



Eugene Water & Electric Board

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February 3, 2020

The Honorable Michael Dembrow
Chair, Senate Committee on Environment and Natural Resources
900 Court St. NE
Salem, OR 97301

Chair Dembrow, Vice Chair Olsen, and Members of the Committee:

Oregon's largest public utility, Eugene Water & Electric Board (EWEB), supports SB 1530, a well-designed carbon pricing program that would put Oregon on track to meet our share of greenhouse gas (GHG) reductions.

EWEB has taken great care to evaluate policy options to determine the best way to reliably achieve the state's emission reduction objectives at the least cost to electric customers. This includes partnering with ten (10) other electric utilities in the region to commission a comprehensive study evaluating different types of policies designed to reduce GHG emissions in the electric sector. From the results of this comprehensive study, in conjunction with the similar findings of the Northwest Power and Conservation Council's 7th Power Plan, EWEB has concluded with great confidence that a price on carbon is the least-cost policy to reliably reduce carbon in the electric sector, while still promoting innovative solutions.

EWEB recognizes the diligence taken by the legislature over two years to fine-tune the workability of the program and eliminate unintended consequences and we appreciate the ample opportunity provided to EWEB for input over that time. SB 1530 allocates free allowances in the electric and gas sectors commensurate to compliance obligations, a standard practice in cap-and-trade programs throughout North America as a means of minimizing cost impacts while still transmitting a price signal to incent emission reductions. The bill treats all clean energy the same irrespective of age, size, location or technology type. It accounts for the annual variability of the regional hydropower system as well as future impacts to that system from climate change. It provides an opportunity to link to other regional programs such as the Western Climate Initiative (WCI) – Oregon does not have to act alone and may spur additional states to act through passage of SB 1530.

EWEB supports SB 1530 as an effective and efficient carbon pricing policy and stands ready to support you in the implementation of carbon pricing in Oregon and in the region. Thank you for the opportunity to comment on this important legislation.

Sincerely,

Frank Lawson
CEO & General Manager
Eugene Water & Electric Board

Rely on us.