

June 15, 2020

Director Richard Whitman
Department of Environmental Quality
700 NE Multnomah Ave. Suite 600
Portland, OR 97232

Re: Environmental Caucus of the Democratic Party of Oregon comments on Department of Environmental Quality (DEQ) Preliminary Report on Program Options to Cap and Reduce Greenhouse Gas (GHG) Emissions

Dear Director Whitman:

Thank you for the opportunity to comment on the Oregon Department of Environmental Quality's (DEQ's) preliminary report on Program Options to Cap and Reduce Greenhouse Gas Emissions required by the Oregon Climate Action Plan (Executive Order 20-04).

We appreciate your thoughtful and thorough inclusion of the analysis of the authority of the DEQ to regulate greenhouse gas emissions.

Our comments have two sections. The first section is reflective of the process and overview. The second section offers our responses to specific DEQ questions including policy.

Part 1: Major factors affecting the GHG Cap and Reduce Program Options and Public Engagement

Public and Stakeholder Engagement

For too long, agencies have frequently had strong majority corporate interests represented on rules advisory committees. But despite the escalating crisis, and discussions and compromises behind closed doors, corporations have not prioritized climate solutions on a sufficient timeline as dictated by science. We are pleased to see DEQ include environmental justice concerns in your planning document.

We recommend that DEQ

- *Train its staff for this rule in equity/environmental justice*
- *Ensure that public and scientific voices are in the majority on the rules advisory committee (RAC), and any technical advisory or working groups. This majority should include representatives of climate experts, labor, policy and economic experts, and representatives from vulnerable populations, including, but not limited to, people of color, low income, rural populations, youth and elderly. Strong advocates must be the majority.*

- *Accept nominations from community advocates of representatives to fill the majority seats advocating for the public good and those to represent vulnerable groups.*
- *DEQ should consider ways to maximize industry parties who do not perpetuate disinformation and misinformation about the climate crisis, defining the GHG emissions caps, and for the suite of viable options for the GHG emissions cap and reduce program.*

Pertaining to Listening Sessions:

- *Ensure DEQ's listening sessions provide ample time for listening. Introductions should be 10 minutes or less.*
- *Develop fact sheets on the health and social benefits of environmental regulations, definitions, the risks of not reducing GHG emissions, and common falsehoods e.g., the falsehood that environmental regulations kill jobs.¹*
- *Encourage the voice of minors at the listening sessions.*
- *It is best not to double book public meetings or to have comments due on the same day for related programs such as Cap and Reduce and Clean Fuels.*

Engaging those with little or no internet access:

- *In addition to holding in-person meetings as COVID19 reopening stages allow, DEQ can engage as it did before the internet through flyers, news articles, and sending fact sheets to citizens, local public offices, community centers, and libraries. (Please continue to be mindful that people may want to print documents from the internet and these should be mostly in black and white as color printing is not always available or affordable).*
- *DEQ should record videos of in-person meetings. Further, as to the listening sessions, DEQ should post a video of its presentation on its website. People with limited internet often can watch videos but cannot participate effectively in a zoom meeting.*
- *DEQ should consider a separate video describing the Executive Order available ahead of listening sessions in addition to one on the GHG Emissions Cap and Reduce Rule Making and Guidance.*
- *DEQ should provide graphs of the emissions gap and explain it to the public and how and under what timeframe it will close the gap.*

Fund Coordination and Outreach for Environmental Justice and Impacted Communities

Section 3C of the Executive Order places a priority on vulnerable populations and impacted communities and requires consultation with the Environmental Justice Task Force (EJTF). These efforts need to be adequately funded in order to be effective. Let's not make the same mistake

