

SB 748 STAFF MEASURE SUMMARY

Senate Committee On Environment and Natural Resources

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Meeting Dates: 3/1

WHAT THE MEASURE DOES:

Directs the Environmental Quality Commission (EQC) to create a carbon pollution permit program requiring sources that annually emit more than 25,000 units of carbon dioxide equivalent to obtain a permit for their emissions. Exempts biomass facilities. Directs EQC to set a cap on total allowed emissions from covered sources and set individual emissions limits for each covered source beginning in 2021 and decreasing by a predetermined amount until 2050. Requires EQC to adopt schedule of fees for permits that apply to emissions in excess of 25,000 units of carbon dioxide equivalent. Directs EQC to contract a third party organization to identify leakage risk. Directs that covered sources at risk for leakage, including emission-intensive, trade-exposed industries, are subject to schedule of reduced fees. Requires covered sources to submit report to Department of Environmental Quality (DEQ) detailing compliance with individual emissions limits. Emissions above individual emissions limits are subject to penalty of \$___ per unit of excess emissions.

Directs moneys received from fees and penalties to four primary purposes, including transportation infrastructure projects, two grant programs, and assistance for low-income utility customers.

- Creates Climate Investments Account within State Highway Fund to support transportation infrastructure projects with 20 percent of funds used in disadvantaged communities and 20 percent used on projects that otherwise support disadvantaged communities.
 - Creates Climate Investments in Disadvantaged Communities (CIDC) Advisory Committee, with members appointed by the Governor, to consult in disbursement of Climate Investments Account funds.
- Creates Oregon Climate Investments Fund to support grant program, named Climate Investments Grant Program. Forty percent of grant program funds must be used in disadvantaged communities and 40 percent must be used in economically distressed areas.
 - Creates grant committee, with members appointed by the Governor, to consult in disbursement of funds and also requires consultation with CIDC advisory committee.
- Creates Just Transition Fund to support grant program assisting communities affected by climate change and climate policies, named Just Transition Grant Program.
 - Creates grant committee, with members appointed by the Governor, to consult in disbursement of funds.
- Creates Climate Assistance Fund to benefit low-income customers of energy utilities.

Creates Rules Adoption and Implementation Oversight Advisory Committee, with members appointed by the Governor, to assist in implementation of Act. Creates Carbon Pollution Permit Program Oversight Committee, with members appointed by the Governor, Senate President and Speaker of the House, to study implementation and effects of Act.

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Department of Environmental Quality regulates air pollutants from certain sources, monitors pollutant levels, analyzes data, and enforces air quality laws. Under ORS 468A.050 and 468A.280, the agency requires reporting of greenhouse gas emissions.

Senate Bill 748 would create a carbon pollution permit program.