

APPENDIX A: Proposed Edits/Specific Questions relative to SB 1070:

NOTE: THIS SECTION BUILDS ON AMENDMENTS SUGGFESTED BY SNW AND OTHERS, BELOW. PROPOSED FISH/WATER ADDITIONS ARE IN *bold italics*

Preamble Section:

Page 2, line 16, Insert the following –

“Whereas, greenhouse gas reductions from emissions sources and sinks can help address climate change and its impacts to human communities and ecosystems; and

Whereas, the state has a vested interest in protecting human communities, *ecological communities*, Oregon’s economy and natural and working lands from the unavoidable impacts of climate change and ocean acidification; and”

Rationale: Clarifies that atmospheric greenhouse gases can be reduced through increased sequestration as well as avoided emissions;

P. 2, Line 26, Insert the following-

“Whereas, global climate change has a disproportionate effect on fish populations and aquatic communities which typically require specific water quantity and quality conditions and are therefore particularly vulnerable to warmer temperatures, modified precipitation patterns, diminished snowpack, ocean acidification and other effects of climate change.”

Section 1: Greenhouse Gas Definitions:

Page 3, Line 21 – Add the following definitions:

“Greenhouse gas reduction” includes the removal of carbon dioxide from the atmosphere through carbon sequestration as well as reduced or avoided emissions of greenhouse gases. (source: California AB 1608)

“Working lands” means lands used for farming, grazing, or the production of forest products.

“Natural lands” means lands consisting of forests, grasslands, deserts, freshwater and riparian systems, wetlands, coastal and estuarine areas, watersheds, wildlands, or wildlife habitat, or lands used for recreational purposes such as parks, urban and community forests, trails, greenbelts, and other similar open-space land. For purposes of this paragraph, “parks” includes, but is not limited to, areas that provide public green space.

Rationale: Provides additional language to further clarify that atmospheric greenhouse gases can be reduced through sequestration as well as avoided emissions; provides definitions of natural lands and working lands consistent with California laws.

Greenhouse Gas Cap and Investment Program

Section 6: Statement of Purpose:

Page 4, Lines 1-3 – Modify to read: “and to promote adaptation and resilience of this state’s natural and working lands, *ecological and human* communities and economy in the face of climate change and ocean acidification.”

Rationale: Strengthens the purpose statement, to include adaptation of natural and working lands in addition to communities and our economy and recognizes that increased greenhouse gases in the atmosphere result in both climate change and ocean acidification. The bill's purpose should be to promote adaptation to all three critical elements and both impacts.

Sections 7 and 8: Rules Adoption and Implementation Oversight

Page 4, (1) – The Environmental Quality Commission should be directed to do additional research to inform rulemaking. In addition to the leakage study Section 10 (2), an analysis of the differential impacts to rural and low-income Oregonians should be done to guide rulemaking.

Page 4, Line 15-17 – Include the Department of Forestry and the Department of Agriculture, Oregon Department of Fish and Wildlife to the list of agencies to be consulted by the Environmental Quality Commission in developing rules

Page 4, Line 44, Add (H) – One member who represents a land conservation organization, One member who represents commercial and/or recreational fishing interests.

Rationale: Inclusion of these agencies and organizations can provide important input to rulemaking and program oversight relative to impacts to and the role of natural and working lands and the design of any new offset protocols.

Page 5, line E, Add- *How fish and wildlife and ecological communities have benefited from the expenditure of auction proceeds.*

Carbon Pollution Market Section 10:

Page 8, Line 31 – Modify (D) to read, "...to covered entities ~~that include, but are not limited to covered entities~~ that are part of an emission-intensive, trade-exposed industry;

Rationale: Targets allowances to the entities most exposed to leakage.

Page 8, Line 36 – Strike ~~three~~ and replace with multi-.

Rationale: Adds flexibility in the legislation to allow the state to set/modify rules as needed through time.

Page 9,

Line 16 Insert and immediately after the semicolon (“;”):

Line 18 (ii) – Strike out the semicolon (“;”) and insert in its place the following:

“any other greenhouse gas emissions reduction that otherwise would occur.”

Lines 19 and 20 (iii) – Delete.

Rationale: The proposed changes to the language on additionality is intended to better align SB 1070 with the language of California's AB 32 and of the other jurisdictions in the Western Climate Initiative.

Section 14:

Page 12, Line 21 - 24 – We support prioritizing investment of auction proceeds in impacted communities as defined in Section 9 (12). However, we would like a better understanding of the geographic extent of the impacted communities to help evaluate whether the proposed percentages make sense. Further, it might make sense to state that spending funds in impacted communities is a priority of the program in the bill and establish percentages during rulemaking to avoid unintended consequences and allow for efficient adaptive management.

Rationale: This change would facilitate adaptive management of the program to achieve the best outcomes for Oregon.

Page 12, Line 35 & 36 – Modify 4 (c) to read

To the maximum extent feasible and practical give funding preferences to projects that will result in

- (A) the greatest greenhouse gas emission reductions; **and**
- (B) **improve the climate resiliency of watersheds and ecological communities including but not limited to reducing risks resulting from climate change and ocean acidification, improving the resilience of natural and working lands and removing structural barriers to fish passage.**

Rationale: Better reflects the dual purpose of the legislation as stated. *Should give preference to projects that will address a barrier on the ODFW Fish Passage Prioritization List.*

Section 16:

Page 13, Line 29 – 33 – As stated in comments above, we support prioritizing investment of auction proceeds in impacted communities as defined in Section 9 (12). However, we would like a better understanding of the geographic extent of the impacted communities to help evaluate whether the proposed percentages make sense. Further, it might make more sense to state that spending funds in impacted communities is a priority of the program in the bill and establish percentages during rulemaking to avoid unintended consequences and allow for efficient adaptive management.

Rationale: This change would facilitate adaptive management of the program to achieve the best outcomes for Oregon.

Page 14, Line 29 – Modify (1) by adding the following statement to the end of second sentence

“including, but may not be limited to, renewable energy, carbon sequestration in natural and working lands, weatherization, energy efficiency, climate resilience and water conservation.”

Rationale: Ties the Oregon Climate Investment Fund to the purposes of the legislation and clarifies the kinds of projects that would achieve the purposes.

Page 14, Line 20 – Insert a new:

(3)(d)(I): “Natural resources and carbon sequestration.”

Rationale: Adds an important area of expertise to the grant committee.

Page 14, Line 39 – Insert a new (5)(h): “Enhance the resilience of natural and working lands”

Rationale: Adds an important outcome/criterion to the grant evaluation program.

Section 20:

Page 16, Line 39 – Insert a new:

(2)(g): “Natural resources management.”

Rationale: Adds an important area of expertise to the grant committee and ties the Just Transition Fund to the purposes of the legislation.

Section 25:

Page 20, Lines 28 & 30 – Correct from ~~(3) to (4)~~ to **(5) and (6)**