

Representative Helm (Rep.KenHelm@oregonlegislature.gov), Representative Haas (Sen.MarkHass@state.or.us), Representative Nosse (Rep.RobNosse@oregonlegislature.gov), rep.barbarasmithwarner@oregonlegislature.gov, and SB 1070 Workgroups via Beth Reiley (Beth.Reiley@oregonlegislature.gov) and Beth Patrino (Beth.Patrino@oregonlegislature.gov)

12/21/2017

Re: Clean Energy Jobs bill, Senate Bill 1070

Greetings Representatives Helm, Haas, and Nosse, and Smith Warner,

Please consider these comments as small business input on SB 1070 (2017). BESThq LLC is a collaborative business community supporting small business through relationship, empowerment and inclusion. As an Oregon Benefit Company, BESThq supports an equitable economy powered by clean energy and supports policies enabling Oregon's present and future generations to live in a healthy environment. BESThq and partners highlight certain aspects of SB 1070 in addition to some proposed bill language. The Voices committee is an advocacy arm of the hundred plus firms of BESThq LLC, which draws from the many diverse business of the community.

Of the businesses we represent, though we have been following the work groups we have found it difficult to perceive where small business fits and provide input, and because it has been unclear where small business "fits" we offer this input to all to consider at this earlier stage.

Small business is a significant part of Oregon's economy according to the Oregon Secretary of State¹ and the Oregon Employment Department. Approximately 90,400 Portland General Electric and 74,000 Pacific Power small nonresidential ratepayers are by far the second most numerous classes of ratepayers in Oregon's investor-owned utility territories.² Therefore, understanding possible impacts on small business in Oregon is important. We note and appreciate that the existing bill language does articulate the role of women and minority owned businesses in various provisions. Due to our concern of the potential difficulty in measuring this we refer to "COBID certified businesses", yet not with the intent to exclude businesses that are not certified. SB 1070 will impact ratepayers risking possible rate increases and/or changes in conditions of service. Additional risk is how utility state consigned auction proceeds are distributed and expended if small business is not proportionally represented in decision-making.

Representation on committees: The legislation presents opportunities for small business to avoid or mitigate negative impacts. The various rules advisory and project funding committees envisioned in the measure should include groups representative of small business. These representatives would be members of the bill's various rule advisory and project funding committees to ensure the voice of small business is represented in significant decisions and actions that will directly affect small business.

Measurables: Oregon has tools ready to measure impact of this bill on small business.

- Metrics measuring participation of COBID certified firms and Oregon benefit companies in any SB 1070 related project should be a part of this legislation.

¹ Small businesses are critical to Oregon's economy. More than half our workforce is employed in jobs created by small businesses. <http://sos.oregon.gov/business/Documents/2016-small-business-annual-report.pdf>

² UE 294 | PGE | Exhibit 1402 / Cody p 1 <http://edocs.puc.state.or.us/efdocs/HTB/ue294htb9539.pdf> ; PacifiCorp DBA Pacific Power UE 263 Request for General Rate Revision <http://edocs.puc.state.or.us/efdocs/HAR/ue263har83528.pdf>, Table A-1

- Bill language should include reference to the existing statutory mechanism of ORS 183.336.³ A fiscal impact statement could include measurement of participation of COBID firms, Oregon benefit companies, and North American Industry Classification System (“NAICS”) codes.⁴
- Including NAICS codes either needed or utilized in related projects could be included in RFP reporting.
- Legislative sponsors could call on the lead agency to consult with Employment Department to identify metrics to best assist analyze economic impact.

Thank you for considering these comments and engaging with us on this very important work.
Signed,

BESThq LLC Voices Committee, including the following:

Diane Henkels, Henkels Law LLC, Committee Co-Chair, Constituent of Rob Nosse
Sydney Schilling, BESThq LLC, Constituent of Ken Helm
Ron White, BESThq LLC, Constituent of Ken Helm
Mary Anne Harmer, H Collaborative LLC, Constituent of Mark Haas
Michelle Halle, Barlow Strategies LLC, Constituent of Barbara Smith Warner

³ See Statute at: https://www.oregonlegislature.gov/bills_laws/ors/ors183.html

⁴ One example of statement of fiscal impact on small business is in the AR 603 Community solar docket: <http://edocs.puc.state.or.us/efdocs/HCB/ar603hcb112914.pdf> and contrast this with the numbers in the Oregon information in this report: <http://www.thesolarfoundation.org/wp-content/uploads/2017/02/National-Solar-Jobs-Census-2016-Appendix-A.pdf>

Senate Bill 1070 (2017) Text:

<https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/SB1070/Introduced>

Makes all provisions related to carbon pollution market and distribution of auction proceeds operative January 1, 2021. Authorizes Environmental Quality Commission, Public Utility Commission, Department of Transportation and Oregon Business Development Department to adopt rules prior to operative date.

