

February 12, 2020

Chair Dembrow, Vice-Chair Olsen
Senate Committee on Environment and Natural Resources

RE: SB 1530

Dear Chair Dembrow, Vice-Chair Olsen, and Members of the Committee,

We are grateful for the opportunity to express our support for SB 1530 with the -27 amendments. The NW Energy Coalition (Coalition) leads the Northwest's broadest alliance of 100 environmental, civic, and human service organizations, progressive utilities, and businesses, with the goal of designing, promoting, and implementing clean, affordable, and equitable energy policy, grounded in analytical expertise.

The Coalition supports adopting greenhouse gas (GHG) reduction policy in Oregon. Conversations about carbon pricing have been occurring for over decade, while the effects of climate change, including wildfires, increasingly harm our state. Oregon has always been a leader in clean energy solutions, and yet we are currently not on track to meet our statewide carbon reduction goals. Achieving immediate and increasingly effective GHG emissions reductions is critically important, as is the regulatory certainty establishing this policy will provide to utilities and other emitting entities.

The following are some important components of SB 1530 that we would like to highlight, both in the content of the current draft legislation and the opportunities we see to build on this foundation through the rulemaking process.

Consumer protection and impacted communities: We support the measures in place to protect low-income consumers from the effects of the cap, while mitigating the cost of the cap to all other utility customers. Additionally, we support the changes in the -27 amendments clarifying that a majority of the moneys distributed via the Climate Investment Fund will be directed to impacted communities and specifying a minimum investment amount for just transition, dedicated to financial support for workers that are displaced or negatively impacted by climate change. Further, we appreciate the changes to the draft legislation that improve consultation from and participation of impacted communities. We look forward to working with the implementing agencies to ensure that fair and considerable investments for impacted communities are prioritized during rulemaking and that the implementation is carried out in a manner that provides for meaningful participation from all affected interests.

Energy efficiency and demand response: We are strong advocates for the economic savings and emissions reductions that energy efficiency (EE) and demand response investments provide for utility customers. A few weeks ago, the Coalition was invited to provide testimony before the Committee on LC19. The testimony provided by our Policy Director, Wendy Gerlitz, discussed the importance of Section 17, which includes a strong incentive for Trade Exposed Natural Gas Users (TENGUs) to undertake energy audits to identify cost effective EE and to implement measures for an up to five-year payback. The section also includes a loan/grant program for TENGUs to invest in EE. Structures have not historically been in place for TENGUs to access EE, leaving these promising projects unrealized. Initial estimates show that investments in cost-effective energy efficiency with paybacks for up to 10 years could result in \$350 million in savings over 15 years. The inclusion of this provision will help save money for those businesses, while also reducing greenhouse gas emissions.

Additionally, we look forward to engaging in agency rulemaking to ensure that robust demand-side programs are included as a primary means of compliance for both GHG reductions components of SB 1530, as well as for cost management approaches for low-income and other utility customers. The role that energy efficiency and demand response can play in curbing pollution and climate change while protecting industry and jobs cannot be overstated. These investments are a triple-win for businesses, ratepayers and the environment.

In summary, the NW Energy Coalition recognizes the need for urgent climate action from within our state that protects the public interest while prioritizing the leadership and resilience of highly impacted and historically excluded populations. Consistent with our previous testimony on similar measures, we believe a well-designed cap-and-invest policy can result in meaningful GHG reductions and prepare our state for inevitable changes, while minimizing cost impacts particularly to low-income and frontline communities, and utilizing a transparent, inclusive decision-making process that goes beyond ideology to embrace data and real benefits. We need to start now. This bill provides a solid foundation upon which we can build and improve our strategies over time.

Thank you for the opportunity to encourage your support for HB 1530 with the -27 amendments.

Sincerely,



Wendy Gerlitz
Policy Director



Heather Moline
Energy & Environmental Justice Policy Advocate