

Dear Members of the JCCR Committee;

As an Portland, Oregon resident, citizen, and small business owner I strongly support the recommendations outlined in the document below from 350PDX. It is important to keep HB 2020 as strong as possible.

We are at a tipping point on the issues related to climate change and our actions NOW will have a huge impact on the future of humanity and the planet. The planet deserves immediate attention as we have ignored the repercussions of our damage to the eco-system for far too long.

I urge you to continue your important support of the following policy recommendations.

Re: Policy Recommendations on HB 2020

Greenhouse Gas Emissions Reduction Goals

We very much appreciate that the bill sets cap reduction goals up to 2050 and interim targets. **We believe that the best climate science argues for even tougher targets: 20% by 2025, at least 55% by 2035 and 100% by 2050.**

Allowances

Free allowances provided to electric utilities should only account for their coal to clean committed reductions. We are pleased that funds realized from those allowances will be used to support low income customers. We are pleased that free allowances for gas utilities are assigned in proportion to their low-income customer base to provide programs that mitigate increased fuel costs for those customers.

We recognize that energy intensive and trade exposed (EITEs) businesses are at risk of leakage, and should be awarded free allowances, but the current benchmark of the sector average emission factor is not ambitious enough and should be at most 90% of the average (as in California). Accommodation for EITEs should support in-state production, be needs-based only, be regularly re-evaluated, and be phased out altogether by 2030.

Overall, the current level of free allowances (by our calculations) is 37%, and **we recommend that free allowances be no more than 25% of total allowances.**

Offsets

We recommend that offsets be limited to no more than 4%. We very much appreciate that the bill calls for at least half of those offsets providing environmental benefits for Oregon. We also appreciate that offset credits may not be used near impacted communities which suffer from non-attainment of air quality standards. Lastly, we appreciate your recognition of the need to ensure offsets are “real, permanent, quantifiable, verifiable and enforceable.”

Exemptions and Exclusions

We believe that all major polluters of greenhouse gases need to be subject to the cap, including semi-conductor GHG pollutants and aircraft and marine fuels. We also want to see municipal waste incinerations included.

New Fossil Fuel Infrastructure

We are pleased that new fossil fuel infrastructure projects with greater than 25,000 tons of CO2 emissions are covered by this bill. Our hope is that no new major fossil fuel infrastructure projects will be allowed in the future.

Auctions

We are pleased to see that an auction price floor is set for 2021 and that that price will be increased by a fixed percentage over inflation annually.

Allocation of Proceeds

We are pleased that moneys in the **Transportation Decarbonization Account** will prioritize benefits to impacted communities. We believe strongly that those funds must be used in a way that helps us transition to a clean energy economy that will meet the GHG goals set forth in the bill.

We are pleased that moneys in the **Climate Investment Fund** will focus on energy efficiency and energy conservation projects, electrical grid decarbonization, transportation electrification, investments in natural and working lands to support GHG sequestration, development of clean energy infrastructure, and projects to increase the resilience of fish and wildlife ecosystems. **We do want to see specified allocations: 50% to impacted communities, 10% to tribes, 20% to natural and working lands, and 20% statewide.**

Just Transition Fund

We appreciate the intent of this fund to support economic diversification, job creation, job training and provide support and re-training for workers who need to transition into the clean energy economy. However, a specific portion of allowance revenues needs to be allocated to this fund.

Public Utility Commission

We would like to see the PUC adopt as a core part of its mission supporting the state of Oregon's transition to a clean energy economy. We are pleased to note that the PUC is required to ensure utilities use proceeds from sale of allowances to reduce GHG emissions and provide bill assistance, weatherization, energy efficiency, transportation electrification and grid modernization. We also appreciate the provision for differential rates for low income residential customers.

Carbon Policy Office [To Become the Oregon Climate Authority]

We are pleased that the Oregon Climate Authority will be created that will coordinate needed actions to ensure GHG goals are met. We are pleased that this authority will bring into one agency key departments from DOE and DEQ. This new agency must have the necessary regulatory authority to ensure compliance with requirements set out in the bill.

Governance

We appreciate that a nine-member citizen advisory committee is to be established that has geographic and socioeconomic diversity. **We feel strongly that the need for racial diversity and representation by tribes also be called out.** We recommend that five-year reviews be conducted and reported to ensure accountability to the goals of this bill.

Sincerely,
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Artistic Director

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