



Good for the Economy.
Good for the Environment.

March 8, 2019

Oregon State Legislature
900 Court Street NE
Salem, OR 97301

RE: House Bill 2020 – **SUPPORT**

Dear Members of the Oregon State Legislature:

As three leading business organizations representing or collaborating with large companies, small businesses, investors, farmers, and other business leaders across Oregon, we write to express our strong support for House Bill 2020. HB 2020 would establish a carbon pricing program, empowering Oregon to achieve its greenhouse gas reduction goals at least-cost while driving investment and job creation throughout Oregon.

Collectively, our organizations represent or collaborate with more than 100 businesses and more than 400 business leaders across Oregon. Our organizations and members acknowledge the economic imperative to address climate change and see the enormous opportunities that a shift to a low-carbon economy represents. Thanks in part to smart existing clean energy policies like the Clean Fuels Program, Oregon is already home to more than 55,000 clean energy jobs, including over 11,000 jobs in rural Oregon. HB 2020 would send a clear, long-term signal to businesses and investors that Oregon's clean energy market is primed for expansion, drawing increased private investment to our state and driving additional job growth in the statewide clean energy and low-carbon economy.

Market-based carbon pricing programs similar to that proposed in HB 2020 have a proven track record of effectively reducing greenhouse gas emissions while spurring innovation and investment in the low-carbon economy and facilitating continued growth across the broader economy. In California and in the Northeastern states cooperating in the Regional Greenhouse Gas Initiative, greenhouse gas emissions have fallen while clean energy jobs and Gross Domestic Product have increased, even outpacing growth in neighboring states. As further illustration of this harmonious relationship between pollution reduction and economic growth, a recent independent study commissioned by the Governor's Carbon Policy Office found that HB 2020 would add around 50,000 jobs to the Oregon economy and increase our Gross Domestic Product by 2.5 percent. Importantly, the report notes that these gains will benefit all 36 counties across Oregon and households in all tax income brackets.

While the opportunities are great, the consequences of inaction would be devastating. According to the National Climate Assessment, climate change could cost the U.S. economy \$500 billion per year by the end of the century. The wildfires that choked large portions of Oregon and

paralyzed regional economies the past two summers are an indication of the rising costs we can expect unchecked climate change to exact on our state, placing ever-greater financial strain on the state and making it increasingly difficult to do business here.

To maximize the greenhouse gas reductions and economic growth stimulated by the program, the Legislature must pass a strong bill that enables linkage to the Western Climate Initiative, which will lower administrative costs and expand market opportunities for Oregon businesses. At a minimum, that means maintaining interim reduction targets and ensuring transportation fuels are included under the cap from day one of the program. Additionally, passage of HB 2020 should not come at the cost of Oregon's Clean Fuels Program, which has demonstrated itself to be successful at both driving greenhouse gas reductions and catalyzing investment and job growth in the clean fuels industry.

We urge you to support HB 2020 and hold the line with current provisions in order to capitalize on the growing momentum in Oregon's clean energy and low-carbon economy.

Sincerely,

Anne L. Kelly
Vice-President, Government Relations
Ceres

Bob Keefe
Executive Director
E2 (Environmental Entrepreneurs)

Nancy Hamilton & Steve Baczko
Co-Directors
Oregon Business for Climate