Greenhouse Gas
Market Study

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Legislature’s request to DEQ

“Provide information for the 2017 legislative session on how a market-based carbon reduction system would work in Oregon”

- Senate Bill 5701 (2016)
Legislative Context

• 2015 Legislature
  • HB 3470: Directed DEQ to develop programs to achieve statewide GHG reduction goals

• 2016 Legislature
  • SB 1574: Cap-and-trade (did not pass)
  • SB 1547: Increased Renewable Portfolio Standard and prohibition on coal generated electricity
  • SB 5701: Funds DEQ to study cap-and-trade

• 2017: Possible legislation on cap-and-trade
DEQ’s study process

- **March**: Request/funding from legislature
- **May**: contract with Dept of Energy
- **June**: issue RFP for economics consultant
- **June**: public meeting
- **Summer/Fall**: conduct study
- **November**: Release public draft
- **December**: public meeting
- **2017 Leg. Session**: Publish final study
Cap & Trade

Unused Allowances For Sale

Allowances

Excess Emissions

Money

Emissions
Oregon GHG Emissions

- Transportation: 39%
- Electricity use: 30%
- Natural gas use: 10%
- Residential & Commercial: 7%
- Industrial: 6%
- Agriculture: 9%
Considerations for study

• Scope and stringency necessary to
  • link with other jurisdictions and
  • meet Oregon’s GHG reduction goals
• Interaction with existing state programs
• Minimizing impacts to businesses
• Effects on disadvantaged populations and rural communities
Questions?

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