OREGON GLOBAL WARMING COMMISSION



Oregon Department of Energy, 625 Marion Street NE, Salem, OR, 97301 Toll-Free in Oregon: 1-800-221-8035 Email: Oregon.GWC@state.or.us Web: http://www.oregon.gov/ENERGY/GBLWRM/GWC/index.shtml

MEMORANDUM

TO OGWC Members

FROM Angus Duncan, Chair

SUBJECT September 16 Meeting: OGWC Procedure for Findings and

Recommendations to the Governor and 2009 Legislature

DATE September 6, 2008

The Commission will be meeting monthly from September through November in order to consider findings and recommendations to the Governor and the 2009 Legislature on proposals – emerging from several administrative and stakeholder processes – that will materially influence Oregon's ability to meet its greenhouse gas (GHG) and adaptation needs and goals.

In most or all cases, one of the Commission's standing committees is reviewing proposals and will be expected to make "consistency" recommendations to the full Commission. Often Commission and committee members are also participating in the stakeholder groups with the goals of shaping the proposals toward a consistency recommendation.

Processes and expected products presently include:

- Transportation Vision Committee: revenue, planning and investment proposals (Transportation/Land Use Committee)
- "Big Look" Task Force: land use proposals (T&LU)
- Western Climate Initiative: Carbon Cap and Trade proposal (Energy/Stationary Sources Committee)
- Energy Efficiency Working Group: funding and programmatic proposals (E/SS)
- Renewable Energy Working Group: funding and programmatic proposals (E/SS)

In addition there will be budget and personnel proposals from several agencies to strengthen capacities to address climate change issues that fall within their administrative purview. There may be a DEQ proposal addressing emissions reporting authorities. The OGWC Environment/Natural Resources Committee has considered proposals in water and forestry policy/programs, which may still take shape in time for the 2009 session.

At the September 16 Commission meeting, I am expecting the Chairs of the Committees will report on status and prospects of proposals that fall within the ambit of the Commission. At the October and November meetings I expect draft recommendations from the Committees for consideration by the full Commission.

Since we have no precedential process or template for conducting these considerations, I am seeking guidance from Commission Members during September's meeting and have set aside time for this. I am attaching a draft of what a decision memorandum might look like – in this case from the Transportation Vision Committee process, in which I participated on behalf of the OGWC. I hope you can each review this draft memorandum in advance of our meeting, and come prepared to suggest modifications if they occur to you. Then I hope we will affirm the process and can act decisively and efficiently in October and November.

I need to emphasize that the draft attached is just that – a draft – as the Transportation Vision Committee has not completed its process or finalized its own specific recommendations. I risk a draft at this level of detail nonetheless, believing the detail will help us better shape our own procedures.

Draft

OGWC Decision Memorandum

Resolved, that the Oregon Global Warming Commission finds the legislative and related proposals conveyed from the Governor's Transportation Vision Committee, as attached, [] with Oregon's greenhouse gas mitigation and climate change preparation needs and goals.

Options

- 1. Consistent
- 2. Consistent, with Commission qualifications and recommendations as detailed
- 3. Inconsistent
- 4. Insufficient information to make a Commission determination.

[draft]

MEMORANDUM

FROM T&LU Committee

TO Oregon Global Warming Commission

SUBJECT Transportation Recommendations

Recommendation

The T&LU Committee recommends that the OGWC find the transportation proposal referenced herein consistent with Oregon's greenhouse gas mitigation and climate change preparation needs and goals, with the following qualifications:

The Commission can endorse all the measures detailed below as necessary first steps to shifting Oregon's transportation sector from low to higher carbon efficiencies. The Commission appreciates the difficulties even fully funding transportation infrastructure maintenance and preservation when traditional federal, state and local revenues are declining in real terms.

Still the Commission expresses deep concern that the pace of change in deploying alternative, lower-carbon modes of both passenger and freight transportation will prove inadequate to meet either mitigation or adaptation goals by 2020. Subsequent Legislatures will need to break new ground in two areas in particular:

- 1. shifting transportation finance from its current reliance on gas tax revenues to a broader transportation "utility" model that better allocates costs to users; and,
- 2. shifting transportation spending to a "mode-blind" platform that does not prioritize for one mode –private auto but broadens consumer and business modal choices, and prioritizes outlays using a least cost model that can make more efficient use of limited resources.

Background

Early in 2008 Governor Kulongoski appointed a Transportation Vision Committee to offer recommendations to the 2009 Legislature on meeting Oregon's present and future transportation infrastructure and operational needs. The Committee sought to "preserve the existing system, maximize its efficiency, and strategically increase capacity[, and reorient it toward meeting the State's greenhouse gas (GHG) mitigation goals]."

Three subcommittees – Governance, Finance and Environment – divided the workload. Several members of the OGWC/T&LU Committee participated. For OGWC purposes, the most important recommendations came through the Environment and Finance subcommittees.

Recommendations from the Environment subcommittee included:

- <u>Least Cost Transportation Planning</u>, including greenhouse gas costs of different transportation technology, infrastructure and financing choices
- <u>Vehicle Miles Traveled [VMT] reduction goals</u>.
- Pay-As-You-Drive auto insurance offerings
- <u>Transportation Demand Management</u> program funding and deployment
- <u>Clean Diesel</u>: added funding to extend program that retrofits older diesel motors
- <u>Pricing Signals</u>: (a) vehicle registration fee structure redesign to recognize vehicles that consumer greater or lesser shares of infrastructure and airshed, including GHG's; (b) congestion pricing for travel through the highway system at times of peak use.
- <u>Tax incentives for GHG-efficient vehicles</u>: modify BETC/RETC administration to allow ODOE authority to determine where low-emissions vehicle choice will be effectively incented by State tax credits.
- <u>Medium Speed Vehicles</u>: Permit medium speed [up to 35 mph] urban vehicles on roadways posted up to 35 mph.
- <u>Low Rolling Resistance Tires</u>: Set minimum fuel efficiency standards for tires sold in Oregon.
- Logistical Hubs for Truck/Rail Freight Optimization.

Recommendations from the Finance subcommittee included:

[not yet determined]