

HB2020 Points to Make

General Support

To protect our corner of Paradise, Oregon needs to become a leader in addressing Greenhouse Gas emissions so we can urge other states and nations to do likewise

Although Oregon's emissions are small, we cannot urge others to reduce their emissions unless we step up to the plate and do so ourselves.

Climate data tell us that we are on or exceeding the worst-case scenario trajectory for most climate data trends. We cannot afford to delay a meaningful response.

Since the Industrial Revolution, we have benefitted greatly from the cheap energy that fossil fuels and our technology have offered. But we knew little of the collateral cost this energy was charging us as we allowed greenhouse gas to be pumped free into our air. Now we know; now we must address that problem.

The destruction that temperature increases of the dimensions project by credible models will impose will render life on our planet compromised at best. We owe our children better than merely the fruits of our greed and insensitivity to their plight.

Specific Support

According to the 2018 Intergovernmental Panel on Climate Change (IPCC)^{°°}, globally we need to limit ourselves to 1.5°C above pre-industrial Revolution levels. This means we must be 45% below 2010 emissions by 2030, and 100% below by 2050 - at Zero

Net Greenhouse Gas emissions. There is no time to delay.

The 2018 National Climate Assessment Report revealed clearly that climate consequences are having an economic impact now, which will only become more severe as decades pass if we do not address global emissions. This isn't just a threat to our children and grand-children - though it is most definitely that - it's a threat to those of us who are alive now (think wildfires and reduced snowpack) and who plan to be alive through the next couple of decades.

By generating funds that are designated to target those most affected by climate change or likely most affected by the transition to a clean energy economy, HB2020 acknowledges that need for a socially just approach to this problem

By allowing free allowances to utilities providing Oregonians, and industries that are Emissions Intensive or Trade Exposed, HB2020 takes a balanced approach to solving the problem without risking economic disruption to the most compromised industries.

Countering the Opposition

The eleven states in the U.S. that have imposed some form of Greenhouse Gas emissions cap have all exhibited greater economic growth than surrounding states. Rather than 'tank' the economy, HB2020 will stimulate it.

The Berkeley (BEAR) study reported to the Joint Committee indicated that Oregon will be stronger economically for passage of HB2020 than it would be absent such passage. And rural Oregon will benefit most.

When the California cap program was activated fully, gasoline prices did not rise, despite numerous dire warnings from the fossil fuel lobby. In fact, gas prices dropped. This doesn't mean a Cap program lowers prices, but that gas prices are influenced by a wide array of factors.

Fear-mongering by the utilities that utility prices will rise ignores the fact that they will get free allowance and

support for low-income ratepayer assistance. There is no reason - except price gouging - that utility rates should rise.

Acting to reduce the emissions is favored by residents throughout Oregon. Indeed, down here (in Jackson and Josephine Counties), we think HB2020 will be **good for Southern Oregon**.

To those who claim capping greenhouse gas emissions will cost Oregonians, I ask: How much will agriculture, forests and fisheries destroyed by global warming and its climate change consequences cost us?

From Renew Oregon

Talking Points & Frequently Asked Questions

From Pollution to Prosperity: It's time for Oregon to transition from polluting energy to a clean energy economy. Our state is poised to reap the rewards of more jobs, clean air, and local, renewable energy if we limit and put a price on climate pollution and focus reinvestment in local communities. The threat of climate change on Oregon farmers, families and communities requires urgent action.

Transitioning Oregon away from polluting energy will help create good paying jobs in the clean energy economy.

- Clean Energy Jobs bill will raise hundreds of millions of dollars per year to benefit Oregon communities across the state, putting Oregonians to work by making **clean power like solar** available to more people, **upgrading** homes and businesses to **use less energy and save people money**, building **affordable housing** near transit and investing in **more transportation options**.
- The clean energy economy **employs all kinds of Oregonians** -- like construction workers, engineers, designers, manufacturing workers, salespeople, administrators and custodians.
- A lot of the work such as energy efficiency construction and local, clean energy like solar and wind has to be done here with **jobs that can't be outsourced**.
- Clean economy **jobs growing at an 11% annual rate** in Oregon -- faster than state employment as a whole. Just imagine what more investment can do!
- We must invest proceeds from a price on climate pollution to build up and clean up

communities hit first and worst by climate change and dirty fossil fuels -- such as low-income, rural, communities of color and Tribes. We must create opportunities for Oregon workers with new jobs and job training.

We need clean air to breathe and healthy water to drink

- Pollution from gas and diesel can trigger **asthma, heart attacks** and other health emergencies. These health issues affect all Oregonians, and particularly impact children, the elderly, low-income communities, and communities of color.
- Our families, farmers, fishermen and firefighters are all bearing the burden of climate pollution **today** . It will cost us millions more every year we wait. We must act now for our health and our economy.

Pricing pollution works. It's the biggest step Oregon can take to fight climate change.

- Oregon lawmakers have been working on a cap-and-invest policy for more than a decade. The *Clean Energy Jobs* bill is more than ready. It's past time for Oregon to take major action.
- California, Quebec, and 9 Northeastern states (soon to be 11) have cap-and-invest systems that work.
 - In every state and province with cap-and-invest there are: growing economies, falling emissions, stable energy prices, and thousands of jobs created. History is our proof.
- **2 out of 3 Oregonians favor making the largest polluters pay** for the cost of what they put into our air and water.
- As individuals, we follow the rules and do our part to keep Oregon clean and green. Large businesses operating in Oregon should have to follow the rules too.

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. The sooner the policy is in place, the faster the investment dollars begin flowing in our state. Plus, Oregon is **already feeling the effects 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 or more of greenhouse gases per year** , about the equivalent of burning 133 train cars full of coal. In other words, your favorite grocery store, brewery or florist 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 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 hundreds of millions of dollars 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 the amount of climate pollution. Fewer permits will increase demand for permits. If companies aren't reducing emissions, the price of each permit will go up because of less supply and 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. Businesses don't like be out of compliance with state law.

Where will the money go?

Hundreds of millions of dollars 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 for training 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 our 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. Both Virginia and New Jersey are moving to join RGGI, bringing the total to 11 states. Also, in the 1990s, bipartisan federal legislation set up a cap & trade system to stop acid rain. It was 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, administered for years by the Western Climate Initiative, a non-profit. 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.

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. Clean energy is less expensive, doesn't pollute communities and increases local independence and resilience.

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.

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.

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 more than a decade of work, it is ready to cross the finish line in 2019.

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. 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.