



## Oregon AFSCME Council 75 Opposition to SB 928

Chair Dembrow, Vice-Chair Olsen and members of the Senate Environment and Natural Resources Committee,

Oregon AFSCME Council 75 represents around 27,000 workers in the state of Oregon, including many who do environmental and carbon reduction work at the Department of State Lands - Local 2238, Department of Land Conservation and Development - Local 3772, and the Department of Environmental Quality - Local 3336. Thank you for this opportunity to provide testimony in opposition to SB 928, the creation of the Climate Authority. Our opposition is specifically in regards to the removal of the Greenhouse Gas Reporting Program from DEQ and to setting up the Cap and Trade program within the new Climate Authority.

Greenhouse gas emissions are regulated under the Clean Air Act. They are largely produced at the same time and from the same sources as the conventional air pollutants that DEQ regulates to protect Oregonians' health and our environment. The Greenhouse Gas Reporting Program works closely with other critical regulatory programs at the agency such as stationary source permitting, Clean Diesel, Clean Fuels (a successful, market based program), Materials Management, and others across the divisions of the agency. Keeping the Greenhouse Gas Reporting Program with the other climate and environmental protection work at DEQ, allows for a more efficient and targeted suite of measures to reduce conventional, air toxics, and greenhouse gas emissions. Environmental regulation, especially for air pollution, has always meant understanding and regulating energy on its own as well as in industrial processes.

Moving Greenhouse Gas reporting and regulation from DEQ to another agency means two agencies tracking the pollutants emitted by industry. DEQ has established regulatory experience. Businesses know how DEQ operates. There are established relationships and processes. Adding another agency that oversees air pollution, will only create complications and confusion. DEQ already has experienced staff and procedures to successfully handle technical assistance and enforcement cases. The proposed Climate Authority will need to recreate that wheel at the same time it's hiring the necessary staff and standing up the cap-and-trade program, if that is also passed, a program that DEQ has been preparing for as that policy discussion has happened over the last few sessions. The Governor's staff has recognized that DEQ's experience is valuable and has told AFSCME that they plan on leaning on DEQ staff for their expertise in helping set up this proposed agency and Cap & Trade program, problematic in that it adds to DEQ's work without the resources. This becomes a longer term problem with the -7 amendments by keeping the rule making with the EQC and the GhG program until the end of 2021.



## Oregon AFSCME Council 75 Opposition to SB 928

DEQ's infrastructure is ready for additional greenhouse gas reduction work including Cap & Trade. Not only does it fit naturally with the current work, for the previous legislation DEQ has provided fiscal analysis, have researched rule making, and program implementation and enforcement. Currently, DEQ is updating the data management system and is in a place where the carbon reduction program could be added efficiently. Moving cap & trade to the proposed Climate Authority means that an entirely new process, timeline and cost to setting up a new data management system with the soonest implementation timeline of three years. In addition the timing of the project, the software company that is building the Environmental Data Management System is the company that has also built the greenhouse gas reporting software for other governments that have Cap & Trade programs and who are in the WCI use, making not only the timing but the cost efficiency of putting Cap and Trade at DEQ the right choice.

AFSCME also has serious concerns about the resources a Climate Authority could extract in the future from multiple agencies whose staff work on carbon reduction and climate policy in a broad sense. That includes programs like materials management and air quality planning at DEQ as well as other agencies' work on land-use planning, transportation planning, water and forestry management, and climate change resilience. Climate policy should be thoughtfully and deliberately developed and implemented within each agency and among agencies. One Director, directly appointed by the Governor, in charge of and directing state climate policy is a vastly oversimplified and ultimately ineffective solution to a complex problem.

In addition to the concerns about the director appointed by the governor, we are concerned about the argument the cap & trade program would need to be overseen by an agency with a director that has rulemaking authority for the sake of market flexibility. The California Air Resources Board has a largely identical agency plus rulemaking commission structure (though the appointed chairman of the ARB is full time and more of the political head/CEO figure for the agency, and the Executive Officer is more of a COO). There are a couple of different flavors of market emergencies, but one happened last year when Ontario had a change in government and the new Conservative government said during the transition they would pull out do the linked WCI market. ARB and Quebec officials acted within the day to electronically unlink Ontario from the allowance market, and then later followed up that staff/executive officer level decision with a rulemaking formalizing the delinking. And in practice DEQ has a much swifter rulemaking procedure than ARB does, and can run an emergency rulemaking to the EQC within a week or two if a rule change is needed.

Market emergencies will happen, but reserving the powers and decisions to respond to them to the rulemaking commission isn't how these programs were set up elsewhere and isn't a likely outcome if the program is given to DEQ.

As you've heard, for AFSCME, and particularly for AFSCME Local 3336, the represented workers at DEQ, our opposition to the Climate Authority is because we believe in and work for



## Oregon AFSCME Council 75 Opposition to SB 928

effective and efficient government service. Moving the Greenhouse Gas Program won't just impact the people in that program, but will have a ripple effect throughout the agency and likely other agencies. The work of carbon reduction is critical and we must be smart in implementing it in a way that sets us up for success. Creating a new agency seems neither effective nor efficient to set up cap & trade for success, when we have an existing agency with the experience and infrastructure to take on this work.

Respectfully submitted by Eva Rippeteau, Political Coordinator, Oregon AFSCME Council 75