

Oregon's Climate Action History



The Governor's Advisory Group
2004

The Carbon Allocation Task Force
2006

State and Regional Initiatives Lead the Way

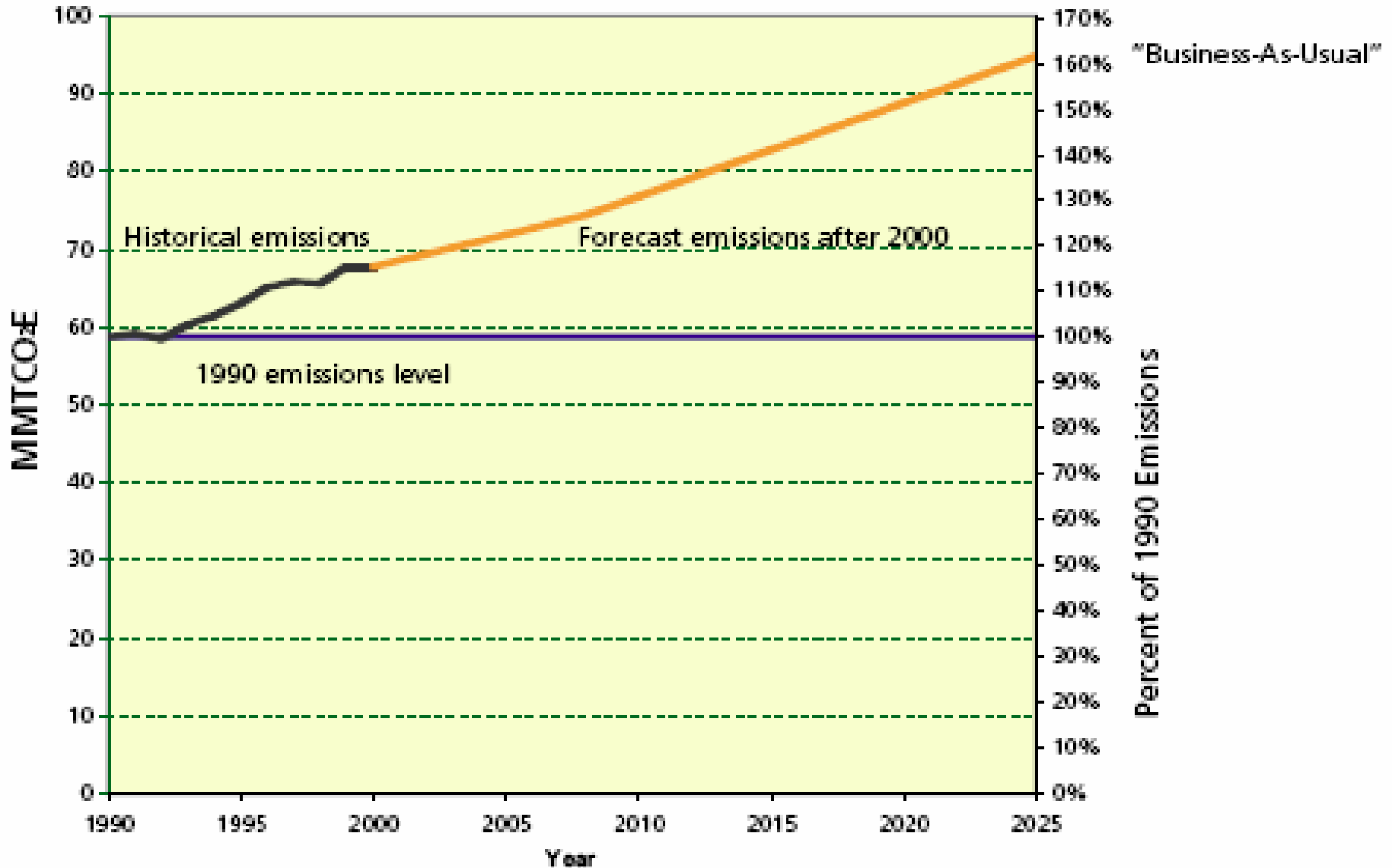
- Northeast RGGI States Initiative
- California Auto Tailpipe Standards
- West Coast Governors Global Warming Initiative -> 7-State / 2 Province Climate Initiative
- Washington Adopts Emissions Performance Standard (no new coal)
- Oregon Adopts Carbon Reduction Goals, Strategy

