

## **SB 1530 Amendment Changes (-35s)**

The -35s include technical fixes, restoration of some items that were inadvertently left out of the -27s, and a small package of policy changes.

Geographic Phase-In: We've made several modifications to the treatment of transportation fuels in the bill:

- Curry and Coos Counties will not be phased in until 2028.
- Same for the two metropolitan areas east of the Cascades: Bend and Klamath Falls.
- Transportation emissions covered will now be 80% in 2025 and 87% in 2028.
- The number of counties voluntarily opting into the program that triggers state-wide adoption is now 23.
- 90% of revenues from transportation will go directly to counties or metropolitan areas that are in the program for emissions-reduction and climate-adaptation projects in their areas. 10% to ODOT for emissions-reduction and climate-adaptation projects around the state.

Impacted Communities:

- Local governments must engage with impacted communities in developing projects funded by program revenues, similar to the process in the Student Success Act. (This was inadvertently left out of the -27 amendments.)
- The Board may limit the use of offsets by companies operating in areas that have air-quality problems.

Incorporating Proposed Amendments: The amendments incorporate suggestions from Senator Olsen (-6) and Senator Findley (-23).

- The Department of Administrative Services will develop an EV procurement model for state and local agencies, making it easier for local governments receiving program revenues to invest in electric vehicles for their fleets. (-6)
- If a manufacturer meets the threshold for being considered Emissions-Intensive Trade-Exposed (EITE) as a result of their process emissions and must go through the "Best Available Technology" process, they don't also have to do a separate energy audit for their natural gas use. The two can be combined. (-23)

Transparency and Public Records:

- The language in Section 23 regarding the narrow protection for confidential business information ("trade secrets") has been tightened to prevent misreading.

- Aside from the narrow exception for trade secrets, everything in the program is subject to public disclosure and open-meeting laws.
- The regulatory agency retains the ability to see all pertinent information in order to prevent instances of industry collusion or market manipulation.

#### Manufacturing:

- Energy-efficiency requirements imposed on a facility as the result of an energy-efficiency audit may be appealed to the Board. There is a similar requirement already in the bill for EITEs and their Best Available Technology requirements.

Timber Unity Recommendations: The Governor and Legislature received four proposals from Timber Unity last week for ways to reduce greenhouse gas emissions in the atmosphere. Elements of them have been incorporated into the -35 amendments in the following ways.

- Directs State Parks to create an annual Tree Planting Day program for local governments to sponsor tree-plantings in public spaces. The plan will be reported to the Legislature by September 2021.
- Directs the Department of Administrative Services to study options for accounting for the greenhouse gas emissions implications of transporting goods and services to Oregon in awarding state procurement contracts. DAS will provide a report detailing these options and recommendations to the Legislature by September 2021.
- Directs DEQ to study options for further reduction of GHG emissions through waste reduction and recycling, including: methods to reduce putrescible waste going to landfills; an analysis of the GHG implications of local versus distant recycling; and opportunities to develop grant programs to improve recycling and compost infrastructure in Oregon. DEQ will provide a report detailing these options and recommendations to the Legislature by September 2021.
- Directs the Legislative Revenue Office to work with Department of Revenue and Business Oregon to identify policy options for addressing barriers to capital investment by businesses in Oregon for fleet conversion, technology and facility upgrades to reduce greenhouse gas emissions, including examining depreciation expensing and subtractions from Oregon tax. DAS will provide a report detailing these options and recommendations to the Legislature by September 2021.

Various Technical Fixes: The omnibus amendments also include a number of very technical fixes to the language in the bill, based on input from stakeholders and agencies.