



House Committee on Climate, Energy & Environment
Oregon State Capitol
900 Court St. NE
Salem Oregon 97301

February 12, 2024

RE: HB 4112-3 – SUPPORT

Chair Marsh, Vice Chairs Levy and Levy, members of the Committee,

Oregon Environmental Council (OEC) is a statewide nonprofit that advances innovative, collaborative and equitable solutions to Oregon's environmental challenges for today and future generations. Climate Solutions is a regional non-profit working to accelerate clean energy solutions to the climate crisis. On behalf of our thousands of members statewide, we urge your support of the Clean Technology Leadership bill, HB 4112 and the -3 amendment.

The committee passed the 2023 version of this legislation, HB 3579, with bipartisan support last year, and the momentum for this legislation has only grown since last session. From major technology companies and clean energy developers, academic institutions and labor leaders, climate advocates and economic development experts, and local businesses across the state, HB 4112 and the -3 amendment enjoy enthusiastic support from a diverse coalition of stakeholders who are eager for the legislature to prioritize and adopt this key unfinished business this short session.

This committee made important progress last session to advance new programs and investments to set Oregon up for success in leveraging historic federal incentives in climate and clean energy. While the 2023 Climate Package rightfully focused on leveraging the hundreds of billions of dollars in demand-side incentives for individuals and businesses to adopt clean, efficient appliances, zero-emission vehicles, and renewable energy, less attention has been given to new, significant *supply*-side incentives for the production of these clean technologies.

These supply-side incentives for clean energy technologies are critical for 1) creating in-state, family-wage jobs that cannot be outsourced, 2) ramping up the production of technologies such as heat pumps and solar panels which will be in high demand to meet our state climate goals, and ultimately 3) reducing the price for these technologies at the point of sale, rather than at the time of filing taxes. This can help ensure more equitable deployment of clean energy technologies to those who might be unable to afford a higher upfront cost.

The Inflation Reduction Act includes roughly \$60 billion in tax credits, direct loans, and grants for domestic manufacturing across the clean energy supply chain. Right now, companies across the world are seeking to harness these incentives to expand or establish their clean technology businesses and

manufacturing facilities across the United States. HB 4112 seeks to drive as much of this economic growth, job creation, and prosperity to Oregon communities as possible.

HB 4112-3 was developed and informed by conversations with dozens of Oregon-based businesses, innovators, labor, and economic development organizations from across the state. These conversations have made abundantly clear the need for proactive, strategic State leadership to support clean technology companies and manufacturers in Oregon. HB 4112-3 offers a trifecta of solutions that will maximize our competitiveness in attracting, expanding, and *sustaining* new and existing clean energy technology industries and manufacturers right here in Oregon:

First, through the creation of the Oregon Clean Technology Manufacturing Opportunity Fund, this bill will support companies in re-equipping, expanding or establishing manufacturing facilities in Oregon, focusing on those industries without existing domestic manufacturing bases and with the greatest potential for growth in our state.

Second, by creating a statewide policy for evaluating and procuring zero-emission technologies, this bill will further support regional and in-state clean technology manufacturing, which will in turn help address supply chain constraints and ensure affordable access to clean energy technologies.

Finally, recognizing that this legislation must not be the end of the road, but rather the beginning, HB 4112 establishes a statewide advisory council within the Governors' office to identify additional, strategic policy mechanisms and tools to continue to foster clean technology manufacturing in our state.

The -3 amendment clarifies the definition of a clean energy technology manufacturing company and eligible uses of the fund, and adds demographic diversity as a goal of and two members representing academic institutions to the advisory council.

Together, these provisions will make an important down payment toward clean technology leadership and sustained economic vitality for Oregon. For these reasons, we strongly urge you to support HB 4112-3.

Sincerely,

Nora Apter
Senior Program Director, Climate
Oregon Environmental Council

Meredith Connolly
Oregon Director
Climate Solutions