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Program to Tackle Climate Change, Invest in Clean Energy Economy Passes Oregon House

House Bill 2020 establishes cap and invest program to reduce greenhouse gases

SALEM – Historic legislation to tackle the catastrophic effects of climate change and build a better economic future for every Oregonian passed the Oregon House of Representatives today. The Oregon Climate Action Program, [House Bill 2020](#), sets a cap on greenhouse gas emissions and creates a market-based approach to reducing greenhouse gas emissions.

“The climate crisis is a constant threat to our way of life, a threat that would make the planet, as we know it, uninhabitable,” said Rep. Karin Power (D-Milwaukie), a chief architect of the legislation. “We have faced great challenges before and come out stronger for them. We can’t delay any longer. If we do, we will have to face future generations and explain to them our inaction, even with all we knew. Today, we can show that economy-wide programs to transition from fossil fuels toward a clean, renewable future are possible.”

Under the legislation, greenhouse gas emissions will be capped each year to achieve at least 45 percent below 1990 emission levels by 2035 and at least 80 percent below 1990 emission levels by 2050. In order to achieve those reductions, the state will annually reduce the greenhouse gas emissions cap and auction allowances for regulated entities to meet their compliance obligation. Under the system, polluters are required to buy an allowance for each ton of anthropogenic greenhouse gases they emit and these allowances will go down over time. Businesses can choose to continue purchasing allowances, reduce their emissions through technological innovation, or both.

The Oregon Climate Action Program creates the Climate Policy Office to oversee the cap and invest program and to fulfill the goals set forth in the legislation. The program is specifically tasked with a number of objectives and the legislature will oversee all program expenditures to achieve those aims. Those include:

- Reducing emission levels;
- Promoting greenhouse gas emissions sequestration and mitigation;
- Promoting adaptation and resilience by natural and working lands, fish and wildlife resources, communities and the economy, state’s infrastructure in the face of climate change and ocean acidification; and
- Providing assistance to households, businesses, and workers impacted by climate change that allow the state to achieve greenhouse gas goals.

The revenue generated from the cap and invest program would be used to fund emission-reduction programs and help communities adapt to a low-carbon economy. At least 40 percent of program investments must benefit communities that are most impacted by climate change, including rural and coastal communities. At least 10 percent of the proceeds must benefit Federally Recognized Indian Tribes.

“For regions already experiencing climate change, these investments can’t come soon enough,” said Rep. Pam Marsh (D-Ashland). “In my part of the state, we need money for forest management projects that will sequester carbon as we prevent and suppress wildfires. As droughts become more frequent and temperatures continue to rise, we need to upgrade and protect our drinking water and irrigation systems. And we need support from the state to buttress and diversify an economy that is exceedingly vulnerable to the impacts of smoke and fire.”

Currently, there are 10 states with a cap and invest system of some kind, but only one other that is economy-wide like House Bill 2020. In 2009, nine northeastern states joined together to form a common carbon market through the Regional Greenhouse Gas Initiative. California runs a separate program that began in 2012 and is linked to the Canadian provinces of Quebec and Nova Scotia through the Western Climate Initiative. Oregon intends to join the Western Climate Initiative market.

In Oregon, market-based approaches to reduce the effects of climate change have been proposed for over a decade. One of the earliest proposals came from Rep. Paul Holvey (D-Eugene).

“I am appreciative of the long conversation and hard work that has resulted in the proposal before us,” Rep. Holvey said. “I am dismayed it has taken so long to convince people that we need to start addressing this problem head on and sooner, rather than later. The costs of inaction will continue to grow, the longer we wait. We are actually experiencing some of the worst fears that we only spoke about in theory a decade ago.”

The Oregon Climate Action Program is the product of the Joint Committee on Carbon Reduction, which House Speaker Tina Kotek and Senate President Peter Courtney formed in 2018. The committee held numerous hours of hearings and traveled across the state to hear from Oregonians about their views on the bill.

The bipartisan, bicameral committee included House Democrats, Rep. Power, Rep. Marsh, Rep. Ken Helm (D-Beaverton), and Rep. John Lively (D-Springfield).

“I’m now 72 years old,” Rep. Lively said on the floor as he spoke about supporting the legislation to build a brighter future for his grandchildren. “I don’t plan to go anywhere any time soon. But the truth is that I got the opportunity to live most my life without the consequences of humankind’s contributions to climate change. I got my opportunity. I want other generations to have the same opportunity.”

The legislation, which passed 36 to 24, now goes to the Oregon Senate for consideration.

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