



MEMORANDUM

**TO: Angus Duncan, Chair
Oregon Global Warming Commission (OGWC) Members**

FROM: Annette Price

RE: Comments on Cap and Trade Resolution

DATE: January 22, 2009

Since our Executive Director Bill Wyatt is unable to attend today's (OGWC) meeting Bill wanted to share his concerns in writing to facilitate the discussion on the draft cap and trade resolution. Bill would like these comments to be included in the meeting record.

A great deal of consideration has gone into this cap and trade resolution and he feels it will ultimately help further Oregon's ability to meet its greenhouse gas reduction goals.

The Port of Portland has long been a supporter of Oregon's goals and has implemented, and continues to pursue creative projects throughout its marine and aviation operations aimed at reducing greenhouse gas and diesel particulate emissions, including; energy efficiency projects, the purchase of electricity from sustainable sources, computerized and automated systems to reduce vehicle idling, and alternative fuel vehicles.

General concerns with the draft resolution have to do with

- 1) import regulation;
- 2) transportation, specifically the role of the industry in developing regulations to be promulgated by Oregon Department of Energy and the Public Utility Commission; and
- 3) the level of economic analysis to be conducted in support of the cap and trade and complimentary measures.

More specifically, import regulation will be very difficult to achieve without also treating Oregon exports in a similar manner and adversely affecting trade-dependent Oregon businesses. Oregon imports and exports are a vital part of Oregon's economy.

The resolution should provide clarity on the scope of transportation electrification whether it is intended to address the development of plug in vehicles or whether it is intended to include the broader transportation sector. If it is intended to address

transportation on a broad level, the transportation sector needs to be engaged in the role of evaluating and developing transportation related complimentary measures such as electrification. Studies on electrification at Ports, for example, have shown that the feasibility of electrification is highly variable and is heavily dependent on operational variables (i.e. types of vessels, frequency of calls, terminal agreements [or lack thereof]). Electrification technology is relatively capital intensive and operational costs are high as compared to conventional air emission abatement technologies. Where not feasible, air quality objectives are being addressed through other measures.

The resolution should be clear that a detailed economic analysis will be conducted for all complimentary measures considered. Complimentary measures are important in helping Oregon meet its goals. However, it is also important that Oregon evaluate the economic impacts of complimentary measures, especially those which will not be adopted across all Western Climate Initiative jurisdictions (seven U.S. states and four Canadian provinces).

Bill very much appreciates the effort and quality put into this draft resolution. These comments are intended to be constructive in helping to develop a product that can be enthusiastically embraced, and Bill looks forward to working closely with the Commission members on providing further clarification on the resolution.