

# Frequently Asked Questions & Answers



## *What is Clean Energy Jobs?*

It's a policy to **cap** and **price** climate pollution from the largest emitters in the state, and **reinvest** the proceeds into Oregon's clean energy economy to create good-paying jobs and make our air cleaner. It will put Oregonians to work by making **clean power like solar** available to more people, improving **energy efficiency** in homes and businesses **to save people money**, building **affordable housing** near transit and investing in more **transportation options**.

## *Why do we need Clean Energy Jobs right now?*

There's a **huge opportunity** in front of us. By building clean energy into all parts of our economy, we'll create good-paying jobs, make our businesses more competitive, and position our state to be an economic engine in the 21st century. We can't let this opportunity pass us by.

Plus, Oregon is **already feeling the affects of climate change and air pollution** -- lung disease, drought, wildfires, extreme weather, and rising acid levels in oceans. Our families, farmers, fishermen and firefighters are all bearing the burden of climate pollution - today. Oregon's emissions are climbing, not falling. Our state must be a leader in tackling this problem for our health and our economy.

## *Who will pay the price on pollution?*

Only those emitters responsible for **25,000 tons of greenhouse gases per year**, about the equivalent of burning 133 train cars full of coal. In other words, your favorite brewery or the store down the street will not fall under the cap, only the **largest polluters** in the state. There are roughly 100 entities covered and about one-third of them are out-of-state oil companies.

## *How much will the large emitters pay?*

The program is set to go into effect in 2021, and climate pollution will be priced at around \$16 per ton to start. At that rate, Oregon will raise about \$700 million per year to reinvest in creating jobs and building clean energy solutions for Oregonians.

## *How does it work?*

Every year, a certain number of permits will be made available by the state. Large emitters will be required to hold one permit for each ton of pollution they intend to put into the air that year. They will buy permits at an auction. Each year, the number of permits to pollute will shrink (lowering the cap and amount of climate pollution), increasing demand for permits. If companies aren't reducing emissions, the price of each permit will go up because of increased demand.

Proceeds from the sale of permits will be reinvested into clean energy solutions in communities all across Oregon. For instance, money can be used to lower the cost of solar panels for homes, schools or businesses. It can be used to help low-income homeowners retrofit their homes at low or no cost to make them more energy efficient and lower energy bills. It can help farmers pay for advanced irrigation systems that save water and money on energy. It can help cities and towns develop better transit options to help people get around.

### *What if a polluter doesn't buy any permits or pollutes more than allowed?*

That polluter would be in violation of state law and subject to legal penalties and fees levied by regulators.

### *Where will the money go?*

\$700 million per year in proceeds from *Clean Energy Jobs* will be reinvested in clean energy solutions -- putting Oregonians to work by making clean power like **solar available to more people**, improving **energy efficiency** in homes and businesses to **save people money**, building **affordable housing near transit** and investing in more **transportation options**.

Major investment will go to reduce pollution and grow opportunities for low-income and rural communities, communities of color, and impacted workers in Oregon. Equity and a just transition to clean energy are central to the policy. None of the proceeds will go to the general fund.

### **A dollar saved on energy is a dollar that stays in Oregon and can be invested in Oregon.**

Oregon is an energy consuming state. Money spent on fossil fuels leaves the state and drives the economies of oil, coal & natural gas producing states and countries. A cap on climate pollution will keep more energy dollars in the state.

### *Has this ever been tried before?*

Yes. 10 states currently have successful cap & invest systems. 25% of Americans live in places with cap & invest program. California is part of the North American Carbon Market with the Canadian provinces of Quebec and Ontario, which all have an economy-wide cap and price on climate pollution. Oregon would link up with this market.

In the Northeast, nine states are part of the Regional Greenhouse Gas Initiative (RGGI), a cap and trade system for the utility sector. Also, in the 1990s, bipartisan federal legislation set up a cap & trade system to stop acid rain. It was largely successful, saving untold millions in infrastructure and environmental damage, and the cost of compliance was about a quarter of original estimates.