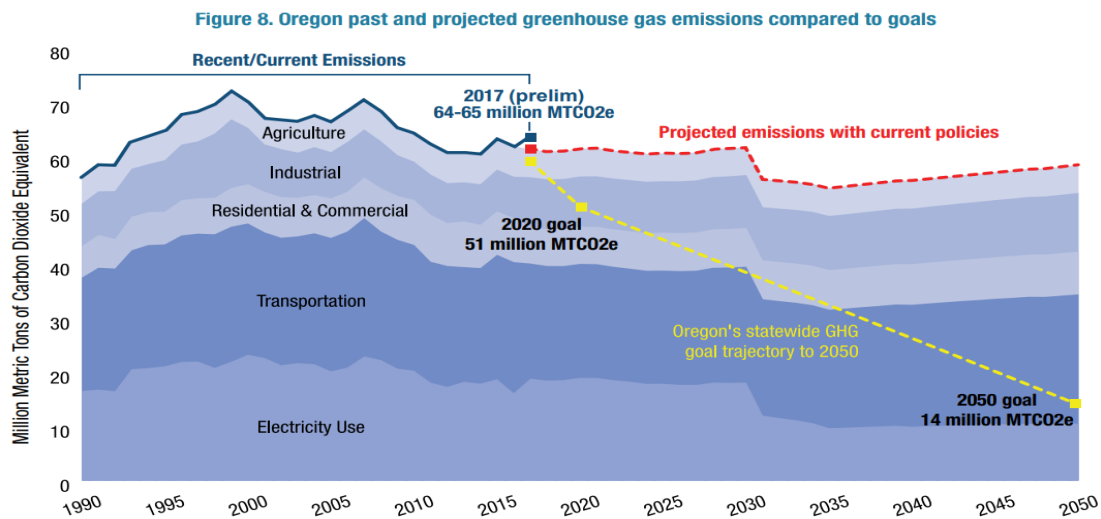
¹ On occasion, regulations may shift jobs but not overall employment more than other market factors. Thus the issue is training and other programs are crucial to ensure a just transition to a climate smart economy. M.C. Hafstead, R.C. Williams III [Jobs and Environmental Regulation](#), in [Environmental and Energy Policy and the Economy](#), volume 1, Kotchen, Stock, and Wolfram. 2020.

that was made with underfunding the educational and policy analyses that were legally mandated of the Global Warming Commission.

We recommend that DEQ expand its plans for prioritizing vulnerable populations and impacted communities and its consultation with the EJTF by adopting the various recommendations made in Parts 1 and 2 of these comments. In order to achieve quality participation from rural and low-income communities, DEQ will need methods that do not rely on the internet and hence it will need the staff and the funding to ensure it has a meaningful and robust program. Hence DEQ should highlight “community outreach” as part of its budget requests (Policy Option Packages) discussed below.

Close the GHG Emissions Gap with Annual GHG Reduction Targets

The past decade has shown that small steps are insufficient. Oregon’s GHG emissions have increased and the gap between GHG emissions and the GHG reduction goals (emissions gap) keeps growing.²



Oregon Global Warming Commission, Biennial Report to the Legislature for the 2019 Legislative Session (2018).

Oregon is at a crossroads. If we do not make steep cuts in GHG emissions between now and 2025, the costs will skyrocket and the climate impacts of extreme weather will impact almost every sector of our economy.³ In 2019, the UN stated clearly:

Every day we delay, the steeper and more difficult the cuts become. By just 2025, the cut needed would be 15.5% each year, making the 1.5°C target almost impossible.⁴

² Oregon Global Warming Commission, *Biennial Report to the Legislature for the 2019 Legislative Session (December 2018)*. [Meeting Our Goals](#)

³ United Nations Environment Program, *Emissions Gap Report 2019*. Nairobi. UNEP (2019). <http://www.unenvironment.org/emissionsgap>

⁴ [Visual feature: The Emissions Gap Report 2019](#)

In order to ensure that emissions are being reduced, the agencies need to adopt, monitor and enforce annual emissions reductions targets. If targets are missed, then Oregon needs to implement more aggressive measures yearly or more often.

Further, the public needs to be informed yearly of the steps that Oregon has accomplished in reducing GHG emissions and preparing for climate-induced disasters. For 2020, the reduction target should be a rate of 7.6% of 2010 emissions, based on the UN's 2019 models to close the emissions gap. This rate is likely to increase in 2021 if actions in 2020 are insufficient and climate impacts continue to escalate.

