

Representative Ken Helm, Chair, House Committee on Agriculture, Land use and Natural Resources

HB 2659 degrades Oregon's land use policy and would contribute to Oregon's consistent failure to meet its climate policy goals. Many who think Oregon is progressive on climate policy do not understand that Oregon is performing badly compared to our neighboring states. Some Oregon jurisdictions resist the compelling need to change the way we remodel and build cities and landscape, thereby asking for a redo of the duly recognized planning process already underway, a real setback to Oregon's bandy lagging performance.

If states are the laboratory of democracy, as Justice Lewis Brandis coined in 1932, then state comparisons provide an important tool to evaluate what is working, or not. This document compares most current outcomes of Pacific state climate policies.

Opinion research consistently finds that Oregonians and US citizens want more effective climate stability policy. To that end, in 2007, Oregon's legislature passed a bill adopting goals to reduce emissions to at least 10 percent below 1990 levels by 2020, and at least 75 percent below 1990 levels by 2050. Washington and California adopted approximately similar goals around the same time. But California set out on a dramatically different course than Oregon and Washington.

Table 1. Evidence: Greenhouse Gas (CO₂e) emission trends, comparison by from state reporting

Jurisdiction	Total GHG/Year 1990	Total GHG/Year 2021	Total % GHG Change 1990-2021
Oregon ¹	56.4MMt	61MMt	+8.1%
California ²	431 MMt	369.2MMt	-14.4%
Washington State ³	93.5MMt	102.1MMt*	+9.2%

*WA 2020 is extrapolated forward from 2019 data, to be updated when data is available

Key takeaways from Table 1:

1. Oregon failed to meet its 10% reduction of 1990 emission by 2020 goal, overshooting by more than 8%.
2. California's cap and trade policy is working, and has reduced its GHG reduction 1990-2020 by better than 14%.
3. Washington, like Oregon, failed to meet its aspirational goal, overshooting by 9%.

Some people may critique Table 1 on the grounds that greenhouse gas emissions are too complicated to accurately measure or that individual states cannot be trusted to provide unbiased greenhouse gas information. For this reason, below are two validity checks using federal agency information with identical methodology for every state. The emphasis in interpreting the tables should be on the trend direction in each table because each table uses differing methodology.

Table 2. Validity Check #1: EIA total prime supplier motor gasoline use 1990-2021⁴ and % change (thou.gal/day)⁴

Jurisdiction	1990	2012	2013	2021	% change 1990-2012	% change 2012-2021
Oregon	3889	3956	4023	4008	0.0 %	0.0%
California	40676	38821	39453	33307	-4.5%	-15.5%
Washington State	6803	7399	7486	6990	+8.8%	-6.6%

The singular measure of motor fuels covers the single largest component of Oregon's emissions. Drawn from singular federal source gives a surrogate measure of emission behavior trends eliminating concern for differing methodologies of measurement although with the weakness of leaving out many other sources of emissions.

The above table is measurement of motor fuel which is reported to the United States Energy Information Agency (EIA) by energy distributors or retailers. For this comparison we also insert a 2012 data point to evaluate the impact of CA's 2007 legislation which began implementation in 2013. Table 2 shows some variations in trends for Washington and Oregon while California demonstrates significant reductions in climate harmful gasoline combustion.

Table 3. Validity Check #2: Federal EIA GHG emissions* for designated year⁵ (MMtCO₂e) Change 1990-2020

Jurisdiction	1990	2000	2005	2010	2015	2016	2017	2018	2019	2020	% change	Absolute
Oregon	30.8	41.5	41.1	40.6	37.9	37.7	38.8	39.6	41.8	37.5	+21.8%	+6.7
California	360.2	382.3	389.6	356.6	351.4	353.4	356.5	358.6	358.2	303.4	-15.8%	-57.0
Washington	71.7	84.3	79.2	73.4	75.1	79.4	79.1	78.7	84.2	68.4	-4.6%	-3.3
US TOTAL	5,024.2	5,867.5	5,990.6	5,585.0	5,267.2	5,179.5	5,143.4	5,294.8	5,158.8	4,592.4	-8.5%	-431.8

*The EIA sources their data from federal agency sources of energy reporting which use production based reporting but OR, WA & CA use sector based reporting to more accurately measures in-state energy consumption behaviors.

Federal EIA Table 3 source uses the broad composite of energy combustion by states, methodology applied identically to all the states, unlike Table 1 data in which each state uses slightly different methods. This data source confirms the trend that Oregon emissions are climbing well above the 1990 goal, California is 15% below its goal, due policy differences. (overleaf)

Taking Tables 1, 2, and 3 in conjunction, the trends are similar, the evidence is that Oregon is missing the marks it sets for itself while CA is, and WA may be rounding the corner to do so.

