committees:

Our organizations write in **strong support of House Bill 4001** as an economically sound and urgently needed approach to curbing our climate pollution and furthering climate leadership in Oregon. Capping and pricing climate pollution is a proven cost-effective, market-based solution that benefits the economy, and Oregon is poised to reap the rewards of more jobs, clean air, affordable renewable energy, and clean energy innovation. Proceeds will be reinvested across the state to accelerate clean energy technologies and solutions and build healthy, resilient communities and workforces. After a decade of debate in the legislature, this bill has been worked on intensely over the last three years. The development of this policy has included a 3-month long public working group process in 2017 that took input from hundreds of rural stakeholders, regulated parties, utilities, and communities most impacted by climate change.

We appreciate the commitment to strong climate action reflected by legislative leadership. The -12 amendment reflects a step in the right direction, however, **the Clean Energy Jobs bill reflects a fully-vetted policy that is tailored to uniquely benefit Oregon and is ready to pass in 2018.**

It is urgent that Oregon does more to combat rising climate pollution and invest in clean energy solutions across the state. Oregon currently has no enforcement or accountability mechanisms that ensure our 2050 greenhouse gas goals are achieved; indeed, our state's climate pollution has been on the rise again. A carbon cap and price through HB 4001 ensures our climate pollution is brought under control and we meet the state's greenhouse gas reduction goals. Accounting for the true cost of climate pollution can drive additional investment to our clean energy transition and enhance our existing clean energy initiatives.

Climate change is already harming Oregon's economy, people and places. The cost of inaction is enormous, and we must act urgently and boldly to protect our state. According to the Oregon Climate Change Research Institute (OCCRI), Oregon is already experiencing the destructive effects of climate change caused by human emissions of greenhouse gases.¹ Stakeholders representing natural resource-dependent industries across our state economy including agriculture, fishing, forestry, ranching, wine making, brewing, outdoor recreation, and tourism attested to this reality during the Fall 2017 work groups. Climate change threatens these industries, costing us millions. And the impacts are fundamentally unequal; rural and urban low-

¹ Oregon Climate Change Research Institute, "Third Oregon Climate Assessment Report," January 2017, <https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/99261>

income communities and communities of color are more acutely experiencing the effects of pollution and global warming. **House Bill 4001 prioritizes investments in the people and communities in Oregon who are most impacted by climate change, creating major new opportunities for economic development and workforce training dedicated to rural communities across the state.**

Capping and pricing climate pollution is a cost-effective, market-based solution that benefits businesses. Oregon has proven time and again that we can build a thriving economy and ensure a healthy environment at the same time. A lower carbon economy gives Oregon a first-mover advantage and top-notch workforce. Leading economies around the globe are prioritizing energy efficiency and emissions reductions, including through pricing carbon policies. We can secure Oregon’s role as a thriving engine of innovation, attracting clean-tech investment and talent – or let the opportunity pass us by. **By acting now, Oregon can gain a competitive advantage over other states and nations that are slower to act.**

Growing a clean energy economy and climate-resilient industries is technically and economically achievable in Oregon. DEQ’s study of cap & trade in Oregon – completed in 2017 at the direction of the 2016 legislature – confirmed what years of worldwide experience have proven: a market-based cap & trade system in Oregon offers a “flexible, cost-effective mechanism” for assuring greenhouse gas reductions that would have minimal effects on the state’s economy, and could grow our GDP.² The study shows how pricing climate pollution can help Oregon regain our competitive edge and bring new jobs to both rural and urban parts of the state. As another comprehensive economic study by MJ Bradley found, **existing cap-and-invest programs have saved households money, reduced electricity bills, and created tens of thousands of jobs.**³

We strongly support HB 4001 as an urgently needed clean energy solution that will seize new opportunities and help Oregonians thrive in the face of climate change.

Thank you for your consideration of these comments.

Sincerely,

Meredith Connolly
Oregon State Director
Climate Solutions

Jana Gastellum
Climate Program Director
Oregon Environmental Council

Noah Long
Legal Director, Western Energy Project
Natural Resources Defense Council

² Department of Environmental Quality, “Considerations for Designing a Cap-and-Trade Program in Oregon,” February 14, 2017, <https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/98956>

³ C. Jenks, P. Hansel, MJ Bradley, “Issue Brief: What Would Cap-and-Invest Mean for Oregon?” January 19, 2018: <http://www.mjbradley.com/reports/what-would-cap-and-invest-mean-oregon>