

Cap-and-Invest: SB 1070

November 30, 2017

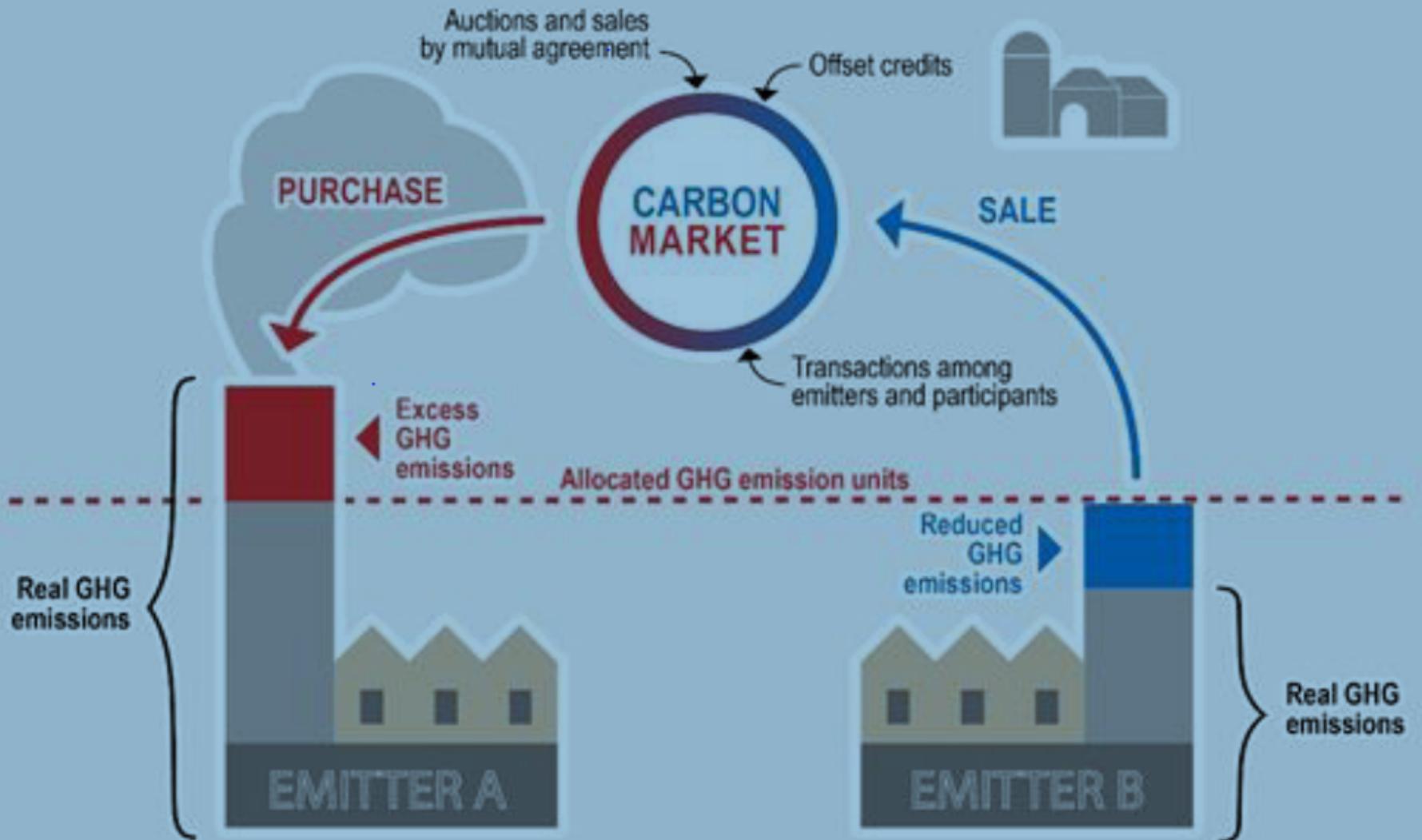
Governor Brown's Carbon Policy Principles:

- Achieve OR's carbon pollution goals with certainty
- Adopt a flexible, market-based approach to achieve reductions most cost-effectively
- Prioritize equity and benefit all Oregonians
- Position OR's economy for growth, by protecting existing jobs/industries while investing in new technologies, job training, and natural resources.
- Coordinate with other regional efforts

SB 1070 Overview

- Sets a declining cap on GHG emissions
 - 25% below 1990 levels by 2025
 - 80% below 1990 levels by 2050
- Creates a cap-and-trade program for compliance
- Dedicates proceeds to (1) Highway Trust Fund (2) Rate Relief (3) Just Transition (3) Mitigation and Adaptation Projects
- Links to other WCI jurisdictions: CA, Ontario, Quebec

What is cap & trade?



What is regulated under cap?

- Entities that exceed 25,000 Mt CO₂ e annually
 - Electricity generation and imports
 - Natural gas generation
 - Fuel imports
 - Large industrial sources of emissions
- Forestry and agriculture excluded.
 - Can supply offsets into the carbon market
 - May benefit from direct investment from carbon market proceeds

Process & Next Steps

- Carbon pricing/cap discussions date back to 2007
- Legislature commissioned PSU study on economic impacts in 2014
- Legislature commissions DEQ study on program design/feasibility; completed in 2015
- SB 1070 introduced 2016
- Working groups meet Fall 2017
- House and Senate bill to be introduced Feb 2018