



THE
CLIMATE
TRUST

Memo

To: Joint Carbon Reduction Committee Co-Chair Representative Karen Power and Senator Michael Dembrow

From: Sheldon Zakreski

CC: Representative Ken Helm

Date: February 21, 2019

Re: Proposed amendment to HB 2020

The Climate Trust supplied written testimony to the Committee on HB 2020 on February 12, 2019. Our written testimony suggested the Committee amend section 19.3(e) by establishing clear rules on the causes for invalidating issued offset credits. As a follow up to our comments, I'd like to provide specific language for the Committee to consider on amending this clause:

Adopt by rule provisions for the office to withhold up to three percent of the offset credits issued for each offset project and deposit the withheld offset credits in an offset integrity account. Offset credits deposited in the offset integrity account established by rule under this paragraph ~~may~~ **shall** be used to replace offset credits that are invalidated ~~pursuant to rules adopted under paragraph (d) of this subsection.~~ **as a result of the Carbon Policy Office reaching a finding that: i) there was a material mis-statement of offsets that were previously issued of more than 5.00 percent of amount of greenhouse gas emission reductions or removals; ii) an environmental, healthy, and safety violation attributed directly to the offset project; or iii) offset credits were also issued under another program and the Carbon Policy Office is unable to enforce an action on the offset project sponsor to surrender a commensurate amount of replacement offset credits.**

Rationale: As noted in our comments, the above changes: i) provide clarity and transparency to Oregon farmers, ranchers, and landowners who might want to participate in the offset market from the onset; ii) are consistent with section 19.3(A) on encouraging offset project aggregation; and iii) are consistent with an offset integrity approach for the purposes of linking with Western Climate Initiative jurisdictions.

Invest with purpose.