



Oregon State Chamber of Commerce

YES TO OREGON'S COLLABORATIVE CLIMATE POLICIES NO TO HB 4001: CALIFORNIA'S COSTLY CARBON PRICING

Adopting California's Cap and Trade system would be costly and unnecessary. It will increase the cost of living for Oregonians by \$50 to \$125 a month, give unelected bureaucrats the authority to increase taxes without a vote of the people or Legislature, and drive thousands of jobs away from the state. Oregon is one of the lowest carbon emitting states in the nation, and we're getting lower. We just enacted ground-breaking new climate policies on transportation and electricity generation. We should give these new laws a chance to work.

Oregon is doing its part as a leader in the green economy. Oregon is already one of the lowest carbon-emitting states in the nation, and we're getting lower. An Oregon cap and trade system would have no impact on global greenhouse gas emissions or climate change.

- Oregon's share of U.S. carbon emissions is .70 percent – less than 1 percent.¹ Oregon's share of global carbon emissions is .1 percent.² We could eliminate Oregon's carbon emissions entirely and have zero impact on climate change.
- Between 2000 and 2015, Oregon's economy grew by 85 percent³ and our population grew by 18 percent.⁴ Yet, according to the Department of Environmental Quality, our greenhouse gas emissions declined by 13 percent.⁵
- Oregon has the 6th lowest carbon emissions per capita of any state in the U.S.⁶

HB 4001 will *immediately* increase the price of fuel by at least 16 cents per gallon⁷ and then increase it more over time. It will cost the average Oregon family \$50 to \$125 more per month, depending where in the state they live.⁸

- The price of gas is already going up in both Portland and around the state to pay for much-needed transportation investments. A Cap and Trade gas increase on top of that is too much and will do nothing to relieve road congestion or improve safety.

¹ U.S. EPA: carbon emissions by state

² Carbon Dioxide Information Analysis Center, Global Fossil-Fuel CO2 emissions

³ Bureau of Economic Analysis, U.S. Department of Commerce

⁴ U.S. Census Bureau

⁵ Greenhouse Gas In-boundary Inventory, Oregon Department of Environmental Quality

⁶ *Ibid*

⁷ The rule of thumb is that for every \$1 per ton of carbon tax, gasoline prices go up by one cent. In the first year, DEQ believes allowance floor prices will be \$16 which equates to \$0.16 per gallon. FTI analysis shows allowances prices will be approximately \$84 in 2035 which equates to roughly \$0.84 cents per gallon increase.

⁸ Oregon Cap and Trade, an Economic Impact Analysis, FTI Consulting (2016): *Annual cost for a family of four in 2030 is between approximately \$600-\$1500 respectively. Those costs grow to approximately \$1250-\$3000 per year through 2050.*



Rural communities will be hardest hit by adoption of California's cap and trade system.

- Oregon's rural residents already struggle to access high-wage jobs with benefits, which are prevalent in the manufacturing sector, and manufacturing plays an outsized role in rural economies. The chill cap and trade places on manufacturing job growth will create even fewer opportunities.
- Rural families drive farther distances for work and errands than urban residents and have less access to transit, meaning they will pay more for cap and trade's increase in gas prices.

An Oregon Cap and Trade system gives unelected bureaucrats the authority to raise taxes on Oregon families and employers without a vote of the people or Legislature.

- HB 4001 authorizes the Oregon Department of Environmental Quality to raise revenue from people who buy gasoline and heat their home.

Adopting California's Cap and Trade system would drive thousands of jobs away from Oregon. We are two different economies, and Oregon relies more heavily on manufacturing and energy-intensive industries.

- Since enactment of its comprehensive carbon-reduction law in 2010, California has generated less than half the manufacturing job growth as the U.S. average.⁹
- In 2013, the year California's Cap and Trade system went into effect, California had 46 manufacturing plants locate or expand in the state; Texas had 253.¹⁰
- California economic and job growth is concentrated in the Bay Area and Los Angeles. Most of the rest of the state has unemployment rates well above the state and national averages.¹¹ We shouldn't advance a policy that further divides the economies of urban and rural Oregon.

Oregon just enacted ground-breaking new climate policies on transportation and electricity generation. We should give them time to work.

- 36 percent of Oregon's Greenhouse Gas emissions come from transportation.¹² But, we just enacted a Low Carbon Fuel Standard to lower these emissions – a policy that may add \$.15 to a gallon of gas as early as next year. Cap and Trade will increase the price even higher. The industry worked hard last year to introduce provisions to make LCFS achievable, and they are now working to comply with the new regulations.
- The Legislature already directed Oregon's two largest utilities to divest entirely of coal-fired generation and increase their portfolios share of renewable energy to 50 percent. Like California, an RPS will deliver the majority of carbon reductions in the electric sector.
- The state's sole-remaining coal-fired plant which accounts for 7 percent of Oregon's stationary carbon emissions, will be shut down in 2020.¹³

Let's continue Oregon's great progress on reducing carbon emissions—No to HB 4001

⁹ Labor Market Information Dept, U.S. Bureau of Labor Statistics

¹⁰ [Manufacturing Slower to Grow in California than elsewhere in the U.S.](#), LA Times, January 19, 2015

¹¹ [California Center for Jobs & the Economy](#)

¹² [Oregon DEQ: Oregon Greenhouse Gas In-boundary Inventory](#)

¹³ [Wikipedia, PGE Boardman Coal Plant](#)