The key distinguishing feature of CA and WA is they both have cap and invest climate policies currently in place (CA since 2013, WA since 2021) including an emission pricing system. Their mechanism requires big polluters (above 25,000 tons CO2e / year) to annually reduce emissions while paying for the right. Their fees to pollute establishes a market-based pricing signal to give emitters incentive to move quickly, also generating significant funds to invest in climate adaptation and innovation. Oregon gives away free allowances to emit CO2e, only covers emitters above 200,000 tons CO2e/ year and has no funding mechanism to invest in climate adaptation and climate disaster relief, thereby missing out on the incentives and investment opportunities.

There will always be a few naysayers confronting any program to address the rapidly advancing climate crisis. The most common often heard is that a cap and invest program will wreck the economy. Table 4 addresses "it'll wreck our economy" as was broadly advertised by opponents in California and Oregon during efforts to adopt a cap and invest program.

Table 4: Evidence: Did Cap & Invest Ruin CA's Economy, as opponents predicted?

Jurisdiction	Population % Change 1990-2021	GDP %/year - Annual Change ⁶	
		1997-2013	2013-2021
Oregon	+49.0%	3.0%	3.3%
California	+31.7%	3.3%	3.5%
Washington State	+59.0%	3.0%	4.4%
USA	+23.8%	2.6%	2.5%

2013 was the year that CA's cap and invest started operating.
1997 was the beginning of BIA's current methodology of US annualized GDP.

Key takeaways from Table 4:

1. Contrary to vehement objections funded in part by fossil fuel interests that California's cap and trade program would ruin their economy, their economy has continued on a stable course. California's legislative strengthening of the original AB32 law indicates their confidence in the overall benefits of their Cap and Invest, for climate and business.
2. Some argue that GDP is a poor measure of well-being. Various measures of well-being employing much broader scope of metrics commonly show that California's collective wellbeing ranks in the top 20%. Gallup Survey uses 12 categories of metrics and finds California in the top six states while Oregon is below the mid-level of the US states, suggesting that lowering emissions in California is not penalizing broad measurement of well-being.
3. After running cap and trade for six years, in 2018 California legislated an additional 40% reduction requirements [resulting in \\$18.5 billion invested in 75,000 projects](#) on climate stability and justice, creating jobs and resilience.

Consequent Developments

- **Oregon** – failing to meet its reduction target – started over again the during the 2015-2019 legislature, attempts to pass cap and invest policy similar to California hit resistance resulting in Republican caucus walkouts blocking any vote. Frustrated by legislative failure, Governor Brown's [Executive Order 20-04](#) resulted in DEQ agency rulemaking for the [Oregon Climate Protection Program](#) and [detailed directives](#) aimed at emission reductions. In the 2023 legislative session, Democratic legislators have introduced legislation ([HB 2695](#) & [SB 580](#)) to delay some of the rules for as long as five years.
- **California** – broadly satisfied with AB32, but with it due to expire in 2020 – in 2016 redoubled their emission reductions 40% below 1990 levels. In 2022, with Governor's leadership, the CA's legislature enacted [the world's strongest emission reductions](#) to achieve carbon neutrality no later than 2045 and 90% clean energy by 2035 coupled with a \$54 billion climate protection budget.
- **Washington** – walking largely in lockstep with Oregon's failing performance through 2021 - then largely adopted California's [cap and invest program with several innovations](#) in 2021 with a fee on emissions ranging from \$32-80/ton CO2e, estimated to raise nearly one billion dollars per year for climate resilience & infrastructure investments with net-zero emission target by 2050. During the first auction on Feb. 28, [more than 6 million allowances were sold](#) to businesses across the state, with the minimum bid set at \$22.20 per allowance. Compared to Oregon's slow rule making, Washington was able to initiate their comprehensive policy in two years from the point of enactment.

1. Oregon DEQ consumption based emissions 1990-2021 <https://www.oregon.gov/deq/FilterDocs/ghg-sectordata.xlsx>
 2. CA 1990 CARB emission 1990-2000: https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000-2020_ghg_inventory_trends_figures.xlsx
 3. Washington State GHG Inventory 1990-2019 Table 4 [Washington Department of Ecology](#)

4. EIA prime supplier motor gasoline state annual: https://www.eia.gov/dnav/pet/pet_cons_prim_a_EPM0_P00_Mgalpd_a.htm (Select Excel file download for most current data)
5. EIA State energy related CO2 emissions by year <https://www.eia.gov/environment/emissions/state/excel/table1.xlsx>
6. Bureau of Economic Analysis data: <https://apps.bea.gov/itable/iTable.cfm?ReqID=70&step=1#reqid=70&step=1&isuri=1>; use tool: SAGDP10N; Per capita real GDP by state for CA,OR,WA, use with US Census population data