Add immediate climate actions in the budget requests for staffing/funding in 2020-21

We understand that the agencies will find it difficult to implement climate actions without staff and funding. Because this is a crisis, the agencies should act this summer by shifting existing staff resources away from other rules, plans, and projects into the climate actions. We also recommend that all state agencies be required to include climate actions in the budgets (Policy Option Packages) requests to the Governor's office this summer for the 2021-23 biennium.

We recommend that DEQ provide a robust set of Policy Option Packages in its budget for the GHG Emissions Cap and Reduce Program. Further, DEQ should make this rule the top priority for use of any federal stimulus funds.

Part 2: DEQ's Questions and Answers

In its Preliminary Report, DEQ asked for specific feedback on the questions below.

DEQ Question #1. How might DEQ best coordinate the public engagement aspects of both the effort described in this report on cap and reduce program or programs development and the Clean Fuels Program expansion?

It is best not to double book public meetings or to have comments due on the same day. DEQ should consider having one or two people who represent the public good on both rules advisory committees. DEQ should avoid pressure by the regulated community to accept less aggressive caps and reductions of GHG emissions simply because of regulations or policy in the Clean Fuels program. The overall goal and the near future reality is that, other than in very limited circumstances, all vehicles and modes of transportation need to be zero GHG emissions.

DEQ Question #4. Are the policy issues identified under "Stakeholder Engagement" in subsection 2.3.4. and those in subsections 3.2. and 3.3. appropriately inclusive of issues, concerns and considerations needing discussion?

There are several policy issues that need additional discussion. These include applying the concept of Social Costs of Carbon to policy decisions, using fast-track short term regulations and creating three separate rules for caps in each broad sector.

Embed the Social Costs of Carbon into all Processes

DEQ has not considered applying social costs of carbon (SCC) into their scope, including proposed budgets. The costs of continued greenhouse gas emissions are huge. At the same time the savings from rapid reductions in carbon emissions can be significant.⁵ The federal Interagency Working Group on the Social Cost of Carbon (IWG) has calculated SCC to reflect many of the impacts of climate change on health, natural resources, infrastructure and more. These numbers represent massive damages to health, property and our economy that will continue to rise due to delay in emissions reductions.

Applying Social Costs of Carbon analyses up front in agency rules, programs, planning and budgets will drive prudent policy choices.⁶ The Social Costs of Carbon utilized should be fashioned after the 2017 IWG. The 95th percentile cost figure should be used rather than the average predicted cost. This higher figure reflects the high impact of climate change that is already occurring and better reflects true costs as the models omit quantification of many impacts such as ocean acidification on fisheries.⁷ Likewise, we need to set the discount rate at 2 percent or lower given the short duration of time we have to institute reductions to avoid greater catastrophe.

Expedite Actions by Implementing a Suite of Fast-Track Measures

Section 3B of the Executive Order 20-04(EO) placed climate actions on a fast track. It expressly instructs DEQs to “expedite all processes, including budgets, to address GHG reductions and climate resiliency.”

Fast track measures should be included in section 3.3 --“Initial Key Policy Questions and Options” because they provide more certainty to regulated entities and the public. These measures encourage the regulated community to invest in GHG reduction actions between now and January 1, 2022. They also provide justification to their lenders and investors for GHG reductions now. This is important because the financial landscape has changed.⁸ Lenders and

⁵ See e.g., Oregon Department of Energy, *Primer on the Social Costs of Carbon*(May 2020) [SCC Primer](#)

⁶ See e.g., Oregon Department of Energy, *Primer on the Social Costs of Carbon* (May 2020) [SCC Primer](#)

⁷ Paul, I et. al., Institute of Policy Integrity, *The Social Cost of Greenhouse Gases and State Policy*. Oct 2017. The https://policyintegrity.org/files/publications/SCC_State_Guidance.pdf

⁸ C. Cummins, *How Can Financial Institutions Deliver on the Paris Agreement? The Science-based Targets Initiative explains its thinking on decarbonization for the finance industry*, Responsible Investor. March 3, 2020. <https://www.responsible-investor.com/articles/how-can-financial-institutions-deliver-on-the-paris-agreement>

investors are actively supporting businesses that reduce GHG emissions, particularly carbon emissions.⁹

When combined with the fact that delays mean both more expensive solutions and expensive climate-induced impacts to the public and our economy, the “cost effectiveness and cost containment” (Section 3.3.4) consideration in this preliminary report needs to incorporate the current situation and not presume that the need for costs effectiveness and containment to regulated entities are more acute or more important than the costs to the public and the government services such as roads and fire protection of not reducing GHG emissions.