Oregon Strategy for Greenhouse Gas Reductions

Governor's Advisory Group On Global Warming



Stating the Problem



Oregon's Citizen-Led Process

- Governor's Advisory Group of 30 citizens -- ranchers, utility executives,
- Chaired by Mark Dodson, NW Gas CEO; and OSU Professor Jane Lubchenco
- Unanimous agreement on principles, goals and 70+ actions

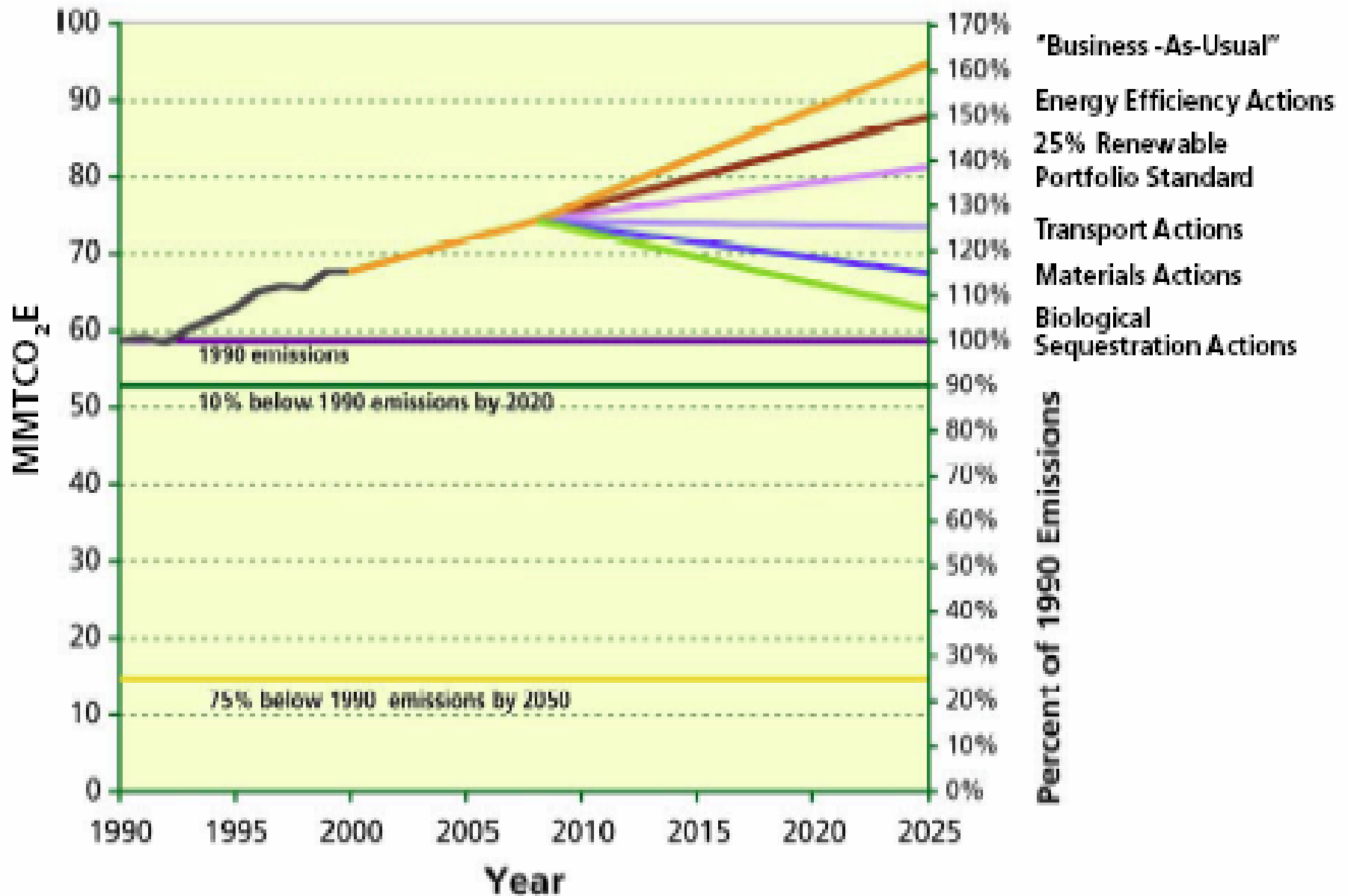
Principles

- #1 Achieve significant GHG reductions, grounded in good science, commensurate with Oregon's share of the problem
- #2-10 Do this in a prudent and cost-effective way that creates economic opportunities for Oregonians: products and services they can market, efficiency savings, improved energy reliability, equity.

