

Southern Oregon Climate Action Now

**SOCAN**

Confronting Climate Change

<https://socan.eco>

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Senate Committee on energy and Natural Resources

Oregon State Capitol

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Salem Oregon 97301

Senators:

I write on behalf of the 1500 rural Oregonians who are Southern Oregon Climate Action Now to offer comments on the current LC19 draft.

### **Urgency**

Before offering comments on LC19, I would like to stress the urgency of our current predicament. For many years, since the industrial revolution, we have enjoyed the benefits of cheap energy in the form of fossil fuels. There is no doubt that our success as a nation, and as a species, is tied to the industrial technology that blossomed as a result of this cheap energy. For most of the centuries that we have enjoyed this energy, we knew little to nothing of the threats that ongoing combustion of fossil fuels was generating. While the first suggestions of the role of carbon dioxide in warming the planet were offered some 200 years ago, it took some one hundred and fifty years for those first suggestions to blossom into the understanding we now have. We now know that among the activities in which we engage, the greatest source of greenhouse gas emissions is the combustion of the very fossil fuels that brought us so much economic success.

Our increasing knowledge of the impact of emissions of these greenhouse gases on the global temperature has been enhanced by our knowledge that this warming is inducing extremely serious climate change consequences that threaten are very way of life. While there are those who accuse climate concerned citizens of being alarmist, the scientific reality confirms that level of concern.

Having a background in biology, specifically ecology and conservation biology, I am particularly alert to the risks we face. This I will explain.

The natural ecosystems, known as biomes to the ecologist, comprise the forests, woodlands, grasslands, deserts, and tundra that bedeck our planet. These are the systems that support the rich biodiversity with which we are blessed. Anyone traveling across the United States knows that from east to west, one passes through deciduous forests, woodland, grassland (long, medium and short grass prairie through Missouri, Kansas and Colorado), to coniferous forests of the Rockies, then grassland in the Great Basin, back to coniferous forests in the Cascades / Sierras, then chaparral woodland in California and Southern Oregon, with coastal coniferous forests appearing as we reach the western seaboard. These biomes survive in these locations largely because two variables provide exactly the appropriate climatic condition to support them. These two variables are mean annual temperature and water availability (measured in terms of annual precipitation). The catch is that if either of these variables shifts much from its historic regime, conditions will no longer support these biomes where they currently exist. To be sure, climate has changed in the past, and these biomes have adjusted their range and location accordingly. However historic climate shifts have been very slow, taking thousands to millions of years. Over such time periods, biomes can shift. However, the impact of our fossil fuel use is to cause rapid climate shift. For example, our impact over about a century is equivalent to the climatic shift that occurred since the depth of the last Ice Age twenty thousand or so years ago. Adding to that problem, humans have established, through our farms and urban infrastructure barriers to the range shift of natural systems.

If we now consider the projected climate change that is likely to befall us over the coming century, we find changes sufficient to compromise all our natural ecosystems. And, of course, as our natural systems are compromised so are the species of wildlife, the plants and animals, of which they are composed. Most of us have heard about the sixth extinction, a potential massive loss of species across the planet emulating the five previous massive extinctions that occurred over the geologic time that life has occupied the planet. Indeed, we are entering this sixth extinction largely as a result of the climate change we are inducing. If we fail to address this problem, by the end of the century it is highly probable that the natural world we currently know and enjoy will be largely destroyed. This is the alarming reality.

If loss of our natural world and natural beauty isn't alarming enough, we should remember that our agriculture, our fisheries, and our forestry are dependent on the same climatic conditions as the natural world. Indeed, they ARE our natural world. Thus, just as we risk losing our natural world, we risk losing our food and fiber.

If understanding the biological consequences of climate change is not alarming, it is difficult for me to imagine what would be.

The question, then, is what should we do about this vexing problem?

Had we initiated programs to address our emissions 30 years ago when we first were warned about the severity and urgency of the problem, we probably could have averted it. However, collectively we chose to ignore it and continue business as usual. The result is that it's too late to avert substantial warming and climate consequences. The question facing us now is: how do we minimize the damage?

The current best science tells us that, in order to give ourselves a reasonable chance of preserving a manageable planet, we need to curtail global warming to 1.5°C above the pre-industrial level. Unfortunately, we are already closing in on that number. Thus, we have reached a state of extreme urgency. Unless we want to leave our children a largely uninhabitable planet we must act, and act now.

There are those who argue that Oregon's emissions are small and relatively insignificant when measured against those of the nation or the globe. Indeed, this is true. But the logical extension of that reality is absolutely not that we should do nothing and just hope everybody else steps up to the plate. The 'do-nothing' argument is bereft of moral or rational basis. It is as reasonable to argue that Oregon should do nothing as it would be for me to claim my taxes are such a small insignificant trifle compared to the Oregon or U.S. Treasury that I shouldn't have to pay any taxes. Such an argument would not only be immoral, it would be indefensible as the basis for a legal case.

