



Crook County

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March 1, 2019

Joint Committee on Carbon Reduction
Co-Chairs Senator Michael Dembrow and Representative Karin Power
Co-Vice Charis Senator Cliff Bentz and Representative David Brock Smith Committee
Members

RE: Cap and Trade Legislation- HB 2020

The Crook County Court is the board of commissioners for Crook County. We are concerned over the impact of proposed legislation regarding carbon cap and trade. Our community has firsthand knowledge of how competitive the recruiting and retaining manufacturing businesses can be. We also have lived through the effects of governmental policy changes that resulted in the loss of the timber industry affecting livelihoods, funding of our schools, and roads. We fear that the effects of the proposed Cap and Trade legislation could be just as devastating if not worse to Prineville/Crook County and all of rural Oregon, as the loss of the timber industry was.

HB 2020 will affect the majority of Oregon's industrial base with the cost of meeting emission benchmarks. This bill will result in driving up costs that will lead to companies losing viability, reducing labor force, or simply relocating to another state or going out of business. Business interests such as Tech/Data centers who will be subject to cap and trade legislation due to the use of backup generators for operations, will simply scratch Oregon off their site list for further investment and would invest their capital elsewhere.

The average middle class worker will be faced with higher utility costs for their homes, and higher fuel prices for their transportation needs. Rural Oregon has limited public transportation access, and just going to the doctor, work, school, and grocery store typically involves driving one's vehicle for 10, 20, 30 miles or more. Northwest Natural Gas estimates during the first year under the cap and trade legislation, prices for homeowners would go up 11% for natural gas customers, and by year 2040 the increase from cap and trade requirements would increase price by 53%. Increases like this would significantly exceed the Consumer Price Index.

We believe our community members value the environment, and our community has taken remarkable steps to manage many of our resources responsibly. Crook County has worked to advance the cause of environmental protection, and is not voicing its concerns out of reflexive anti-environmentalism. The County has approved the largest solar energy facility in the state, and several more solar energy facilities of various sizes have also been approved. Eleven different County offices use solar panels as well. We believe our citizens will invest in the environment when it is practical and provides value.

Regarding the joint committee on climate action described in HB 2020, Crook County strongly encourages the membership to be appointed with consideration for the geographic diversity of the State and the variations among differing communities. This will help ensure that the broadest possible set of experiences will be able to contribute to a productive, beneficial, and informed legislative action.

Agriculture is and always will be a green industry; farmers and ranchers are natural environmentalists and will be harmed far more than Oregon will benefit from the proposed cap and trade legislation. Rural Oregon's economy is dependent on the farm and ranch families.

HB 2020 will levy substantial costs for fuels and narrow the sustainability of Oregon family farms. Unlike other businesses, farmers can't simply raise the price of goods to offset operating costs. Rural agriculture cannot remain competitive on the global market under the proposed Bill which will open the door for more imported food from other countries with less food safety and lower environmental standard requirements like Mexico, China and Brazil. Oregon farm families will not even be competitive with other US Farms. HB 2020 lacks the appropriate oversight and creates more costs associated with increased bureaucracy and should not be a vehicle that permanently funds a Governor-appointed task force that is harmful to Oregon agriculture.

As drafted, HB 2020 would create as-yet unknowable additional costs for Oregon landfills. Landfills necessarily create methane through the natural decomposition process, and although when a sufficient amount of methane is generated it can be used to generate energy, with or without that energy generating equipment carbon will also be released. The bill would not exempt landfills which do not generate enough methane to require energy generating equipment. This would therefore require local landfills to either pay potentially ruinous amounts of taxes, or endure the expense of obtaining methane energy equipment despite the amount of methane being too little to be at least revenue-neutral, or to cease operations entirely. That is a choice which communities like Crook County cannot easily endure.

Crook County is concerned with the creation of a new state agency. The Carbon Policy Office would be endowed with enormous authority under HB 2020, which can be implemented directly through the imposition of administrative rules. This includes authority to establish, by rule, which entities are exempt from compliance with the other administrative rules the Office should create. We feel that the authorities that HB 2020 would place upon this new, unelected public office, should instead be reserved for the Oregon Legislature, and the senators and representatives who are democratically elected. It is to the Legislature that our system of government places the responsibility to deliberate upon matters of statewide concern, and how policies may be crafted to address those concerns. Delegating these solemn responsibilities to an unelected official diminishes our democracy and limits the public's ability to participate in the process of establishing the laws which govern our daily lives.

We do not see the value in what will be a "tax increase" for our citizens to bear with no meaningful reduction in carbon emissions in the enactment of HB 2020 (Climate Action Program or Clean Energy Jobs).

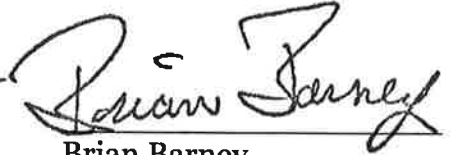
Thank you,



Seth Crawford
County Judge



Jerry Brummer
County Commissioner



Brian Barney
County Commissioner