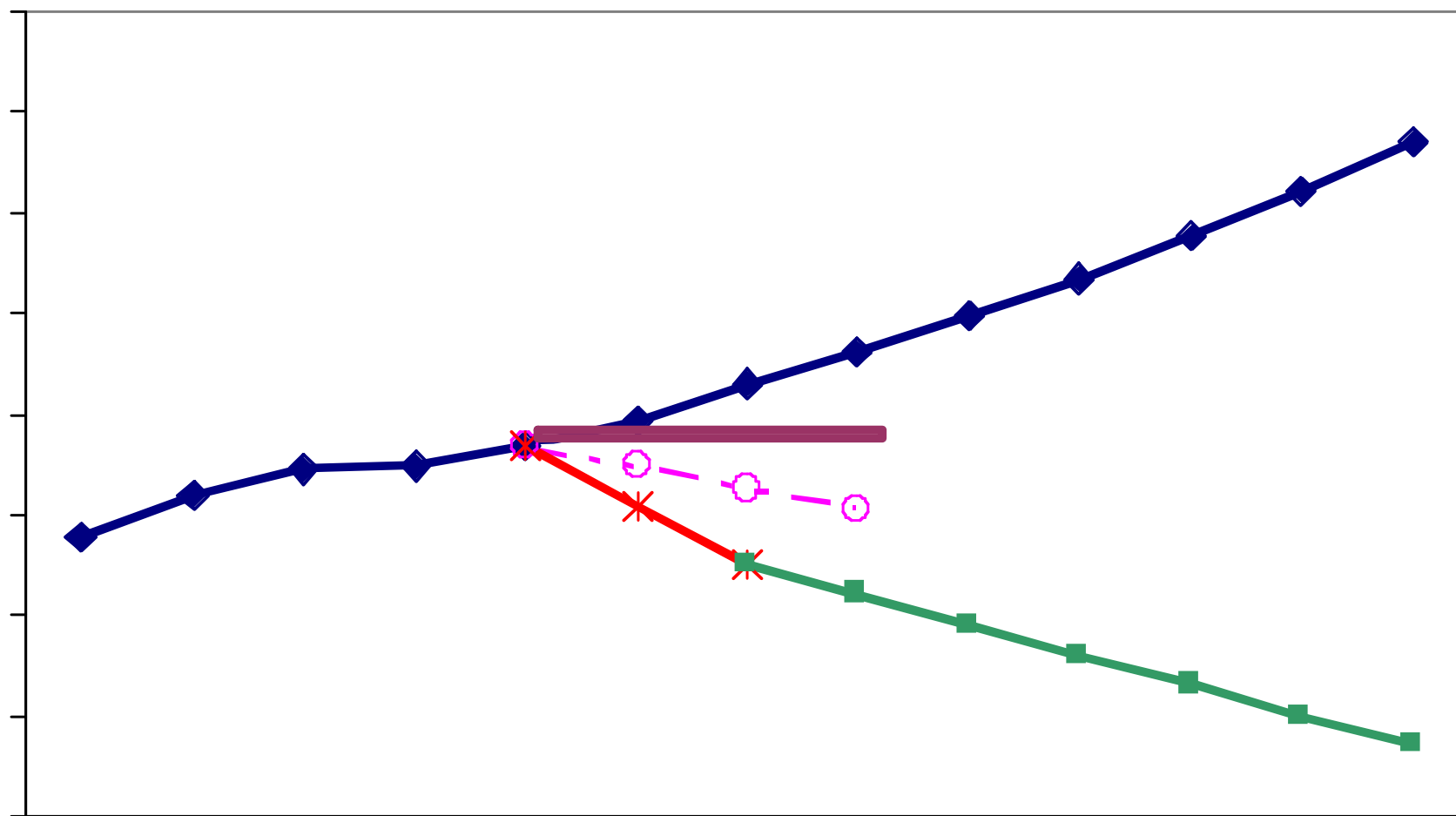
Goals and Actions

- Adopt GHG Reduction Goals
 - Arrest GHG growth by 2010
 - 10% below 1990 by 2020
 - 75% below 1990 by 2050
- Energy Efficiency
- New Renewables: Wind, Solar, Biomass
- Auto Tailpipe GHG Emissions Standards
- Market-Linked (“Cap and Trade”)
Carbon Allowances for Electricity, Gas
with Phased Reductions through 2050
- Waste Reduction, Recovery, Disposal

Outcomes



Emissions Trends Since 1990 + Projected



- ◆ Business as Usual Emissions
- - Impact of Actions In Progress
- Emissions To Meet 2050 Goal
- Impact of Actions In Place
- * Emissions To Meet 2020 Goal

Carbon Allocation Task Force (CATF)

- Goal: Design effective Oregon carbon C&T
- Criteria
 - Set long-term and interim reduction levels
 - all major GHG sources; w/ trading mechanism
 - compliance flexibility
 - control “leakage”
 - support economic development; protect competitiveness
 - defer to “meaningful” Federal action

Carbon Allocation Task Force (CATF)



