

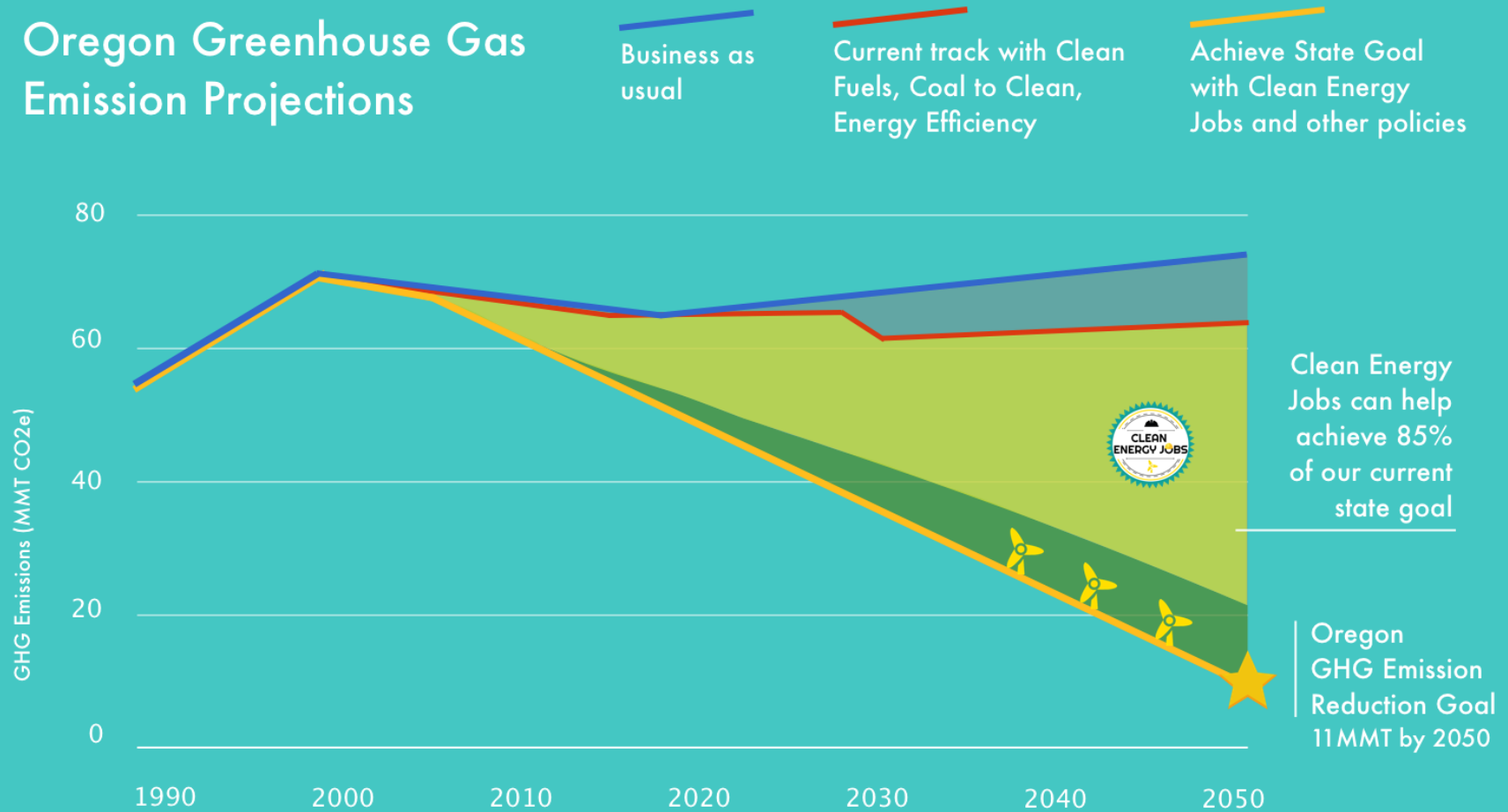


BENEFITS OF CAP & INVEST PROGRAM

- **FLEXIBLE, EFFICIENT MARKET-BASED SYSTEM**
 - Trading & banking of allowances permitted
- **ENABLES LINKAGE TO REGIONAL MARKET**
- **SUPPLY AND DEMAND ECONOMICS LEADS TO LOWEST COST EMISSIONS REDUCTIONS**
- **CAP PROVIDES ENVIRONMENTAL CERTAINTY FOR MEETING STATE GOALS**

CAPPING OREGON'S CLIMATE POLLUTION

Oregon Greenhouse Gas Emission Projections



Data based on Oregon Global Warming Commission projections.

