



The League of Women Voters of Oregon is a 100-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

February 20, 2020

To: [House Committee On Rules](#)
[Rep. Paul Holvey, Chair](#)
hrules.exhibits@oregonlegislature.gov

Re: [HB 4167](#) – The Oregon Greenhouse Gas Initiative – **Support**

“The League believes that climate change is a serious threat facing our nation and planet. The League believes that an interrelated approach to combating climate change—including through energy conservation, air pollution controls, building resilience, and promotion of renewable resources—is necessary to protect public health and defend the overall integrity of the global ecosystem. The League supports climate goals and policies that are consistent with the best available climate science and that will ensure a stable climate system for future generations. Individuals, communities, and governments must continue to address this issue, while considering the ramifications of their decision, at all levels—local, state, regional, national, and global.”

House Bill 4167 is important legislation for greenhouse gas emissions (GHGe) reductions, using a comprehensive approach to the emissions covered, coupled with responsive governance and a flexible framework for improvement. We support the following provisions:

The Cap:

Central to the efficacy of this bill to reduce GHGe in Oregon is the concept of the cap. Total allowed emissions are capped at a given level that decreases by a defined amount each year of the program, consistent with the emissions reduction goals set for 2035 and 2050. Emitters are required to buy allowances for each ton of GHGe they emit above the amount specified by the cap. Allowances to pollute are purchased at an auction, and the revenue from those sales are used for the purposes of the program. Allowances may also be distributed for free, consistent with the overall economic goals of the program.

Governance:

The non-voting members of the Oregon Greenhouse Gas Reduction Board must include representation for impacted communities, both rural and urban, the Environmental Justice Task Force, and the eligible Indian tribes. The seven-member voting Board must have general expertise in energy and climate issues; at least one member must represent impacted communities. Advisory committees convened by the Board and local governments receiving transportation funds must consult or include representation for impacted communities. We support the establishment of the program within the Department of Environmental Quality, utilizing their skills and expertise.

All aspects of the program should be clearly designed with third-party emissions and sequestration verification requirements.

Distribution of Revenue from the Climate Investment Fund:

We appreciate the clarity in the bill for a majority of the moneys distributed from the Climate Investment Fund (Sec 39) to be used in a manner that benefits impacted communities (described in Sec 103). Further, we support that each biennium, the lesser of 10 percent or \$10 million will be used for the Just Transition Fund (Sec 96) and specifies types of consultation and programs supporting economic diversification, job creation and training, and other employment services. Use of funds is restricted to programs and activities that provide financial support for workers displaced or adversely affected by climate change or climate change policies.

The remaining funds shall be distributed: 10% to directly benefit eligible Indian tribes; 20% to local governments to pursue greenhouse gas reductions; 20% to state government prioritizing greenhouse gas reductions; 25% to Oregon Watershed Enhancement Board to benefit natural and working lands; and, 25% to the State Forestry Department for wildfire mitigation - these funds may not be used for fire suppression.

Transportation Fuels:

The treatment of transportation emissions rolls out in two tiers; Portland Metro Planning Area fuel sales are covered from 2022-2024. Starting in 2025, the fuel emissions-pricing extends to the 19 counties west of the Cascades, and Bend and Klamath Falls. The emissions covered, after 2025, represent approximately 87% of the transportation fuels in the state. (A companion bill provides refunds for low-moderate income Oregonians for cost increases due to the program.)

Emissions Reduction Goals:

Climate disruptions continue to intensify on a global scale. As the United States adopts science-based climate policies and programs, and the financial, natural resource and public health effects continue to impact Oregonians, we are optimistic that we will develop both the expertise and the political imperative to adopt more stringent GHGe reductions. IPCC emission goals are extensively researched with regard to keeping average temperature increases below 1.5C by the end of the century. The IPCC calls for net zero emissions by 2050. We need to start our path forward now, and this bill will help us develop the tools to achieve those goals.

We recognize that the Initiative does not address emissions from significant sectors of the economy, both point source and nonpoint source. It does not account for “life cycle” emissions from natural gas extraction, through transport to customers. We do not see restrictions on offset credits that may be surrendered by entities that are in violation of air quality standards, geographically located in impacted communities. The distribution of allowances at no cost, to industries at risk for flight to states with permissive environmental standards, limits revenue intended for investment in development for and transition to an economy powered by clean energy.

However, the Initiative does many things well and thoughtfully. The bill design is flexible and can respond to climate impacts and technological breakthroughs as they develop. Oregon will need to revisit and improve our strategies as the health, economic, natural resource, and regional outcomes for our state evolve. We need to start now.

Thank you for years of hard work to design an economy-wide program that can provide pathways for other states to adopt similar initiatives. The climate emergency requires “all hands on deck.”

Thank you for the opportunity to support this legislation.



Rebecca Gladstone
LWVOR President



Julie Chapman and Claudia Keith
LWVOR Climate Portfolio

Cc: Representative Tina Kotek
Representative Pam Marsh
Representative Karin Power