

Enrolled
House Bill 3543

Sponsored by Representative DINGFELDER, Senator AVAKIAN; Representatives CANNON, MACPHERSON, MERKLEY, READ

CHAPTER

AN ACT

Relating to climate change; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

LEGISLATIVE FINDINGS

SECTION 1. The Legislative Assembly finds that:

(1) In December 2004 the Governor's Advisory Group on Global Warming issued its report calling for immediate and significant action to address global warming, to reduce Oregon's exposure to the risks of global warming and to begin to prepare for the effects of global warming. The advisory group also identified 46 specific recommendations for measurable reductions in the state's greenhouse gas emissions.

(2) In partnership with the Governor's advisory group, 50 scientists signed the "Scientific Consensus Statement on the Likely Impacts of Climate Change on the Pacific Northwest," which examined the potential effects of climate change on temperature, precipitation, sea level, marine ecosystems and terrestrial ecosystems. The scientists recommended additional, improved scientific studies and modeling of the effects of climate change on the atmosphere, oceans and land, as well as modeling of the effects of economic and management policies.

(3) Global warming poses a serious threat to the economic well-being, public health, natural resources and environment of Oregon.

(4) Oregon relies on snowpack for summer stream flows to provide energy, municipal water, watershed health and irrigation. Also, a potential rise in sea levels threatens Oregon's coastal communities. Reduced snowpack, changes in the timing of stream flows, extreme or unusual weather events, rising sea levels, increased occurrences of vector-borne diseases and impacts on forest health could significantly impact the economy, environment and quality of life in Oregon.

(5) Oregon forests play a significant role in sequestering atmospheric carbon, and losing this potential to sequester carbon will have a significant negative effect on the reduction of carbon levels in the atmosphere.

(6) Global warming will have detrimental effects on many of Oregon's largest industries, including agriculture, wine making, tourism, skiing, recreational and commercial fishing, forestry and hydropower generation, and will therefore negatively impact the state's workers, consumers and residents.

(7) There is a need to assess the current level of greenhouse gas emissions in Oregon, to monitor the trend of greenhouse gas emissions in Oregon over the next several decades and to take necessary action to begin reducing greenhouse gas emissions in order to prevent disruption of Oregon's economy and quality of life and to meet Oregon's responsibility to reduce the impacts and the pace of global warming.

(8) Oregon has been a national leader in energy conservation and environmental stewardship, including the areas of energy efficiency requirements and investments, renewable energy investments, natural resource conservation, greenhouse gas offset requirements and investments, and global warming pollution standards for passenger vehicles. Significant opportunities remain to reduce greenhouse gas emissions statewide, especially from major contributors of greenhouse gas emissions, including electricity production, transportation, building construction and operation, and the residential and consumer sectors.

(9) Actions to reduce greenhouse gas emissions will reduce Oregon's reliance on foreign sources of energy, lead to the development of technology, attract new businesses to Oregon and increase energy efficiency throughout the state, resulting in benefits to the economy and to individual businesses and residents.

(10) In devising measures to achieve reduction of greenhouse gas emissions, Oregon must strive to not disadvantage Oregon businesses as compared to businesses in other states with which Oregon cooperates on regional greenhouse gas emissions reduction strategies.

(11) Policies pursued, and actions taken, by Oregon will:

(a) In concert with complementary policies and actions by other states and the federal government, substantially reduce the global levels of greenhouse gas emissions and the impacts of those emissions;

(b) Encourage similar policies and actions by various stakeholders;

(c) Inform and shape national policies and actions in ways that are advantageous to Oregon residents and businesses; and

(d) Directly benefit the state and local governments, businesses and residents.

GREENHOUSE GAS EMISSIONS REDUCTION GOALS

SECTION 2. (1) The Legislative Assembly declares that it is the policy of this state to reduce greenhouse gas emissions in Oregon pursuant to the following greenhouse gas emissions reduction goals:

(a) By 2010, arrest the growth of Oregon's greenhouse gas emissions and begin to reduce greenhouse gas emissions.

(b) By 2020, achieve greenhouse gas levels that are 10 percent below 1990 levels.

(c) By 2050, achieve greenhouse gas levels that are at least 75 percent below 1990 levels.

(2) The Legislative Assembly declares that it is the policy of this state for state and local governments, businesses, nonprofit organizations and individual residents to prepare for the effects of global warming and by doing so, prevent and reduce the social, economic and environmental effects of global warming.

(3) This section does not create any additional regulatory authority for an agency of the executive department as defined in ORS 174.112.

DEFINITIONS

SECTION 3. As used in sections 1 to 15 of this 2007 Act:

(1) "Global warming" means an increase in the average temperature of the earth's atmosphere that is associated with the release of greenhouse gases.

