



June 7, 2017

Joint Committee on Transportation Preservation and Modernization  
Oregon State Capitol  
Salem, OR 97301

**RE: House Bill 2017-3**

Members of the Committee,

Thank you for the opportunity to offer comments on House Bill 2017-3. Climate Solutions is a regional non-profit working to accelerate clean energy solutions to the climate crisis.

**Invest in Greenhouse Gas Reducing Solutions in the Transportation Sector**

Oregon has committed to science-based greenhouse gas reduction goals, to cut pollution 75% below 1990 levels by 2050.<sup>1</sup> While a wide variety of state and local policies brought us closer toward achieving these goals – most recently the Oregon Clean Electricity and Coal Transition Plan (SB 1547 (2016)) – the most significant remaining barrier to reaching these targets is rising transportation emissions. The Oregon Global Warming Commission’s recent report to the legislature highlighted that the use of gasoline and diesel are responsible for **60% of the state’s increased climate emissions from 2014 to 2015.**<sup>2</sup> Protecting our health and environment by meeting Oregon’s greenhouse goals will require many policies including a dramatic acceleration of the transition to electrified transit and electric vehicles, including most new car sales by 2050.

**Climate Solutions supports a robust transportation package** and HB 2017-3 proposes some strong elements including 1) providing more funding for statewide public transit that prioritizes low-income Oregonians, 2) focusing on fixing existing roads and infrastructure and using those roads more efficiently through congestion pricing, and 3) funding safe routes to school. We support these elements of the package as building toward a greener and more modern transportation system for our state.

We do however have some concerns with certain elements of the proposed package, including 1) not adequately funding routes for bicycles and pedestrians (and taxing bicycles to pay for it), 2) expanding freeways with the goal of alleviating congestion, and 3) potentially problematic approaches to move the needle on electric vehicles and transit. Beyond just supporting EV charging infrastructure, HB 2017 should provide tax incentives to purchase zero emission cars and buses. The benefits to Oregon from electric vehicles are significant, including reduced pollution and keeping more of the dollars we spend on transportation close to home.

**Adding Transportation Electrification to Public Purpose Charge**

Section 138(3)(b)(A) of HB 2017 adds transportation electrification efforts to the 63% of the public purpose charge dedicated to new cost-effective energy conservation and new market transformation

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<sup>1</sup> Oregon Revised Statutes § 468A.205

<sup>2</sup> Oregon Global Warming Commission, Biennial Report to the Legislature 2017, <https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/95809>

efforts. Energy Trust of Oregon (ETO)'s energy efficiency projects have made a sizeable dent in our state's carbon footprint and provided the following benefits for Oregon from 2002-2015:<sup>3</sup>

- \$1.3 billion invested resulting in \$5.6 billion customer savings on utility bills over time;
- Added \$3.9 billion to the state's economy;
- Kept more than 14.6 million metric tons of CO<sub>2</sub> out of the air.

We hope broadening the mission for this specific pot of money to include transportation electrification does not decrease the amount dedicated to the ETO's existing cost-effective energy efficiency offerings. Adequately funding both energy efficiency and electric vehicle acceleration are needed to meet Oregon's priorities to act on climate in a smart way. Therefore, while we support expanding the public purpose charge's mission to spur greater transportation electrification efforts, we would prefer that mission be funded through a new revenue stream separate from the funds dedicated to existing energy conservation efforts.

Additionally, we want to clarify that the limit of 25% of the public purchase charge for transportation electrification programs does not overlap and cap the funding available for utilities' transportation electrification programs enabled under SB 1547 (2016). These programs under the Public Utility Commission's docket AR 599 are being separately developed, and should not be unintentionally capped by this section.

Finally, the definition of "transportation electrification" in HB 2017 focuses almost exclusively on vehicle infrastructure rather than enabling the acceleration to electric vehicles. Despite having one of the best charging networks in the country, Oregon currently has no state incentive to buy electric vehicles (unlike Washington and California).<sup>4</sup> *This narrow definition may not allow ETO to use public purpose charge dollars to invest in one of the most effective ways to accelerate the large-scale shift needed in our transportation sector: a rebate to help people lease or buy an electric vehicle.*

For that reason, we also support electric vehicle (EV) incentives like the ones proposed under HB 2704 as a policy that can move Oregon closer to our pollution reduction goals, improving our health, climate and economy. **EV incentives should be included as part of the transportation package to help broaden the opportunity for more residents in our state to own clean and affordable electric vehicles.** Conversely, much like the new proposed tax on bicycles, a tiered registration fee that makes efficient and electric vehicles pay more than gas guzzlers punishes the vehicles that pollute less. This disincentive is particularly glaring given the lack of incentives for electric vehicles in the bill.

Additionally, while strides have been made to increase accountability, transportation planning must meaningfully consider the impact on the climate as well. The Oregon Department of Transportation should hire a third party consultant to **assess greenhouse gas impacts of the proposed funding streams and planned projects**. The tools to make these assessments are already available to ODOT. Utilizing them is needed to meet our state's greenhouse gas goals and have a truly green transportation package that provides both better roads and cleaner air and environment for Oregonians.

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<sup>3</sup> Energy Trust of Oregon, "2015 Annual Report," [http://assets.energytrust.org/api/assets/reports/PublicAnnualReport\\_2015\\_Final.pdf](http://assets.energytrust.org/api/assets/reports/PublicAnnualReport_2015_Final.pdf)

<sup>4</sup> Oregon charging network map: <http://www.plugshare.com/>

Thank you for your consideration of these comments.

Sincerely,

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