

From: [Eugenia Tam](#)
To: [SENR Exhibits](#)
Cc: [Rep Kotek](#); [Sen Frederick](#)
Subject: Testimony in support of strong climate action
Date: Saturday, January 18, 2020 2:50:47 PM

Members of the Senate Committee, Senator Frederick and Representative Tina Kotek,

My sincere thanks to you and all your staff for the work you put in over the past six months to produce LC 19. I support strong climate action that reduces our GHG emissions and addresses the impact to our low-income and frontline communities as well as the concerns from rural Oregonians. While I very much hope, and have written so to Rep. Kotek and Sen. Frederick in the past, that we can get a bill on capping statewide emissions passed in this short session, I have some concerns about LC 19 that I hope you will consider as you revise it before the legislative session begins:

(1) Transportation fuel phase-in: the bill needs to eventually subject *all* parts of Oregon to allowance compliance, not just "regulating" it but getting 100% free allowance. I understand that there are studies that show that people do not seem to change gas consumption locations based on price variations on the order of the impact of this legislation, but in this situation I think we need to consider the political and emotional factors associated with this bill that will influence individual drivers (who are opposed to the bill or gas taxes in general) and the route changes that will easily happen on the commercial side. Even if, as of now, the geographical exemption by 2025 is only 13% of the gasoline consumption (from McConnaha), this percentage will certainly grow, as the metropolitan regions reduce their consumption, and the price gap between them and the rest of Oregon likely grows. Furthermore, with the use of funds potentially limited to the metropolitan areas, pending the court's decision, we will end up with a severe lack of investment in the rural areas, resulting in delayed transition to clean alternatives and lost job opportunities. A few options I consider to be superior and acceptable:

- Revert to HB2020: full coverage, with the refund/credit proposals in HB2020 to low-income drivers and farm vehicles
- Phase in all of Oregon by 2030, with a refund/credit system for low-income drivers

(2) Insufficient incentive to reduce natural gas usage: An entity's coverage status is no longer dependent on its emissions from natural gas usage -- OPB reported (<https://www.opb.org/news/article/new-climate-change-bill-new-battle-2020-session/>) that this will cut the number of covered manufacturing entities by half. This is unacceptable, and could lead to manufacturers changing to from electric to gas-powered processes in order to escape the cap. We need to either base an entity's status on its full emissions (including natural gas) or establish a separate and lower threshold on emissions excluding natural gas. For the TENGUs, I agree that they deserve assistance to prevent leakage, but I believe the option to receive rate relief in the form of 97% free allowance from 2030, even with the requirement of energy efficiency audits, leaves too much room for companies to avoid taking big steps to reduce their carbon pollution. I would like to see much reduced rate relief, potentially with direct grants from the proceeds for projects to reduce emissions.

(3) Just transition: Imaging myself in the shoes of someone whose livelihood will be impacted by decarbonization, I find very little reassurance in the vague language of this draft ("encourage" and "endeavor") that the state will effectively direct funding to help me and my community. I urge you to include more specific requirements on how much of the proceeds

will go to impacted communities and low-income Oregonians, and how the funds will be spent. The governance of the program should include representatives of those impacted communities.

Finally, looking at the media coverage and testimonies from across the state, I see a lot of opposition from folks who do not know how the bill will affect them and are naturally imagining the worse. I hope the committee and legislative staff can communicate better to the media some typical scenarios and what monetary impacts (if any) and what benefits they will actually see. This is a complex program -- for the folks who are ideologically opposed to this to begin with, and who has only time in their busy lives to read a few news articles and watch the daily news, we need to make it easy for them to understand how the program will affect them.

Thank you for your time and I look forward to Oregon joining the many other states in taking a bold climate stance this year.

Sincerely,
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