(2) "Greenhouse gas" means any gas that contributes to anthropogenic global warming including, but not limited to, carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

(3) "Greenhouse gas cap-and-trade system" means a system that:

(a) Establishes a total cap on greenhouse gas emissions from an identified group of emitters;

(b) Establishes a market for allowances that represent emissions; and

(c) Allows trading of allowances among greenhouse gas emitters.

OREGON GLOBAL WARMING COMMISSION

SECTION 4. (1) There is created the Oregon Global Warming Commission. The commission shall consist of 25 members, including 11 voting members appointed by the Governor under this section and 14 ex officio nonvoting members specified in section 5 of this 2007 Act.

(2) Members of the commission appointed under this section shall be appointed so as to be representative of the social, environmental, cultural and economic diversity of the state and to be representative of the policy, science, education and implementation elements of the efforts to reduce greenhouse gas emissions and to prepare Oregon for the effects of global warming. Of the members appointed by the Governor under this section:

(a) One member shall have significant experience in manufacturing;

(b) One member shall have significant experience in energy;

(c) One member shall have significant experience in transportation;

(d) One member shall have significant experience in forestry;

(e) One member shall have significant experience in agriculture; and

(f) One member shall have significant experience in environmental policy.

(3) The Governor shall select a chairperson and a vice chairperson from among the members appointed under this section.

(4) The term of office of a member appointed under this section is four years. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on January 31 next following. A member appointed under this section is eligible for re-appointment. In case of vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(5) The members of the commission appointed under this section must be residents of this state. Failure of a member to maintain compliance with the eligibility requirements related to the member's appointment shall result in disqualification from serving on the commission.

(6) Voting members of the commission appointed under this section are entitled to expenses as provided in ORS 292.495 (2).

SECTION 5. (1) In addition to the members appointed under section 4 of this 2007 Act, the Oregon Global Warming Commission shall include the following ex officio members:

(a) The Director of the State Department of Energy;

(b) The Director of Transportation;

(c) The chairperson of the Public Utility Commission of Oregon;

(d) The Director of the Department of Environmental Quality;

(e) The Director of Agriculture;

(f) The State Forester;

(g) The Water Resources Director; and

(h) Three additional ex officio nonvoting members, each from a state agency or an academic institution.

(2) The following representatives of the Legislative Assembly also shall serve as ex officio nonvoting members:

(a) Two members of the Senate, not from the same political party, appointed by the President of the Senate; and

(b) Two members of the House of Representatives, not from the same political party, appointed by the Speaker of the House of Representatives.

(3) Each legislative member serves at the pleasure of the appointing authority and may serve so long as the member remains in the chamber of the Legislative Assembly from which the member was appointed.

SECTION 6. Notwithstanding the term of office specified by section 4 of this 2007 Act, of the members first appointed to the Oregon Global Warming Commission pursuant to section 4 of this 2007 Act:

(1) Three shall serve for terms ending January 1, 2009.

(2) Three shall serve for terms ending January 1, 2010.

(3) Three shall serve for terms ending January 1, 2011.

(4) Two shall serve for terms ending July 1, 2011.

SECTION 7. (1) A majority of the members of the Oregon Global Warming Commission constitutes a quorum for the transaction of business.

(2) The commission shall meet at times and places specified by a majority of the members of the commission.

(3) The State Department of Energy shall provide clerical, technical and management personnel to serve the commission. Other agencies shall provide support as requested by the department or the commission.

SECTION 8. The Oregon Global Warming Commission may adopt by rule such standards and procedures as it considers necessary for the operation of the commission.

SECTION 9. The Oregon Global Warming Commission shall recommend ways to coordinate state and local efforts to reduce greenhouse gas emissions in Oregon consistent with the greenhouse gas emissions reduction goals established by section 2 of this 2007 Act and shall recommend efforts to help Oregon prepare for the effects of global warming. The Office of the Governor and state agencies working on multistate and regional efforts to reduce greenhouse gas emissions shall inform the commission about these efforts and shall consider input from the commission for such efforts.

SECTION 10. (1) In furtherance of the greenhouse gas emissions reduction goals established by section 2 of this 2007 Act, the Oregon Global Warming Commission may recommend statutory and administrative changes, policy measures and other recommendations to be carried out by state and local governments, businesses, nonprofit organizations or residents. In developing its recommendations, the commission shall consider economic, environmental, health and social costs, and the risks and benefits of alternative strategies, including least-cost options. The commission shall solicit and consider public comment relating to statutory, administrative or policy recommendations.

(2) The commission shall examine greenhouse gas cap-and-trade systems, including a statewide and multistate carbon cap-and-trade system and market-based mechanisms, as a means of achieving the greenhouse gas emissions reduction goals established by section 2 of this 2007 Act.