### *How is it doing in those places?*

California is cutting emissions while its economy grows. Thanks to its price on pollution, the state has **invested \$3.2 billion in clean energy solutions** and cleaner transportation, more than **50% of which benefit economically disadvantaged communities**. In 2017, California's legislature took a bipartisan vote to extend its program for another 10 years.

In RGGI states, since the program went into effect in 2009, the economy has grown an average of 25% while **electricity prices have fallen 3%** and **emissions have been slashed by 40%**. States are making energy efficiency and renewable energy investments more affordable, 16,000 new jobs were created to do the clean energy work. All 9 states agreed this year to increase their reduction target by 30%.

### *Who will oversee this program?*

By joining the North American Carbon Market, Oregon benefits from not having to set up a big system to handle the auctioning of permits. It's already in place. In the state, the Department of Environmental Quality already monitors pollution and will have a hand in administering *Clean Energy Jobs*. Citizen oversight is built into the bill, including representatives from across the state, diverse backgrounds and industries.

### *Why not a carbon tax?*

Many years of work have gone into shaping the policy in *Clean Energy Jobs*. While several mechanisms were explored by lawmakers and a large coalition of groups, cap & invest emerged as the best policy for Oregon. After a decade of work, it is ready to cross the finish line in 2018.

The cap & invest system in *Clean Energy Jobs* is a flexible, market-based program that will allow industrial emitters to comply in the most efficient, low-cost way possible while still guaranteeing reductions in pollution. Companies will have flexibility for how they cut emissions and the cap gives certainty that emissions reductions will be achieved. By reinvesting the proceeds in clean energy solutions in Oregon and joining the North American Carbon Market, there will be even more options for reducing pollution.

The price on pollution incentivizes large businesses to cut emissions, because for the first time the true cost we, the public, are bearing is recognized and emitters will be taking responsibility for it. Just as we all pay to have our trash picked up from the curb, it's fair for big polluters to pay for what they put into the air. Once improvements are made, those businesses will benefit from cost savings on energy, which will make them more competitive.

A carbon tax does not guarantee emissions reductions like a cap does. While a tax could be set high enough to force a change in behavior by itself, that approach is rigid, possibly regressive and politically untenable, especially in Oregon. There's also concern that tax revenue might not as easily be directed to reduce pollution and create clean energy jobs as proceeds from cap & invest.

## *How does this help communities of color?*

*Clean Energy Jobs* investments will be prioritized for communities that need more opportunities and feel the impacts of climate change first. That means low-income, rural, and communities of color will see major investments.

Renew Oregon's coalition includes voices from communities of color, indigenous communities and advocates for low-income Oregonians. They've been at the table as the campaign worked out the guidelines for a policy we can endorse together. The proposed bill meets those guidelines for investment in communities, job opportunities, and real emissions reductions through access to affordable clean energy, increased transportation options and energy efficient housing.

A few examples of how a transition to a clean energy economy could direct investments toward the most underserved/impacted communities and households in Oregon:

- Increase access to public transit, safe walking and biking infrastructure; reduce pollution through vehicle electrification; and provide affordable options for travel to school and work.
- Fund job readiness and career opportunities (e.g., workforce development programs, on-the-job training)
- Reduce utility bills for low-income households by weatherizing homes and increasing energy efficient heating and cooling.
- Bring jobs and housing closer together. Create jobs and reducing transportation costs by building affordable, energy-efficient housing near transit.
- Fund vanpools for rural farm workers to travel more safely to work and with less fuel and air pollution created.
- Ensure low-income households have access-- at low or no cost -- to community solar projects, which provide bill credits to the households for owning a portion of a solar power project.

## *How does this help rural areas?*

*Clean Energy Jobs* investments will be prioritized for communities that need more opportunities and feel the impacts of climate change first. That means low-income, rural and communities of color will see major investments.