CEJ enforces existing climate goals and sets interim targets:

- 2025: 20% GhG reduction below 1990 levels
- 2035: 45% GhG reduction below 1990 levels
- 2050: 80% GhG reduction below 1990 levels

CLEAN ENERGY JOBS BILL OVERVIEW

CAP

- Largest emitters must hold permits for annual climate pollution (~85% of state GhG emissions)
- Cap declines gradually through 2050 (80% below 1990 levels)
- Starts in 2021

PRICE

- Establish marketplace with allowances (permits). Total # of allowances = # of capped emissions in year 1, decreases each year
- Link with Western Climate Initiative Inc. (WCI) for joint auctions
- Consistent, increasing price per ton of GhG throughout the region

INVEST

- Auction proceeds reinvested annually in transition to clean energy, climate resilience/adaptation, economic development, consumer protection
- Prioritizes rural and urban impacted communities across Oregon

LARGEST EMITTERS COVERED

COVERED ENTITIES

FUEL
SUPPLIERS

UTILITIES

EMITTING
INDUSTRIES

THESE ENTITIES MEASURE, MONITOR + REPORT EMISSIONS
AND "TURN IN" ALLOWANCES TO "COVER" EMISSIONS
AT THE END OF EACH COMPLIANCE PERIOD

85% of Oregon's emissions covered (~100 entities)

- Threshold: 25,000 MT CO_{2e} for stationary sources = 133 rail cars of coal burned

Not covered:

- farms, forests, small emitters
- marine & aviation fuels

1 allowance = 1 metric ton of GHG

FLEXIBILITY FOR BUSINESSES

Allowances are assets that can be traded or sold within Oregon and linked markets

Special accommodation for emissions-intensive, trade-exposed (EITE) industries

Offsets create additional flexibility and lower compliance costs

Banked credits, 3-year compliance windows

Offsets

- Offsets are projects that reduce greenhouse gas emissions outside of the “capped” sectors. A limited number of offsets can be used for compliance.
- Offset projects must be additional: they would not happen if not for carbon funding. They must meet a set of standards, including that they are verified and regularly monitored.
- Offset projects can fund:
 - More enhanced forestry management.
 - Dairy digestors
 - Precision ag practices; build soil carbon.

REINVESTMENT OF PROCEEDS



AUCTION PROCEEDS CAN FUND CLEAN ENERGY PROJECTS ACROSS OREGON

- **Resiliency upgrades** for critical infrastructure.
- **Job training** for workers to thrive in the new, clean economy.
- More affordable and **community-based renewable energy** like wind, solar, and geothermal in rural Oregon.
- Building resiliency in **forest health** and other **working lands**.
- **Energy efficiency** upgrades and weatherization for homes, buildings, and businesses.
- More **transportation options** for people all over the state.

INVESTMENT FUND OVERVIEW

- Climate Investment Fund (DAS): GHG reductions and economic co-benefits for impacted communities, natural and working lands, tribes, and statewide projects
- Just Transition Fund (HECC): worker training
- Transportation Decarbonization Fund (ODOT): GHG reductions and resiliency
- Utilities (PUC): rebates, low-income weatherization, other decarbonization programs

RURAL OPPORTUNITIES AND BENEFITS

- **Rural Participation and Oversight:**
 - Representation on the Program Advisory Committee (forestry, agriculture and fisheries)
- **Dedicated Investments in Rural Communities:**
 - Proceed allocation for Impacted Communities ensures rural communities receive program investments
 - Natural & working lands investment
 - Up to 8% compliance met w/ forest, ag offsets
- **Safeguards:**
 - Forest & farm operations not covered by regulation, but eligible for program investments

Oregon Support

- 2018 Session:
 - Citizen lobby day, participation from 100% of legislative districts
 - 195 small farms
 - 800+ businesses
 - Business Alliance for Climate endorsement (Nike, Vigor)



Thank You and Discussion

