



OREGON CHAPTER SIERRA CLUB
1821 SE ANKENY ST • PORTLAND, OR 97214
PHONE (503) 238-0442 • FAX (503) 238-6281
OREGON.CHAPTER@SIERRACLUB.ORG
WWW.OREGON.SIERRACLUB.ORG

To: Members of the Joint Committee on Carbon Reduction
From: Rhett Lawrence, Oregon Chapter Sierra Club
Date: March 8, 2019
RE: Amendment recommendations for House Bill 2020

Chair Power, Chair Dembrow, and Members of the Committees: Thanks so much for your great work over the last year and more on the Clean Energy Jobs legislation. On behalf of the more than 25,000 members of the Sierra Club in Oregon, I want you all to know how grateful we all are for the efforts you have put into this legislation and the process to get to where we are today.

As we have noted previously, we believe HB 2020 is a necessary first step in what Oregon needs to be doing to combat climate disruption. It is not a silver bullet and we will not be done with taking climate action when we pass it. But we do believe it can be a force for real change and economic benefit for our state and we want it to pass in the strongest possible fashion. But the Sierra Club believes that we must prioritize solutions that benefit all Oregonians, not just a select few. We believe that HB 2020 can do that, but we think it needs some changes if it is going to be truly effective and equitable. We thus offer the following as suggested amendments to the bill as the Committee moves forward:

- **Interim targets:** We appreciate that interim targets have been included in **Section 1** of this legislation, but we believe we need to be moving even faster. Given the recent dire news from the Intergovernmental Panel on Climate Change, we recommend that the legislation be amended to include targets to reduce GHG emissions by 20% by 2025, at least 55% by 2035, and 100% by 2050.
- **Allowances:** We disagree with the investor-owned utilities being given free allowances through 2030 and suggest that **Section 15** be amended to have IOUs paying for allowances right away. We also believe the treatment of emissions-intensive, trade-exposed industries (EITEs) is too generous and that **Section 18** should be amended to allow no more than 25% free allowances for EITEs. We also recommend that **Section 18** be further strengthened to state explicitly that accommodations for EITEs should

support in-state production, be needs-based only, be regularly re-evaluated, and be phased out altogether by 2030.

- **Offsets:** We believe that the offset limit in **Section 19** is too high and that offsets should be limited to Oregon-only projects, with a limit of 2%.
- **Exemptions:** We believe that there are also too many exemptions in the bill and that every polluter should be subject to the cap. The current exemptions for aviation, marine, and railroad fuels (**Section 10**), as well as for fluorinated gas users (**Section 11**) and solid waste incinerators (**Section 10**), should be removed from this legislation.
- **Allocation of Proceeds:** We have previously recommended that proceeds from the sale of allowances must prioritize investments in low-income, Tribal, and rural communities, and especially in communities of color. We believe this bill does a good job of prioritizing those resources, but we do have some other suggestions. First, we believe the funding allocations in **Section 30** for the Climate Investment Fund should be defined more specifically to direct 50% to impacted communities, 10% to tribes, 20% to natural and working lands, and 20% statewide. We would also like to see the Just Transition Fund in **Section 35** have a specific portion of allowance revenues allocated to it.
- **Incentives for Fracked-Gas Power Plants:** As we have indicated in the attached letter submitted separately to the Committee on March 8 from a coalition of organizations, we have other concerns about several provisions of HB 2020 that could create an incentive for new gas-fired power development in Oregon. Please see that letter for our amendment recommendations to address those concerns.

Thank you again for your diligent work on this legislation. We believe that House Bill 2020 must pass in the 2018 session in the strongest possible form, and amending the bill as we have suggested could go a long way toward accomplishing that goal. Thank you very much for considering our comments and please do not hesitate to contact me if I can be of further assistance to your committee.