

February 28th, 2017

To: Senate Committee On Environment and Natural Resources
Re: Testimony in Support of SB 557
From: Tim Lynch, Senior Policy Analyst, Multnomah County Office of Sustainability

Chair Dembrow, Vice-Chair Olsen, Members of the Committee,

The cap and trade program described by SB 557 is a smart, cost effective way to reduce greenhouse gas (GHG) emissions in Oregon. Multnomah County asks for your support of this bill.

Multnomah County adopted an updated Climate Action Plan in 2015, reaffirming its commitment to reducing community-wide GHG emissions 40% below 1990 levels by 2030, and 80% below 1990 levels by 2050. Our Climate Action Plan identifies State action to put a price on carbon as a critical strategy to achieve our local GHG emissions goals. The legislature has shown great leadership in its adoption of a renewable portfolio standard and the clean fuels program. The legislature must now act to put a price on carbon to achieve Multnomah County's and Oregon's adopted climate goals.

Recent changes at the federal level make state and local action more important than ever. While Oregon's contributions to global GHG emissions are relatively small, collective action by states and local governments across the United States, the world's second largest emitter of GHG's, will have a profound impact. Every state and each community has a part to play, and the truth is that states and local communities are where climate policy becomes reality. The cap and trade program under consideration can link with other American states and Canadian provinces, expanding an important international market that is driving GHG reductions. Multnomah County has shown that climate action works, and that climate action and economic growth can go hand in hand. In 2014, Multnomah County's GHG emissions were 21% below 1990 levels. Over the same period, Multnomah County has experienced significant economic and population growth, and GHG emissions per capita are 40% below 1990 levels. Acting now positions Oregon as a leader on the issue, supporting economic growth in the State through the export of climate mitigation and adaptation industries and expertise.

States and local communities are where climate impacts are acutely experienced. Climate change is already putting pressure on limited State resources, and impacts will continue to harm our economy, our iconic natural resources, and the health and wellbeing of the community members we serve. These impacts include: declining snowpack and water availability; forest impacts including wildfires, drought, and insect outbreaks; and rising sea levels and ocean acidification. We must prepare for these changes and adapt to the greatest extent possible. At the same time we must redouble efforts to reduce GHG emissions, which will limit the impacts of climate change and increase our ability to adapt. Mean temperatures in Oregon in the 2080's are projected to increase ~4.6° F from the 1970 - 1999 average if global GHG's are reduced in line with the State and County climate goals. In comparison, Oregon faces an ~8.2° F increase by the 2080's under a business as usual emissions scenario. The difference in these scenarios is the difference between disruption and catastrophe.

Climate change is also a significant environmental justice issue. Climate change will disproportionately impact populations that are already vulnerable in Oregon, including communities of color, tribal communities, the elderly, the unsheltered, and low income individuals and families. These communities will bear the brunt of climate impacts, thus the provisions in the bill to ensure that it is implemented with environmental justice as a priority are critical. It is critical to have meaningful involvement by impacted communities in decision making, and ensuring program investments are directed using an environmental justice lens. The proceeds generated from allowance auctions under SB 557 are an opportunity to ensure that vulnerable populations are insulated from any direct costs of climate action, are resilient to climate impacts, and are direct beneficiaries by focusing on climate strategies that also address underlying community health and socioeconomic inequities. SB 557 contains many elements that seek to achieve this. Multnomah County stands ready to work in partnership with community organizations and State agencies to implement a just climate policy.

Many sources of local GHG emissions, such as passenger vehicles, are also sources of air pollutants that cause cancer and respiratory disease. With the passage of SB 557, Multnomah County sees an important opportunity to also reduce the risk to public health from associated co-pollutants. As the Department of Environmental Quality's recently completed "Study of a Market Approach to Reducing Greenhouse Gas Emissions" showed, an equitably implemented cap and trade program in Oregon will be a net benefit to Oregonians when public health benefits are considered.

Multnomah County asks for your support of SB 557 with the following recommendations:

- Simplify the advisory committee structure to ensure that vulnerable communities have a meaningful and ongoing voice in decision making, particularly in how cap and trade proceeds are invested. The current advisory committee structure described in SB 557 is complex, with overlapping responsibilities and a lack of clarity about where decision making power resides.
- Fund vulnerable communities participation in decision making, including community based organizations, to ensure they can be equal and effective partners in program implementation.
- Prioritize program investments in projects that achieve both significant GHG and associated air pollution reductions, particularly in vulnerable communities that face acute exposures.

Oregon has an unprecedented opportunity to address climate change in ways that improve public health, create jobs, and benefit all residents. Reducing greenhouse gases is not only critical for the residents of Multnomah County, but also our State, the nation, and the global community. This an opportunity for Oregon to lead and for the legislature to cement a legacy of proactive climate action that can serve as a roadmap for the rest of the world. Multnomah County greatly appreciates your support for adoption of a cap and trade program in Oregon.

Sincerely,



Tim Lynch
Multnomah County Office of Sustainability