



March 8, 2019

Co-Chairs Dembrow and Power,
Members of the Joint Committee on Carbon Reduction,

RE: Testimony in Support of HB 2020

My name is Mike Riley. I am the executive director of The Environmental Center here in Bend. Our mission is to embed sustainable thought and action into daily life in Central Oregon.

Thank you for coming to Bend on March 1 and giving me and other community members an opportunity to testify on HB 2020.

I am writing today to supplement my testimony in support of HB 2020 at the March 1 hearing.

Oregon needs to take bold action to reduce its contribution to climate change. With no federal leadership, states like Oregon must take the lead. HB 2020 will be a win-win for Oregon. The bill will cap and then reduce carbon pollution from the largest polluters in our state and invest the proceeds in a clean energy future. It will also strengthen our economy. As the study recently presented to the legislature confirmed, HB 2020 will spur job and GDP growth and will add to household incomes across all income brackets.

As you know, local communities are doing their part to reduce climate pollution. My organization is partnering with the City of Bend to develop its climate action plan, to be adopted later this year. There are a whole range of local carbon reduction projects that HB 2020 funds could be used to support. Here are just four examples:

1. energy efficiency and solar investments in homes (including on affordable housing projects) and businesses to cut energy bills;
2. capturing methane from our local Knott landfill and putting it to a beneficial use (which is currently not happening);
3. improving the efficiency of water delivery and use on local farms; and
4. generating electricity from in-line hydro in local municipal and irrigation district water delivery systems.

These investments would help our community reduce climate pollution **and** meet other existing community needs, like reducing housing costs (for owners **and** renters), developing environmentally responsible waste management systems, better managing our region's precious water resources, and reducing operating costs for local governments.

I also want to express some concerns about the current bill, specifically the number of free allowances for the utilities that would be regulated under the bill. These free allowances could have two perverse results: 1) incentivizing the use of coal and other carbon-intensive fuels; and 2) putting some independent power producers at a competitive disadvantage.



As you finalize this bill, I urge you to ensure that:

- It does not create market inequities between carbon-intensive power sources or otherwise incentivize the use of carbon intensive fuels;
- Electricity markets have accurate carbon accounting for as much power as possible;
- It contains strong oversight for how the IOUs and other regulated entities comply;
- It includes clear criteria for the use of investment dollars and that those criteria prioritize investments in projects and activities that will measurably reduce GHG emissions. Without clear criteria we risk politicizing the biennial investment allocation decisions and creating a boom/bust cycle for GHG reduction activities and projects.
- There are some investment funds available for local governments/communities to development and implement climate action plans; and

Thank you for your diligence in developing a sound carbon cap, trade and invest policy for Oregon.

Please pass a strong bill this legislative session.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Riley".

Mike Riley
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