There are a series of fast-track measures that are forms of alternative compliance that can be included in both 3.3.3 and the 3.3.4 options. Fast-track measures options include, but are not limited to:

- *Incentives to reduce emissions immediately,*
- *Temporary or interim rules, or plans (such as requiring five percent reduction in 2020)*
- *Encouragement of agreements between DEQ/Regulated Entities that give credit for rapid and substantial reductions between now and 2022,*
- *Issue a notice of the scope of Oregon’s upcoming rule to comply with California’s new targets for GHG reductions. (e.g., Oregon’s rule will be substantially consistent with California’s rule of new target for greenhouse gas reductions),*
- *Guidance on best practices to reduce emissions and guidance on reducing emissions to the degree that an entity will not be regulated (e.g., the facility or vehicle has zero GHG emission).*

Separation of the Caps to apply to each major identified sector

Consider simplifying this rule by breaking it into at least 3 separate rules one each for large stationary sources, transportation fuels, and other liquid fuels and natural gas. If trading will occur, each sector will need its own trading system. Comparisons across these sectors are very complicated.

DEQ Question 4a. What other issue areas should the agency convene stakeholder meetings for?

Disinformation and Misinformation from some regulated entities

Over the past 60 years the oil and gas industry has promoted falsehoods as to both the impacts of GHG emissions and the costs to reduce them.¹⁰ It has no credibility with climate and public advocates, but its propaganda is perpetuated in public forums. Hence, DEQ should independently verify any claims by the large industrial sectors regarding the economic impacts

⁹ P. Sullivan, *A Call for Investors to Put Their Money Toward a Green Future*. New York Times Business. Jan 24, 2020. <https://www.nytimes.com/2020/01/24/business/green-investments-climate-change.html>

¹⁰ See e.g., S. Collins, [Exxon knew about climate change almost 40 years ago](#), Scientific American (Oct 26, 2015).

or practicality of capping and reducing GHG emissions. DEQ should explore ways to minimize the disinformation and misinformation during the rulemaking process.

DEQ Question 4b. What other approaches to organizing stakeholder conversations should the agency consider?

DEQ may want to consider using the Deliberative Dialogue approach. Deliberative Dialogue is a structured discussion which aims to find the best course of action. Its “purpose is not so much to solve a problem or resolve an issue as to explore the most promising avenues for action.”¹¹ Its structure provides a forum for “thinking together” rather than debating or arguing. It allows us to listen and think together about the pros and cons of the means to attain desired ends.¹²

Sincerely,

Environmental Caucus of the Democratic Party of Oregon

Calla Felicity, Chair (Curry County)

Catherine Thomason, Vice Chair (Multnomah County)

Helen Kennedy, Treasurer (Lane County)

Justin Bryce, State Central Committee Alternate Delegate (Benton County)

Chris Moon, Chair, Green New Deal Standing Committee (Lane County)

Zach Klonoski, Chair, Membership Standing Committee (Multnomah County)

cc: Kristen Sheeran, Climate and Energy Policy Advisor to Governor Kate Brown
Kathleen George, Chair, Environment Quality Commission

¹¹ London, Scott. 2018. *Thinking Together: The Power of Deliberative Dialogue*, adapted from "The Power of Deliberative Dialogue," published in the book, *Public Thought and Foreign Policy*, edited by Robert J. Kingston. <http://www.scottlondon.com/reports/dialogue.html>.

¹² *Id.* For more information on moderating, visit the National Issues Forum Institute webpage at <https://www.nifi.org/en/deliberation>; for more information on the structure and process, see M. L. McCoy, P. L. Scully *Deliberative Dialogue to Expand Civic Engagement: What Kind of Talk Does Democracy Need?* National Civic Review, vol. 91, no. 2, Summer 2002