What we understand full well is that we all, collectively, are responsible for the problem, and we all, collectively, must do our part in addressing it. Thus, Oregon has a responsibility to reduce its emissions consistent with the global trajectory required to give us a decent shot at that "1.5°C above the pre-industrial level" stated above.

We, the rural Oregonians of SOCAN, are totally supportive of the need to establish a program imposing a steep greenhouse gas emissions reduction trajectory in Oregon. We do, however, have some concerns about LC19 as a mechanism for achieving that essential goal. This brings me to comments on LC19

### **Program Goals:**

Again, if we consult the best available science, we find that our goal should be net zero emissions by 2050 meaning our activities emit annually as much greenhouse gas as natural and other (carbon reduction technology, for example) sequestration activities capture. While such a target may seem rather optimistic at this stage, what we know full well is that we absolutely must put our state on a pathway to very steep emissions reductions such that, over time, we can revisit and reconsider our goals, policies, and programs and decide if any adjustments are necessary.

### **General Principles:**

Two essential general principles should be embedded in any program designed to address regulated greenhouse gas emissions reductions: geographically, the program should be statewide and economically it should address all sectors responsible for regulated emissions. There should not be any geographic region that contributes more or less than others to the effort, nor should any economic sector be expected to contribute more or less than any other to the effort. To the extent that there are benefits, these should be broadly enjoyed, while to the extent that there are costs, these should be equally broadly experienced.

**The Transportation Question:**

The mechanism for targeting initially only fuels sold in the metropolitan Portland area, then incorporating cities above 30,000, and finally adding rural zip codes only if the County elects to opt in represents a serious breach of the General Principle of statewide adoption enunciated above.

The compromise with the transportation section makes the assumption that gasoline prices will rise as a consequence of the program, yet this is neither guaranteed nor expected. In California gas prices were lower a year after the transportation sector was incorporated into the program than they were before. This does not imply that the program was the cause of the price fluctuation, merely that many factors influence gasoline prices. Thus, rather than exempt areas from inclusion into the program, a more just approach would be to offer recourse, potentially through rebates, to those who suffer unduly from any price rise that the program imposes. This would require, also, that fuel importers demonstrate conclusively to the OGGR that the program has induced a price rise before such aspects of the program are activated.

Section 17 eliminates both aviation and watercraft fuel sold in the state. We recognize that to impose a cost on these fuels would compromise the sellers of such fuels in the state viz a viz sellers in other states, but since the program is largely an 'in-boundary' program, maybe a mechanism could be developed whereby the fuel combustion within the state is covered. This would apply to combustion of fuels as aircraft leave the state, and commercial shipping as it travels out of state waters. It would also apply to the combustion of fuel by recreational aircraft and watercraft users inside the state.

**The EITE Question:**

While we recognize that a greenhouse gas emissions reduction program has the potential to affect adversely and unequally those industries that are emissions intensive and trade exposed, it is critical that efforts to account for such not compromise the ability of the overall program to achieve its goals. The benefits for providing consideration to such industries clearly and importantly, benefits workers employed in those industries as well as the profits of industrial owners and shareholders. However, it is also important that accommodating this concern not breach the principle that the program should be economy-wide.

The number of allowances distributed free to EITE industries seems sufficient that it will likely undercut both the generation of revenue, and the capacity for the program to meet its identified emissions reduction goals. If the goals are to be met, this allocation of allowances places the burden on other sectors to make up the difference, yet transportation and utilities sectors are also receiving huge breaks on their need to comply with the reductions trajectory in a timely manner. It also compromises the principle that “the polluter pays.” This, of course, will compromise the principle implicit in the program that it should encourage the transition from fossil fuel to renewable energy. This will likely assure that the social justice groups opposing HB2020 will oppose this proposal.

What is likely to happen with this proposal is that residents of Metro Portland will drive to rural zip codes to buy cheap gas, thus increasing emissions. And as other cities are engulfed in the program, the same will likely happen. Meanwhile, there is no incentive for rural counties ever to vote to opt into the program. Additionally, we can expect that gas station owners in Metro areas will be filing for EITE status since their businesses will be seriously compromised.

Just as with gasoline prices, the assumption that utility (electricity) rates will rise is denied by the track record of the Regional Greenhouse Gas Initiative. Thus, rather than develop a program with the expectation that such rises will occur, the program should make allowances for such a rise dependent on the demonstration by these sectors that the program demands price rises - rather than any price increases being a result of other factors.

