

The Clean Energy Jobs Bill

House Bill 2020 -84 (2019)

Oregon can cut climate pollution, invest in our clean energy economy, and increase the resilience of our farms, forests, and families.

Cap-and-invest programs are already working in ten U.S. states, where economies have flourished as emissions have decreased. Clean Energy Jobs would strengthen Oregon's economy and support the urban and rural communities across Oregon that are most impacted by climate change.

Caps climate pollution

- Limits greenhouse gas emissions, primarily from fossil fuels, responsible for more than 80% of the state's climate pollution.
- Regulates companies that emit at least 25,000 tons of greenhouse gases per year, including transportation fuel suppliers, utilities (including imported power), and large industrial manufacturing processes.
- Updates and enforces state's climate goals by setting an economy-wide price on greenhouse gases and gradually lowering the cap on total emissions.

Statewide Emissions Mandatory Reductions Below 1990 Levels

At least 45% reduction by 2035
At least 80% reduction by 2050

Enforces the cap with a flexible, market-based system

Large companies currently emit unlimited climate pollution for free, and the public pays these costs. Under the bill:

- Regulated businesses must hold permits to pollute for each ton of greenhouse gases they emit (called "allowances").
- The pool of available allowances is auctioned by the state and reduces by a set percentage every year, lowering the cap.

Regulated companies are incentivized to find low-cost ways to meet the limit

They can:

1. Reduce their emissions through cleaner, more energy efficient investments;
2. Purchase allowances to pollute from a state auction;
3. Trade with other regulated businesses to sell or buy excess allowances; and
4. Meet some of their obligation through offsets, where a different entity in the agricultural or forestry sector reduces their emissions.

Program features

- The program is designed to link with the Western Climate Initiative, the regional carbon trading market that includes California and Quebec.
- To protect Oregon companies that are high energy users and face competition from out of state, the bill provides up to 95% free allowances for emissions-intensive, trade exposed (EITE) industries, such as cement and paper manufacturers.
- Use of offsets for compliance is closely regulated and can be further restricted for companies violating air pollution permits.



Invests proceeds to accelerate Oregon's clean energy transition

Proceeds from the auction of allowances are invested to accelerate Oregon's transition to clean energy, while improving climate resilience and expanding opportunities for low income and rural communities, communities of color, and impacted workers.

Although the price on pollution starts relatively low (appx. \$16/ton), the auction of allowances are estimated to raise hundreds of millions of dollars per year.

Utility proceeds: to reduce customers' energy bills and emissions

- Protects low-income households by prioritizing utility bill assistance and improving home energy efficiency.
- Supports projects like home weatherization, making solar panels more affordable, electric vehicle charging, and helping businesses use more energy efficient equipment.

Other Proceeds: support reducing climate pollution and promoting climate adaptation and resilience.

- Emissions reducing strategies support projects like affordable housing near transit, transportation electrification, and energy efficiency and clean energy upgrades for businesses and homes.
- Adaptation strategies support critical upgrades to roads and bridges, and carbon sequestration and climate resilience in Oregon's natural and working lands, including forests and farms (20% of proceeds directed to natural and working lands).
- 40% of the projects and programs benefit the communities most impacted by climate change across Oregon, in rural, coastal and urban areas.

- 10% of climate investment proceeds go to benefit Oregon Tribes.
- \$10 million per biennium for just transition assistance to support workforce development, including job creation and training, as well as financial support for workers adversely affected by climate change or in need of transition assistance.

Promotes transparency and accountability

- Legislature's Ways & Means Committee determines the budget and appropriates funds to invest proceeds.
- A joint legislative committee on climate oversees the program along with Carbon Policy Office advised by the Oregon Climate Board.
- An inclusive citizens' advisory committee as well as the Environmental Justice Task Force make recommendations on the investment of proceeds.

HB 2020-84 Amendment: What's new

- Holds all major GHG sources accountable, closing loophole for exported power
- Allocates 20% of investment proceeds to job-creating projects for Oregon's natural & working lands
- Directs 60% of PUC-overseen natural gas utility investments to be used for home weatherization, energy efficiency, RNG and rate relief
- Ensures a representative advisory committee for investments with seats for environmental justice, Tribes, labor, and other interests.

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