

# CARBON ALLOCATION TASK FORCE CHARTER

September 14, 2005

## 1. Purpose:

The Governor's Carbon Allocation Task Force has been assembled pursuant to the recommendation from the Governor's Advisory Group on Global Warming. The primary purpose of this Task Force is to examine the feasibility of, and develop a design for, a load-based<sup>1</sup> carbon allowance standard for Oregon. This standard would reduce total amounts of carbon dioxide (CO<sub>2</sub>) and other greenhouse gas (GHG) emissions due to consumption of electricity, petroleum and natural gas by Oregonians in a deliberate, predictable, effective, equitable and verifiable manner. This action would help meet the goals that the Governor has stated to reduce greenhouse gas emissions from Oregon to a level that is 10 percent below 1990 levels by 2020 and 75 percent below by 2050.

The Task Force will also consider an Oregon Renewable Portfolio Standard (RPS) and other tools that could help to meet a carbon allowance standard and overall state CO<sub>2</sub> goals.

The Task Force will meet once a month for approximately a year and provide the Governor with its recommendations in time to prepare possible legislative proposals for the 2007 session.

To further the Governor's participation in the West Coast Global Warming Initiative, the Task Force may also cooperate with efforts in neighboring states to develop similar carbon allocation standards to the degree practicable and will consider a regional standard if there are other states that are interested in developing such a standard.

## 2. Parameters for the Proposed Strategy

The Task Force includes a broad representation of parties with economic and environmental interests at stake, along with appropriate state agency staff. In addition to meeting the goals for greenhouse gas emission reductions adopted by the Governor, a secondary goal is to capture and reinvest or equitably distribute economic benefits from energy efficiency and renewable energy. Tools may include: utility and government resource programs (including those of the Energy Trust of Oregon and the Bonneville Power Administration's transmission and integration capabilities); government tax, long-term financing and incentive programs; and offsets and trading. Barriers to meeting allowance goals should be identified and addressed. It is possible that future efforts by a later task force will look toward the application of a carbon or GHG standard to major industries in the state.

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<sup>1</sup> "Load-based" in this context does not mean each and every retail electric customer, but rather the much smaller number of investor-owned and publicly-owned distribution electric companies or other retail providers who are responsible for providing electric energy and capacity to end-users.

The Task Force will look at a range of measures and consider the implementation strategies and timelines, the emission outcomes, the costs, and the benefits. The Task Force would then choose its recommendation for a specific program design. The Department of Energy will prepare a background paper that outlines policy issues for the Task Force before its first meeting.

### **3. Task Force Membership and Responsibilities**

The Governor has named David Stewart-Smith as chair of the Task Force. David recently retired from the Oregon Department of Energy. In this role he will serve as the spokesperson for the Task Force to the media and will work with the Department of Energy staff and consultants to organize the meetings and direct the process.

It is important to have consistent and regular participation by members throughout the process. However, if a member cannot make a particular meeting, he or she is encouraged to send an alternate who has been kept informed of the issues and can officially represent the interests of that member.

#### Members' Responsibilities

- Attend meetings, and if there is an unavoidable absence, have an informed alternate attend who will keep the member informed.
- Represent the interests of their sector as well as possible, but members do not make any commitment for their organizations unless they specifically state that intention.
- Review materials distributed between sessions and respond in a timely manner to any requests for comment or information.
- Work together to understand the issues involved and the needs and concerns of other members and to search for consensus.
- Raise issues, concerns and questions in a timely manner during discussions and/or during e-mail exchanges.
- Regard silence on an issue as assent. If a member is undecided and thus not speaking on an issue, he/she should make that known to the Task Force.
- Consider the public input received on the draft proposals.
- Assist in reaching the goal of one or more proposed legislative concepts.
- Support implementation of the portions of the recommended proposal that achieve consensus.
- Members will speak to the press only about their own views, and will not attempt to represent or characterize the views of other members or of the Task Force.

#### 4. Meeting Schedule

The first meeting of the Task Force will be 9:00 AM -5:00 PM, September 29, 2005, Room 50, State Capitol, Salem.

The Chair will establish a schedule for subsequent meetings every four to six weeks. The Task Force will complete its recommendations by in time to prepare possible legislation for the 2007 session.

#### 5. Task Force Structure

- a) **Task Force.** The Task Force will be composed of stakeholders from the electric and gas utilities, an independent electricity generator, industry, state and local governments, businesses, and from environmental, climate change, and other interested parties or organizations.
- b) **Staff Working Group.** The Staff Working Group will be a sub-group for coordination of agency policy perspectives, principally through their designated representatives. The departments of Energy and the Public Utility Commission will be invited to designate a representative. The Governor's Office will also designate a representative. Collectively, these designated representatives make up the Staff Working Group. The Department of Energy has the responsibility for providing the lead on staffing and support for the Task Force.
- c) **Sub-Committees.** The Chair may establish Sub-Committees to assist the Task force.
- d) **Task and Sub-Committee Leadership.** Leadership for specific tasks will be assumed by specific stakeholders or state agency staff, who will work closely with the stakeholders who have committed to assist with the task.
- e) **Consultants.** Portland State University will provide consulting services for modeling economic, technological, and environmental trade-offs for alternative policy choices. The Task Force may rely on other consultants for additional modeling and for design of policy options.
- f) **Observers.** Staff from other states and Canadian provinces may take part in meetings of the Task Force and Staff Working Group and Sub-Committees as observers.
- g) **Public Involvement.** All meetings will be open to the public and will have a limited time set aside for the public to speak. Citizens who wish to submit comments are encouraged to communicate directly with a Task Force member or to communicate by submitting written comments through the web site: [oregon.gov/ENERGY](http://oregon.gov/ENERGY).

#### 6. Task Force Decision-making

The Task Force will make decisions as much as possible by consensus of all members. Consensus for this purpose means that all members will agree to support the elements of the proposal/s and its implementation. It does not mean that they agree that each particular element is the very best design.

The final report of the Task Force will recommend possible legislation and possibly non legislative strategies to the Governor. It will identify areas where there is uncertainty or where there is not consensus, but where there is significant support for certain elements of the proposal. It will explain the uncertainty or the concerns that prevent consensus on particular recommendations. The final report will reflect the variety of opinions of the Task Force and capture the levels of consensus.

Other decisions of the Task Force, such as direction to the sub-committees, meeting planning and other organizational and logistical matters, will be made by a general sense of the Task Force, with the decision delegated to the Chair.