We will create jobs in rural communities because this kind of work has to be done at home and can't be outsourced -- energy efficient construction and installing clean energy like solar, geothermal and small hydro or wind projects. Rural parts of Oregon have ample resources like regular sunlight, strong wind and active geothermal springs to take advantage of these technologies.

Farmers need help using less water and saving on electricity. *Clean Energy Jobs* will help pay to install advanced irrigation systems that are much more efficient, using less water and power.

Small turbines can be installed in the pipes to generate electricity to use or sell -- a new revenue stream for rural economies.

In Lake County, they've converted schools and the hospital to run geothermal heating and cooling, saving thousands on energy costs and putting good people to work. Better, cleaner transit in and between towns in rural Oregon will mean people will have less-expensive options for going to the store, school or their jobs.

Rural landowners, like the Warm Springs Tribe in Eastern Oregon and the City of Astoria, are rewarded for protecting trees and clean water with proceeds through *Clean Energy Jobs*. Right now, the money comes from large emitters in California. The trees in Oregon absorb carbon dioxide, so by paying to keep the trees standing, those companies "offset" some of their contributions to global warming. The tribe and the city earn both a significant income for capital improvements and have bolstered the security of their watershed.

### **TOUGH QUESTIONS**

*Will the price of electricity and gas go up?*

*How much will it cost me? Am I going to pay more?*

*How will this make me change my lifestyle?*

It's important to remember we're already paying a price today for fossil fuel pollution -- at the doctor's office (asthma, lung and heart disease), at the grocery store (drought), and rebuilding after severe storms and fires. The sooner we move off of fossil fuels and run our economy on clean energy, the better.

A lot goes into determining what we pay for energy. A price on pollution will be part of the equation and so will cheaper, clean energy. There's protections against regressivity built into the policy, like rebates for electricity customers. Better access to transit, electric vehicles, solar power and energy efficiency means lower bills for Oregonians over the long term.

In the 10 states with a cap and invest policy in place, economies are growing while emissions fall. In RGGI states, the price of electricity has actually fallen 3.4% since the program began, partially through reinvestment in energy efficiency upgrades to homes and businesses. Investments for *Clean Energy Jobs* will help businesses and homeowners save money and we'll create jobs in Oregon.

We know from other states that if this causes any change in gas prices, it will be no more than the difference between the gas station closest to your house and the one farther down the road. We see those differences all the time. Hurricane Harvey spiked gas prices by 20 cents nearly overnight. The volatile world oil market, Russia, and OPEC will add more to the cost of gas than anything we do in Oregon. A transition to locally-made clean fuels and electric vehicles will protect Oregonians from big oil's price spikes and clean the air.

## *Won't this just drive businesses out of the state? Or keep them from moving here?*

Oregon is a great place to do business. Our workforce is talented, creative and hard-working. Our state's economic growth is among the fastest in the country and our unemployment rate is near historic lows. We've done this, in part, because of forward-thinking on clean energy and valuing our workers. People want to work and grow businesses in Oregon.

In the 10 states with cap and invest programs, like the one in *Clean Energy Jobs*, the economies are growing and they're adding thousands of jobs. They have not experienced large businesses leaving because of the policies. Reinvesting proceeds to make businesses more efficient and added renewable power makes them more competitive. That's what this bill will do.

There are protections in the bill to keep Oregon businesses competitive. Those industries which use a lot of energy and are exposed to out-of-state competition can be granted some flexibility to keep their costs down while they make improvements to clean up their emissions.

Most businesses won't fall under the cap because they aren't large polluters. Many businesses come to Oregon because of our clean energy policies. More and more businesses are looking for clean power because it's cheaper in the long term and gives them a strong brand reputation. For those that would be large enough emitters, the cap system can be designed to allow for new businesses to come into the state and remain competitive by easing them under the cap.

## *Isn't this regressive? Doesn't this raise prices and hurt low-income people the most?*

The impacts of climate change and burning fossil fuels fall hardest on those who can least afford it. Low-income Oregonians, communities of color and rural areas are hit first and worst, and often are the least to blame for pollution. They're already paying the price in increased medical bills from asthma, higher grocery costs from drought, and missed work or health problems in extreme heat waves.

