

To: Representative Andrea Salinas
From: Jeanne Roy
Address: 6805 SW 12th Ave. Portland, OR 97219
Date: February 24, 2019

Subject: HB 2020, Cap and Trade Bill

This is the most important bill for the legislature to pass this session! Although it will cause disruptions in Oregon's economy, the costs of inaction are too great. We know that cap and trade has been successful in California and has stimulated the economy rather than depressing it. This bill will (1) help Oregon meet our climate goals, (2) bring about investment in clean energy, (3) reduce pollution, and (4) create jobs.

Below are some specific comments about the bill.

What should be retained in the bill:

- Cap reduction goals for 2025, 2035, and 2050
- Free allowances for gas utilities assigned in proportion to their low-income customer base to provide programs that mitigate increased fuel costs for those customers

What should be amended:

- Free allowances provided to electric utilities should **only** account for their coal to clean committed reductions.
- Regarding free allowances for energy intensive and trade exposed businesses, 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 EITs should support in-state production, be needs-based only, be regularly re-evaluated, and be phased out altogether by 2030.
- Free allowances should be no more than 25% of total allowances.
- Offsets should be limited to no more than 4%, at least half of those offsets should provide environmental benefits for Oregon, and they should be real, permanent, quantifiable, verifiable and enforceable.

I would appreciate hearing your thoughts about the bill.