Whereas climate change and ocean acidification caused by greenhouse gas emissions threaten to have significant detrimental effects on public health and the economic vitality,

Whereas any climate policy should address leakage to ensure a level playing field between in- state and out-of- state companies to prevent jobs from leaving this state;

Section 7:

Add "**Department of State**" (to include the Office of Small Business Assistance)

Add to 7(e): One member appointed by the [Commission on ... Small Business?], or add to "Five members appointed by the Governor who reflect the geographic, demographic, and **economic** diversity of the state

Section 8: Revise G and divide into two:

(G) One member who represents the interests of industrial and large businesses as defined in ORS impacted by climate change

(H) One member who represents the interests of small [and COBID certified] businesses.

Revise Subsection 5(a): Include **(E) How [COBID certified] businesses are benefitted by/impacted by expenditure of auction proceeds.**

Review Subsections 11 & 12 for small business:

(11) "High road agreement" means an agreement among multiple stakeholders that specifies goals for a project or program that are related to the quality and accessibility of economic opportunities provided by that project or program, and that includes:

(a) Strategies for advancing the specified goals based on metrics that may include but are not limited to:

(A) Requirements for wages and benefits; (B) Workforce and business diversity;

(C) Training and career development; and (D) Environmental benefits;

(b) A mechanism for implementing the agreement; and

(c) A process for evaluating the progress of a project or program toward achieving the goals specified in the agreement.

(12) "Impacted communities" includes, but is not limited to, the following communities most at risk of being disproportionately impacted by climate change:

(a) Communities with a high percentage of people of color, low-income households, immigrants or refugees relative to other communities;

(b) Linguistically isolated communities;

(c) Communities with high exposures to pollution or toxics relative to other communities; and

(d) Rural communities with unemployment rates that are above this state's mean state- wide unemployment rate.

Review Subsection

(18) "Project labor agreement" means a collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and that, at a minimum:

(a) Binds all contractors and subcontractors on the construction project through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents;

(b) Allows all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are parties to any other collective bargaining agreement;

(c) Contains guarantees against strikes, lockouts and similar job disruptions; and

(d) Sets forth effective, prompt and mutually binding procedures for resolving labor disputes that arise during the term of the project labor agreement.

Section 13:

(c) Nonvolumetric, on-bill climate credits applied annually or semiannually to residential customers or small business customers with 50 employees or less; or

(d) Other weatherization and energy efficiency programs.

(2) The Public Utility Commission shall adopt rules necessary to implement this section. In adopting rules under this section, the commission shall:

(a) Consult with the advisory committee established under section 7 of this 2017 Act; and

(b) Develop rules that prioritize uses of the proceeds that benefit low-income residential customers.

Section 14: Insert in subsection 4(b): **COBID certified businesses**

Section 16: Insert in subsection 2(c):

(c) The commission shall consult with the Environmental Justice Task Force, the Oregon Health Authority, **the Secretary of State (Office of Small Business Assistance)**, other state agencies,

Section 17: Distinguish small and large businesses and provide both in Climate Investments in Impacted Communities Advisory Committee:

(f) One member must represent the interests of large business.

(g) One member must represent the interests of small business [as defined by .]

Section 20: Just Transition Grant Program of the Oregon Business Development Department

(2)...Governor determines necessary and that represent the demographic and geographic **and economic** diversity in this state.

Insert **(g) At least one representative of small business.**

Section 32: Insert:

“...The report also may discuss measures the state may adopt to mitigate the impacts of global warming on the environment, the economy and the residents of Oregon and to prepare for those impacts...”**The Commission shall consult with the Secretary of State Corporate Division and the Employment Department regarding data indicating impacts on the economy and measures that may be adopted to mitigate the impacts.”**

Section 38:

Insert (2) “(c): Rulemaking undertaken pursuant to (2)(b) of this Section shall comply with ORS 186.833, follow a stated methodology stated in the reporting, and include explicit reference to government and private sector reports of relevant information on which conclusion regarding small business impacts are based.”