(3) The commission shall examine possible funding mechanisms to obtain low-cost greenhouse gas emissions reductions and energy efficiency enhancements, including but not limited to those in the natural gas industry.

SECTION 11. The Oregon Global Warming Commission shall develop an outreach strategy to educate Oregonians about the scientific aspects and economic impacts of global warming and to inform Oregonians of ways to reduce greenhouse gas emissions and ways to prepare for the effects of global warming. The commission, at a minimum, shall work with state and local governments, the State Department of Energy, the Department of Education, the State Board of Higher Education and businesses to implement the outreach strategy.

SECTION 12. (1) The Oregon Global Warming Commission shall track and evaluate:

- (a) Economic, environmental, health and social assessments of global warming impacts on Oregon and the Pacific Northwest;
- (b) Existing greenhouse gas emissions reduction policies and measures;
- (c) Economic, environmental, health and social costs, and the risks and benefits of alternative strategies, including least-cost options;
- (d) The physical science of global warming;
- (e) Progress toward the greenhouse gas emissions reduction goals established by section 2 of this 2007 Act;
- (f) Greenhouse gases emitted by various sectors of the state economy, including but not limited to industrial, transportation and utility sectors;
- (g) Technological progress on sources of energy the use of which generates no or low greenhouse gas emissions and methods for carbon sequestration;
- (h) Efforts to identify the greenhouse gas emissions attributable to the residential and commercial building sectors;
- (i) The carbon sequestration potential of Oregon's forests, alternative methods of forest management that can increase carbon sequestration and reduce the loss of carbon sequestration to wildfire, changes in the mortality and distribution of tree and other plant species and the extent to which carbon is stored in tree-based building materials;
- (j) The advancement of regional, national and international policies to reduce greenhouse gas emissions;
- (k) Local and regional efforts to prepare for the effects of global warming; and
- (L) Any other information, policies or analyses that the commission determines will aid in the achievement of the greenhouse gas emissions reduction goals established by section 2 of this 2007 Act.

(2) The commission shall:

- (a) Work with the State Department of Energy and the Department of Environmental Quality to evaluate all gases with the potential to be greenhouse gases and to determine a carbon dioxide equivalency for those gases; and
- (b) Use regional and national baseline studies of building performance to identify incremental targets for the reduction of greenhouse gas emissions attributable to residential and commercial building construction and operations.

SECTION 13. The Oregon Global Warming Commission may recommend to the Governor the formation of citizen advisory groups to explore particular areas of concern with regard to the reduction of greenhouse gas emissions and the effects of global warming.

SECTION 14. The Oregon Global Warming Commission shall submit a report to the Legislative Assembly, in the manner provided by ORS 192.245, by March 31 of each odd-numbered year that describes Oregon's progress toward achievement of the greenhouse gas emissions reduction goals established by section 2 of this 2007 Act. The report may include relevant issues and trends of significance, including trends of greenhouse gas emissions, emerging public policy and technological advances. The report also may discuss measures the state may adopt to mitigate the impacts of global warming on the environment, the economy and the residents of Oregon and to prepare for those impacts.

OREGON CLIMATE CHANGE RESEARCH INSTITUTE

SECTION 15. (1) There is created within the Department of Higher Education the Oregon Climate Change Research Institute. The institute shall be administered by Oregon State University and institutional partners within the Oregon University System.

(2) The purpose of the Oregon Climate Change Research Institute is to:

- (a) Facilitate research by Oregon University System faculty on climate change and its effects on natural and human systems in Oregon;
- (b) Serve as a clearinghouse for climate change information;

(c) Provide climate change information to the public in integrated and accessible formats;
(d) Support the Oregon Global Warming Commission in developing strategies to prepare for and to mitigate the effects of climate change on natural and human systems; and

(e) Provide technical assistance to local governments to assist them in developing climate change policies, practices and programs.

(3) The Oregon Climate Change Research Institute shall assess, at least once each biennium, the state of climate change science, including biological, physical and social science, as it relates to Oregon and the likely effects of climate change on the state. The institute shall submit the assessment to the Legislative Assembly in the manner provided in ORS 192.245 and to the Governor.

(4) State agencies may contract with the Oregon Climate Change Research Institute to fulfill agency needs regarding the collection, storage, integration, analysis, dissemination and monitoring of climate change information, research and training.

APPROPRIATIONS

SECTION 16. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Higher Education, for the biennium beginning July 1, 2007, out of the General Fund, the amount of \$180,000 for the purpose of the Oregon Climate Change Research Institute created by section 15 of this 2007 Act.

MISCELLANEOUS

SECTION 17. The unit captions used in this 2007 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2007 Act.

SECTION 18. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on its passage.

Passed by House June 23, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate June 25, 2007

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President of Senate

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

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Secretary of State