



PHOTOS BY EMILY GREEN

John Talberth (left), president of the Center for Sustainable Economy, holds a sign outside the Coastal Caucus Economics Summit on Aug. 22 at Chinook Winds Casino in Lincoln City. The Center for Sustainable Economy has concluded that logging is the No. 1 source of carbon pollution in the state.

# Oregon could lead on cap-and-invest

*Economic benefits are at the forefront of carbon reduction discussions among top lawmakers*

BY EMILY GREEN  
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As Oregon lawmakers prepare for this year's legislative session, a bicameral and bipartisan committee has been hashing out the details of a top priority on the 2019 agenda: greenhouse gas reduction in the form of a cap-and-invest bill similar to those introduced during the past two sessions.

This time around, Senate President Peter Courtney (D-Salem) and House Speaker Tina Kotek (D-Portland) say they intend to secure its passage.

Simply put, the cap-and-invest program would place a price on carbon emissions from the largest emitters in Oregon's economy as a way of nudging the market to find more efficient ways to do business. The state would place a cap on emissions that would decrease over time, and use revenue generated from selling carbon allowances to boost job creation in Oregon's clean-energy sectors and to help workers and communities affected most by climate change adapt.

This effort was front and center on day one of the seventh annual Oregon Coastal Caucus Economic Summit on Aug. 22 and 23 at Chinook Winds Casino in Lincoln City, where the state's top elected officials and legislative carbon reduction committee members met with coastal government and industry leaders.

The effects of climate change have hit the Oregon Coast faster and harder than many other areas of the state, as university researchers and other panelists emphasized throughout the day.

Ocean acidification is negatively affecting



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Nehalem Bay is seen in Manzanita, Ore. The effects of climate change have hit the Oregon Coast faster and harder than many other areas of the state.

oyster and other shellfish industries, wildfires are thwarting tourism and forestry, and coastal communities are scrambling to mitigate rising tides and the threat of extreme-weather events.

But coastal communities also have unique opportunities to harness the carbon sequestration and energy producing capabilities of their forest lands and coastal waters, and just how they can play a role in Oregon's climate future is an ongoing debate.

This year's coastal summit was the most successful yet, with nearly 700 coastal government officials, business leaders,

conservationists and agency representatives, among others, in attendance.

During an early morning panel, state economist Mark McMullen told attendees that the Oregon Coast should be more involved in the state's carbon-policy-making processes because its residents will face higher downstream costs once carbon is priced.

"Not only do coastal communities require more transportation fuel and heating fuel just because of the weather and the distances that they have to travel, but more importantly, these are a bigger burden on

low-income households," he said, adding that the state is considering low-income energy assistance and tax subsidies to offset those costs.

Many residents up and down the coast are already struggling with a costly housing market that's outpaced stagnant wages, and most seaside towns have still not recovered from the Great Recession.

Fishing industries in Oregon could be further affected if energy costs rise too high, said Tony Dal Ponte of Pacific Seafood. As fuel and energy costs rise, he said, they add up for an industry that relies on high-energy cold storage and ice production. He said fishing boats could easily "offload elsewhere."

Previous versions of the cap-and-invest bills targeted the largest polluting facilities — those emitting more than 25,000 metric tons of carbon per year. On the central coast, the Georgia Pacific pulp plant in Toledo is the only emitter that falls into that category, McMullen said, making it one of just six facilities statewide that meet the carbon-emitting threshold that would trigger regulation.

"We need to go for the low-hanging fruit," he said. "That's where we start, is with the big numbers."

But a couple of Oregon's most signature industries have been thus far specifically exempted from the cap and invest bills introduced in Oregon. Agricultural and forestry.

While it's unlikely these industries will be included in 2019's cap-and-invest bills,

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