

## **Comments on the Clean Energy Jobs Bill**

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### **Allowances:**

Rather than offer free allowances to specific industries in the bill, I recommend the bill state that allowances may be allocated for free. We have seen an overall increase in CO2 this year and we see the effects of climate change be magnified. EQC needs the flexibility to quickly adjust the available allowances.

Free allowances should only be allowed to be sold if the funds from the sale go to the Just Transition Fund.

'Sources subject to the cap must submit compliance instruments to DEQ every three years equal to their compliance obligation. A penalty for noncompliance is assessed at the rate of four allowances for every one allowance that a source fails to submit.' It seems to me that this should be annually rather than every three years.

### **Offsets:**

The concern about offset comes from reports of abuse in other jurisdictions. Therefore I recommend we state that the offsets may be issued only for projects in the Linked States and Provinces with priority for Oregon funds to go to Oregon offsets.

The strict review of offsets must be included in the bill. Offsets must be monitored and demonstrate reduction in GHG.

- Maximum of 8% of total cap during the time the offset is approved.
- Not otherwise be required by law;
- Result in GHG emissions reductions or eliminations that:
  - Are real, permanent, quantifiable, verifiable and enforceable;
  - Are in addition to GHG emission reductions or eliminations otherwise required by law; and
  - Would not have otherwise occurred if not for the offset project.

**Linkage:** The bill should contain the basic provisions that allow linkage with California, Quebec, and Ontario. Hopefully the number of linked markets will grow. The ability to buy and sell allowances between states will provide more stability for industry.

If we were not pursuing linkage I would suggest that the covered regulated entities definition should be changed to be lower than the 25,000 tons of CO2e per year. (Perhaps 2,500 tons).

### **Social Justice:**

One of the strengths of this bill is the effort to help 'impacted communities' and 'economically distressed areas' by mandating a percent of the proceeds be used to assist these populations.

I would be happy if the percent of funds to be dedicated were even higher.

## Point of Regulation:

The point of regulation should be at the earliest entry of the fossil fuel or electricity generated by fossil fuel into the State. The first jurisdictional deliverer (FJD) seems to cover this as long as the markets that sell directly to large industries are included. These market providers must not be allowed to form new smaller markets to bypass regulation of entities that emit 25,000 tons or more of CO<sub>2</sub> per year.

I wonder if it is possible to include provisions that any pipelines, transport (road, rail, water) and storage facilities must be responsible for any emissions released intentionally or accidentally within the state. If we are forced to accept pipelines, trucks, trains, and barges going through Oregon there must be a way to require the sellers or buyers to pay for pollution caused by routine emissions during transport or spillage.

## Transportation:

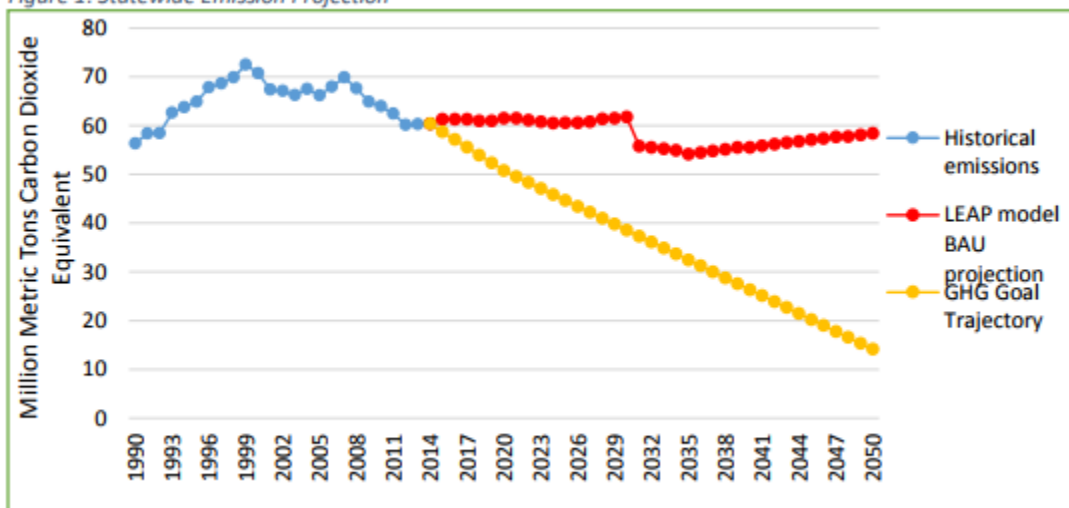
Because the Oregon Constitution requires funds from transportation go to the Highway Department they will have an influx of new money. The bill must stand firm with the mandate that *'all funds must be used to reduce greenhouse gas emissions and to promote climate change adaptation and resilience by Oregon's communities and economy'*.

The Oregon Department of Transportation may be challenged to identify uses for the funds. Building more highways does not reduce greenhouse gas emissions as they tend to increase use of cars. I do not think the bill should be so specific to recommend specific projects and I would like to suggest projects such as sidewalks, bicycle lanes, and maintenance of rest areas that could include solar panels to generate power and electric vehicle charging stations. I would also suggest exploration of new roads with [photo-voltaic pavers](#) to generate power.

**Closing Note:** As the various parties debate this bill, each from their own perspective, we must keep the science in mind and the fact that we are not on target for 2020 or 2050 goals.

We need to follow the 'yellow brick road'. The Clean Energy Jobs bill must be strong.

Figure 1: Statewide Emission Projection



[http://www.keeporegoncool.org/sites/default/files/ogwc-standard-documents/OGWC%202017%20Biennial%20Report%20to%20the%20Legislature\\_final.pdf](http://www.keeporegoncool.org/sites/default/files/ogwc-standard-documents/OGWC%202017%20Biennial%20Report%20to%20the%20Legislature_final.pdf)