At the heart of this policy are both protection and opportunity for impacted communities. Job opportunities, energy bill savings from efficiency and renewables, new affordable housing near transit, and less-expensive transportation options will all benefit these communities. Additionally, there will be rebates on electricity bills to make sure the transition to clean power won't be regressive in the short term. More electric buses, cars and trucks in high-traffic neighborhoods will mean cleaner air to breathe right away.

## *Doesn't Oregon already do enough? Shouldn't we wait until China does something?*

While Oregon has a history of leadership on protecting clean air and the environment, we're a long way from where we need to be. Other states have caught up and, in some cases, surpassed us. **Our climate pollution levels are actually climbing, not falling.** Our state must

regain our position of leadership to better our health and position ourselves to be a strong economy today and build a state we're proud for our kids to inherit in the future.

Our economy depends on farming, fishing, forestry, ranching and outdoor recreation. All of those industries are threatened by climate change. The world is moving toward a low-carbon future, but it needs leaders like Oregon to step up to protect our livelihoods.

China has instituted a national cap & trade policy this year and they're building roughly one windmill per minute. It spent more on clean energy last year than the U.S. and EU combined. If Oregon wants to stay competitive, we must make the move to clean energy quickly.

- *Metaphor:* If a doctor says, you need to lose 25 pounds or you will have a heart attack and I pledge to lose 7 pounds, it's simply not enough to be safe. Oregon isn't on track to meet our share of reducing climate pollution. We're part of the way there, but we need more action.

### *Isn't Oregon too small to make a difference?*

Oregon may be a small state, but we lead big. By embracing clean energy solutions we will strengthen our economy, create jobs today in growing fields, and set up our businesses and people for success in a competitive future. And with the federal government moving backward on clean energy and air pollution, it's more important than ever that states step up.

We'll see immediate health improvement the less fossil fuels we burn and that's what this policy aims to do. Burning gas and diesel is the largest source of air pollution in our state and impacts families living near busy roads the worst, often low-income and communities of color. More electric cars, trucks and buses and better community infrastructure for safe walking and biking will have immediate, positive health outcomes.

And we're not alone. We'd be the first U.S. state after California to join the North American Carbon Market, together representing the **fourth largest economy in the world**<sup>1</sup>. That's a lot of clout and a lot of success for others to follow. We can easily imagine the RGGI states expanding their program to be economy-wide and even linking. Then you'd have a majority of the U.S. economy cutting pollution and creating more clean energy jobs.

- *Metaphor:* Then why vote either? One vote doesn't make a difference by that logic. We should do our part to be a leader in a global solution.
- *Metaphor II (progressive):* We all pay for the schools even though we don't all have kids. We all need to do our part to have an educated population because we know it ultimately benefits us all. We all need to do our part to get to a stable climate.

*If we pass Clean Energy Jobs, can we get rid of other laws like Clean Fuels and the Renewable Portfolio Standard? You're double charging on the same molecule of carbon. Not fair!*

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<sup>1</sup> CA 2.46 T, OR 226.8 B, OT 798.5 B, QB 381 B

To transition to a clean energy economy, we need multiple policies that fit together like a blueprint. There is no silver bullet. Each policy pulls its own weight in a different way. We can't realize the full economic opportunity and the clean air protection we need without them all. And let's not forget, this pollution is a dangerous thing they're putting into our air. We need to eliminate as much of it as possible, as soon as possible.

- *Metaphor:* Global warming is dangerous for everyone, like speeding. *Clean Energy Jobs* is the speed limit. Clean Fuels and RPS, are traffic signals. We need them all to safely share the road or we all crash and burn.

