



OREGON CHAPTER SIERRA CLUB
1821 SE ANKENY ST • PORTLAND, OR 97214
PHONE (503) 238-0442 • FAX (503) 238-6281
OREGON.CHAPTER@SIERRACLUB.ORG
WWW.OREGON.SIERRACLUB.ORG

To: Members of the Joint Committee on Carbon Reduction
From: Rhett Lawrence, Oregon Chapter Sierra Club
Date: February 15, 2019
RE: House Bill 2020

Chair Power, Chair Dembrow, and Members of the Committees: On behalf of the more than 25,000 members and supporters of the Sierra Club in Oregon, I am pleased to provide this testimony in support of the Clean Energy Jobs bill – House Bill 2020 – and we hope this important legislation can become even stronger.

Climate change is the biggest environmental, social, and political challenge of our time. Unless we act immediately to curb emissions of heat-trapping pollutants, especially carbon dioxide and methane, we will be unable to mitigate the worst effects of this crisis: rising sea levels; mass plant and animal extinctions; an increasing scarcity of crucial natural resources; a greater frequency of extreme weather events; the spread of toxins, pests, and pathogens; widespread displacement of peoples; and unprecedented social upheaval.

You all know this, of course, and that's why you have been so diligently working on the Clean Energy Jobs legislation for the last year and longer. As an organization with a long history of working to combat climate disruption, the Sierra Club also has a great interest in finding a comprehensive policy to account for the true costs of climate pollution. And while we recognize that no system is perfect and there are no silver bullet policies to solve the climate crisis, the Sierra Club supports cap-and-invest policies such as those in HB 2020.

This legislation is a necessary first step in what Oregon needs to be doing to combat climate disruption. And though we are a small state, Oregon plays a role in the global problem of climate change, so it is incumbent on us to show leadership and provide a model for how climate policy can be done right. By providing a true accounting of the price of carbon in our state's economy, we can encourage further investment in beneficial policies and technologies like energy efficiency, conservation, and renewables and simultaneously move away from planet-destroying pollution.

Capping and pricing climate pollution works because it allows us to make the biggest polluters pay for reinvestments in communities to grow the local, clean energy economy, particularly when those investments go to places struggling economically – rural, low-income, Tribal, and communities of color. If we can remove at least 500 million metric tons of pollutants from the atmosphere by 2050 and create thousands of clean energy jobs, these would be real gains for our communities and for our planet, and they are worth pursuing. No other policy this session will do more to reduce climate pollution in Oregon and tackle humanity’s greatest problem. It’s taken years of work to get here and it is past time for bold action.

However, the Oregon Sierra Club believes that we must prioritize solutions that benefit all Oregonians, not just a select few. We believe that HB 2020 can do that, but we think it needs some changes if it is going to be truly effective and equitable:

- **Interim targets:** The policy and targets must be consistent with the best climate science and significantly reduce emissions with an economy-wide emissions limit that declines each year. We appreciate that interim targets have been included in this legislation, but we believe we need to be moving even faster. Given the recent dire news from the Intergovernmental Panel on Climate Change, we think the legislation should include targets to reduce GHG emissions by 20% by 2025, at least 55% by 2035 and 100% by 2050.
- **Decision-making structures:** We need them to be transparent, equitable, flexible, and accountable. We have previously recommended that all advisory and oversight committees should have an over-representation of historically underrepresented communities, and we believe the bill does a good job of providing for that. We ask that the Environmental Justice Task Force, equity groups, and Sovereign Nation representatives play significant and meaningful roles in the program’s oversight to ensure both equity and environmental protections.
- **Allowances:** We disagree with the investor-owned utilities being given free allowances through 2020 and believe they should be paying for their allowances right away. We also believe the list of emissions-intensive, trade-exposed industries (EITEs) is too generous and that there should be no more than 25% free allowances for EITEs. And regardless, any accommodation for EITEs should support in-state production, be needs-based only, be regularly re-evaluated, and be phased out altogether by 2030.
- **Offsets:** We believe that the offset limit in the bill is too high and that offsets should be limited to Oregon-only projects, with a limit of 2%. Offset benefits should accrue to Oregon communities and should not contribute to pollution “hotspots” in other states.

We must also ensure rigorous accounting methods to accurately assess the carbon sequestration impacts of offset projects, particularly for measures to increase carbon sequestration in forests, wetlands, rangelands, and agricultural lands.

- **Exemptions:** We believe that there are also too many exemptions in the bill and that every polluter should be subject to the cap. The current exemptions for aviation, marine, and railroad fuels, as well as for fluorinated gas users and solid waste incinerators, should be removed from this legislation. And any attempt to exempt the proposed Jordan Cove LNG terminal from coverage in the legislation must absolutely be denied.
- **Allocation of Proceeds:** We have previously recommended that proceeds from the sale of allowances must prioritize investments in low-income, Tribal, and rural communities, and especially in communities of color. We believe this bill does a good job of prioritizing those resources, but we do have some other suggestions. First, we believe the funding allocations in the Climate Investment Fund should be defined more specifically to direct 50% to impacted communities, 10% to tribes, 20% to natural and working lands, and 20% statewide. We would also like to see the Just Transition Fund have a specific portion of allowance revenues allocated to it.

Ultimately, the solution to our climate woes is to transition off dirty fuels to efficient and renewable energy. Capping and pricing pollution and accounting for the true costs of carbon and other greenhouse gases are the most effective and efficient ways to incentivize the market to cut climate pollution while growing Oregon's economy. The Clean Energy Jobs legislation can get us there if we do it right. We think HB 2020 is a good start and can be made even better with the above recommendations.

But the bottom line is that we can wait no longer, and delaying action on a climate bill is not in the best interest of our communities, climate, nation, or planet. House Bill 2020 must pass in the 2018 session in the strongest possible form. Thank you very much for considering our comments and please do not hesitate to contact me if I can be of further assistance to your committee.