- Process

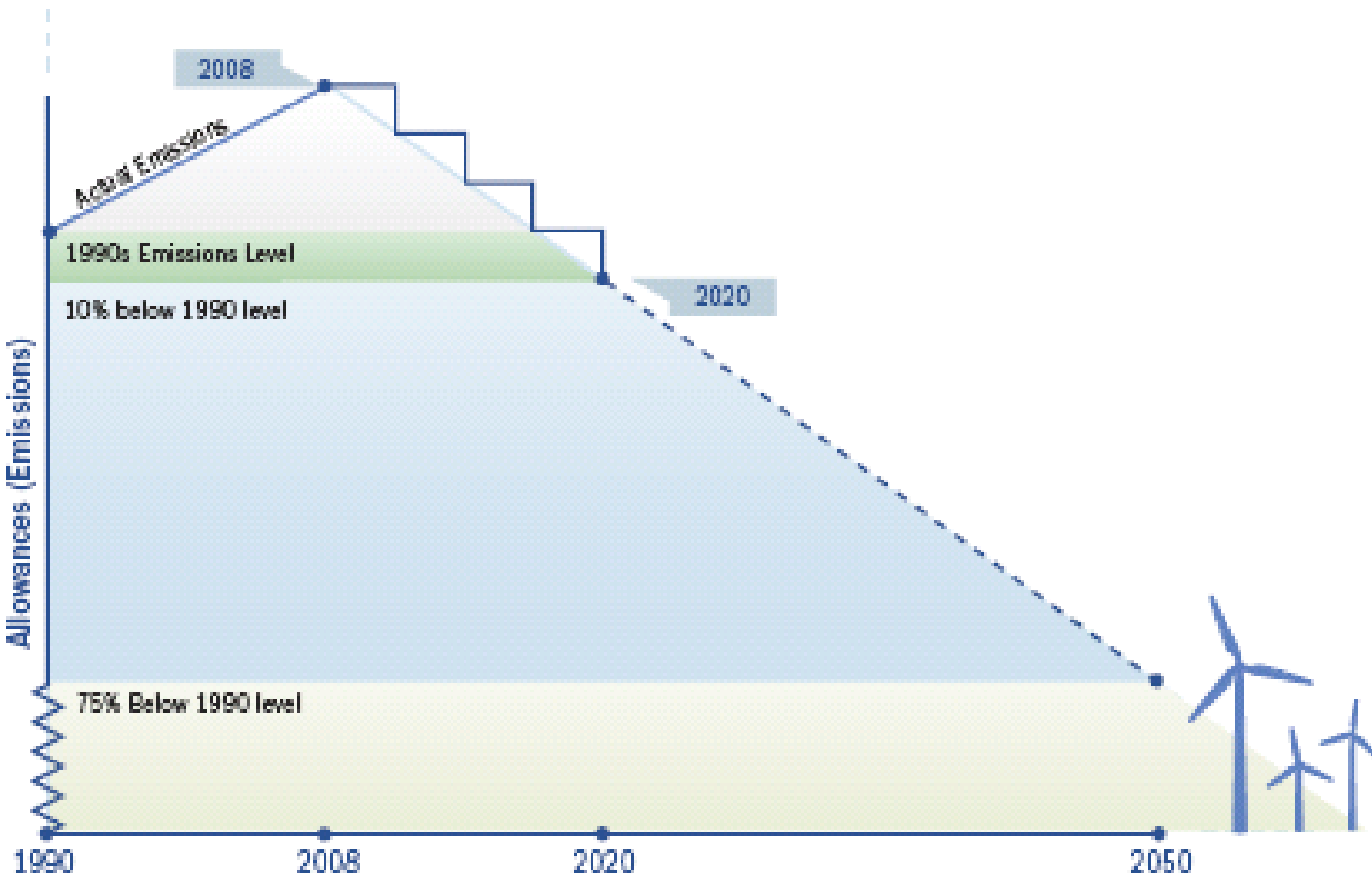
- Task Force membership includes utilities, industrial power users, local governments, environmentalists
- Drafting Committee works through staff Straw Proposal to develop “median” proposal
- Rate/cost impacts modeled

Cost/Rate Impact Modeling

- CATF developed its own economic model to test costs of compliance with OR 2020 goal.
- Used NW Power Council, utility assumptions
- *Conclusion: - Under low to medium growth scenarios, power rates increase but consumer costs, on average, decrease. Under high growth, rates and costs both increase*
- Under all growth scenarios, costs remain within $\pm 0.5\%$ of Oregon GDP
- Other sensitivity testing needed

Oregon Carbon Cap and Trade

Illustrative Emissions Reduction Curve



Lessons Learned

The basic science is well understood and agreed to by 99%+ of qualified scientists.

A “delay and study” strategy would make sense if remaining uncertainties are great and consequences of delay are small.

But in this instance ***the scientific uncertainties are small and the consequences of delay are very great.***

There is a powerful business case for acting decisively

- Costs of coping (e.g. of failure to act promptly) are severe
- High ROI from efficiency investments
- Business opportunities
- Energy cost stabilization
- Trade with Kyoto-signing countries

Lessons Learned

Pacific Northwest's share of global GHG emissions is less than 1%. But it's 4x the global per capita average.

We may be a small part of the equation, but we can leverage our effectiveness with alliances and leadership