A price on pollution, like *Clean Energy Jobs*, is a backstop to ensure our economy shifts to clean energy. Individual policies like Clean Fuels and RPS make sure certain sectors achieve necessary reductions and we're investing in the right places. They work in a complementary way. Complying with Clean Fuels will actually lower cost of compliance for large polluters because it requires emission reductions from Oregon's fuel mix. The Clean Fuels Program creates a stronger price signal for fuel diversification while the cap creates overall accountability for emissions reductions. Without Clean Fuels, the oil industry would demand more allowances and drive up the cost for everyone. According to ICF, a stronger LCFS in California by 2030 would reduce cap & trade allowance prices by half.<sup>2</sup>

- Fine, WSPA, we'll drop this cap and trade thing in return for a doubling of the Clean Fuels Standard. Utilities, industry, you guys good with that?

### *Why not focus on adaptation and not mitigation?*

Oregon should reduce carbon pollution *and* plan to adapt to climate change impacts. Simply preparing for the worst won't bring us the clean energy investment, job creation, and economic competitiveness that will result from working on both problems at once. It's a false choice to claim Oregon must either adapt to dangerous climate change or reduce the pollution that's causing it. It's morally bankrupt to accept the horrible impacts of climate change and tell those who will be most affected to deal with it, instead of going after the root cause.

- *Metaphor:* This statement is akin to refusing to put water on a burning house and instead trying to rebuild it while the flames are still raging.
- *Metaphor II:* It's like putting an addition on your house while the foundation is crumbling.

### *With all the government screw-ups like the BETC and DEQ's bungling of the glass factories, how can we possibly trust them to get this right?*

There is new leadership at the important agencies that will be a part of this program. They've learned from the mistakes of the past and so have legislators who wrote this bill. The key difference is *Clean Energy Jobs* has its own dedicated funding source to make sure there are

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<sup>2</sup> For the full analysis, see this report:

<http://www.caletc.com/wp-content/uploads/2016/08/Final-Report-Cap-and-Trade-LCFS.pdf>

the resources to run it right. There are safeguards in place thanks to the linked market with other states and provinces, and there will be citizen oversight built into the program in Oregon.

***IT'S A SECRET, LIBERAL ENERGY TAX TO TAKE AWAY OUR TRUCKS BECAUSE BIG GOVERNMENT DOESN'T UNDERSTAND OUR WAY OF LIFE. SAD! #MAGA***

The only losers here are fossil fuel companies that refuse to adapt. Every time there is new legislation to move us to clean energy, they send in high-paid, denial dealers to scare people about these clean air protections. They claim to be worried about regular people when they're really worried about their CEO's paycheck. They vastly overestimated the impacts of the Clean Air Act, clean gasoline formula, and the Acid Rain Program and never talk about the benefits.

They said California's program would kill the economy and cost families. In reality, the economy is booming and thousands of people have new jobs and savings on their energy bills thanks to investments.

They said the price of electricity in RGGI states would soar 30 or 40% because of their program. In reality, the price has fallen 3% while economies have grown 25% and 16,000 jobs were created to work on renewable energy and energy efficiency projects.

They say the sky will fall. Turns out, the sky is still there, but with less carbon in it.

***Actual things legislative opponents have said:***

"I am a fiscal conservative and plan to ask some hard questions about what this program will really accomplish and how it is even measurable"

"They are going to have to prove to me that we are dramatically improving the quality of life for Oregonians with this investment."

"There is the potential that businesses may be driven out of the state by the cost. And that would eliminate jobs that are vital to the economic recovery."

"Many Oregon families are struggling — especially in rural areas — and adding more pain at the pump takes away money they need for food and household needs."

"Oregon only has one coal burning power plant. Why do we need a system like this?"

"This is an issue of symbolism. Oregon's contribution to greenhouse gases is too tiny to warrant additional regulation."

"From everything I've read, Oregon is one of the greenest, cleanest states already. DEQ has determined that Oregon's greenhouse gas emissions have actually been on a slight decrease since 2010. And the miniscule amount now produced is insignificant compared to China, the world's largest polluter."

“That leaves me to ask how effective it is for Oregon to impose these higher costs on its citizens when we are not the problem and other states, as well as polluting countries, are not participating in this program? We’re talking global but we’re not looking global – we’re looking at Oregon.”