#### **The Natural Gas Conundrum:**

An element in the proposal that remains of great concern is that it seems to encourage fossil (natural) gas. This is unfortunate. While it is true that the combustion of natural gas results in lower emissions per unit of energy generated than is the case for coal or oil, this fails to account accurately for the full life cycle damage imposed by the gas. The current reality is that a majority of the gas combusted is fracked gas. Even if we forget for the moment the array of environmental problems generated by the hydraulic fracturing technology - which should be enough to negate any program that promotes this fuel - when we consider the full life cycle assessment of this fuel, we find that substantial emissions of methane result from its extraction, processing and transmission. In fact, because methane is 86 times worse than carbon dioxide on a 20-year basis, and 34 times worse on a 100-year basis, not much has to leak to negate the combustion benefits. Indeed, from a greenhouse gas emissions perspective, fossil gas may well be as bad or worse as a fuel for generating electricity than coal.

We therefore encourage a review and reconsideration of those aspects of the proposal that serve to encourage natural gas. Contrary to the claims of the American Gas Association, natural gas is not a bridge to the future.

## **Social Justice:**

An aspect of previous climate legislation that has been critical for the climate concerned movement in Oregon has been an acknowledgement in any proposal of the need to address social injustice issues with meaningful policy and investments.

While LC19 offers a sound definition of impacted communities in Section 103, the commitment to actually assisting those communities is rather weak as demonstrated below:

Certainly, Section 39 dealing with investment allocations assigns 25% of investments from the Climate Investment Fund to OWEB for natural and working lands, and 25% for wildfire mitigation, presumably thus targeting rural Oregon. However, not all impacted communities are rural. It is unfortunate, therefore, that LC19 makes no specific mention of a percentage of the funds to be allocated to serving impacted communities.

However, rather than assigning funds specifically for this purpose, LC19 seems to offer an array of carefully worded endeavors and encouragements. Thus, Section 25 d “Encourage offset projects that benefit impacted communities, members of eligible Indian tribes and natural and working lands.” Meanwhile, Section 39 (4) urges that “... the Oregon Greenhouse Gas Reduction Board shall endeavor to distribute the majority of the moneys deposited in the fund each biennium for uses that benefit impacted communities. Then Section 41 (A) “Establish measurable, enforceable goals for the training and hiring of persons who are members of impacted communities, as defined in section 4 of this 2020 Act, and for contracting with businesses that are owned or operated by members of impacted communities”

Finally, Section 30 does asks for an evaluation of the co-benefits for impacted communities in the report, suggesting that some benefits to such communities are anticipated.

Nevertheless, we would have more confidence in the ability of LC19 to provide the redress for past climate impacts and potential future impacts of the economic transition if a specific and meaningful percentage were assigned to assisting impacted communities.

Addressing a separate but related concern, in order to protect impacted communities living in areas challenged by poor air quality from offset efforts by polluters that allow them to continue polluting, we suggest adding a component in Section 25 or 26 dealing with Offsets, as appropriate, to the following effect:

“The Oregon Greenhouse Gas Reduction Board may by rule adopt additional restrictions on the number of offset credits that may be surrendered by a covered entity or opt-in entity that is a permitted air contamination source and that is geographically located in an impacted community if:

“(A) The geographic area within which the permitted air contamination source is located is also a nonattainment area and the permitted air contamination source substantially contributes to or causes the nonattainment of air quality standards; or

“(B) The permitted air contamination source is in violation of the terms or conditions of any permit required or authorized under ORS 468.065 or ORS chapter 468A and issued by the Department of Environmental Quality or a regional air quality control authority formed under ORS 468A.105.”

This will allow the OGGRB to protect such communities from unscrupulous polluters.

**Other Comments:**

I wonder if the designation of Code 22112 in Section 11 is correct since the reference is to generation while # 22112 refers to transmission. Meanwhile Code # 221112 refers to generation; maybe this is the appropriate code.

Section 21 (2) (b) What happens if the OGGR and a given EITE don't agree on best available technology emissions. There seems no resolution.

Section 22. I don't understand what this is doing. Why amend an earlier section of the proposal by a later section instead of just changing that earlier section?

Section 26 (3) This should include regenerative agriculture (returning carbon to the soil) as an offset option.

Section 27 2 a D. This seems to be repeated in 2 b.

Section 28 9 This seemingly means that the entire program is rendered moot if the hard price ceiling is met and all allowances on the reducing emissions trajectory are exhausted.

Section 34 4 & 5. If 80% of funds in the Transportation Decarbonization Fund are allocated to metropolitan areas to plan and implement metropolitan climate plans, but this amount must not exceed 1% of the funds in the accounts, where does the rest go?

Section 39 There is no provision for allocation of funds for a Just Transition Fund to serve dislocated workers. This seems unjust and will seriously and reasonably compromise union and labor support.

**Overall Goals:**

Is there available anywhere a study that explores whether the program as proposed has the capacity to induce the trajectory of emissions reductions that are embedded in the bill?

Sincerely



Alan R.P. Journet Ph.D.

