



February 14, 2023

Chair Lieber
Senate Committee on Rules
Oregon State Capitol
Salem, OR 97301

Re: SB 42 - Oppose

Chair Lieber and Members of the Committee,

Climate Solutions is a regional non-profit working to accelerate clean energy solutions to the climate crisis. **We strongly oppose SB 42.**

The policy landscape in Oregon has changed considerably over the last several years. Climate policy in particular has undergone a seismic shift with the adoption of 100% Clean Energy (HB 2021), the Clean Fuels Program and the Climate Protection Program. These policies, and hopefully more on the horizon, must be implemented through agency rulemakings. Oregon's state agencies, including OPUC and DEQ, are working diligently to promulgate rules for climate policies through robust, inclusive processes despite time and resource constraints. Hamstringing these agencies now with unnecessary and cumbersome requirements will negatively impact their ability to do this meaningful work, and in turn slow progress on our crucial decarbonization goals. We urge you to oppose this measure.

SB 42 is unnecessary. Our state agency staff already perform high-quality fiscal analyses. In their rulemaking processes, agencies examine a comprehensive set of criteria. Rulemakings include ample and myriad opportunities for the public to provide input, including concerns related to economic impacts and jobs. In fact, the Oregon Administrative Procedures Act (ORS 183.336) already requires agencies to seek feedback from potentially impacted parties for development of a fiscal impact statement, in addition to an existing requirement for determining the cost impacts of compliance to small businesses and identifying strategies to alleviate those impacts. Five years after the rulemaking is completed, state agencies are also already required to assess the accuracy of the fiscal impact statement issued upon adoption of the rule (see 183.405).

Additionally, there is no similar request to quantify benefits of these rules, only costs. Insofar as the rule in question is implementing a climate policy, modeling by Energy Innovation has demonstrated a net benefit to jobs and the economy in our state through policies that foster clean energy.¹ The real world results of these programs in action have also demonstrated the same. The Clean Fuels Program, for example, displaced the need for over one billion gallons of oil, created new clean fuels companies and jobs in Oregon, accelerated adoption of electric vehicles (saving people money), and reduced a total of 6.7 million tons of greenhouse gas pollution within its first few years in action for pennies on the gallon.²

¹ [Oregon-Energy-Policy-Simulator-Insights.pdf \(energyinnovation.org\)](#)

² [Oregon Department of Environmental Quality, Clean Fuels Program Costs](#) (latest reported data as of 2021); see also, [DEQ Report to Oregon Legislature: Clean Fuels Program Review \(2022\)](#)

Moreover, the provision in SB 42 requiring an agency to provide a third-party analysis of the fiscal impact of a draft rule upon the request of just 10 people will likely have the counterintuitive effect of increasing fiscal impact by requiring the hiring of consultants for each and every rule. The low threshold for triggering a third party analysis all but guarantees this outcome. Our state agencies are staffed by talented professionals who have demonstrated their ability to perform complicated analyses. **Hiring a third party for every agency rulemaking would both increase costs and create inefficiencies.**

Our state agencies don't need more hoops to jump through. SB 42 would create a drag on agency rulemaking when we should be supporting state agencies as they embark on critical work with limited, well-focused resources. The urgency of the climate crisis necessitates that work at all levels of government be streamlined and efficient.

Sincerely,

Joshua Basofin

Joshua Basofin
Clean Energy Policy Manager
Climate Solutions