



EWEB Position on Carbon Pricing Policy

The Eugene Water & Electric Board has been an early advocate of addressing climate change. As nations, states, and cities around the world recognize the urgency of reducing greenhouse (GHG) emissions from human activities, a variety of legislative proposals are emerging. Recognizing the potential benefits to our customers, EWEB supports a Carbon Pricing Policy to meet Oregon's adopted GHG reduction goals that is direct, efficient, economy-wide, technology-neutral, market-based, upstream, and regionally consistent. Further, EWEB supports returning revenues raised by the state under a carbon pricing policy to the electric sector to mitigate the costs to Oregon ratepayers.

Direct

Direct carbon pricing policies like cap and trade programs focus on direct and measurable greenhouse gas reductions with certainty about reaching targets.

Efficient

Carbon pricing enables the desired reduction in carbon emissions at the lowest cost to our customers, particularly as compared to a policy that relies solely on Renewable Portfolio Standards to meet Oregon's GHG reduction goals.

Economy-wide

Carbon pricing, like carbon reduction goals, is not limited to the utility sector. Vehicle electrification, for example, reduces emissions in the transportation sector while providing net benefits to society through a corresponding reduction in reliance on fossil fuels.

Technology-neutral

Carbon pricing avoids inefficiencies from limiting resources based on size, age, or technology/fuel type. Only the carbon emissions matter, which is the problem we really mean to solve for. Carbon pricing assigns economic value to the carbon-free attributes of all carbon-free resources, including hydropower and energy efficiency. Carbon policies allow local decision-making and flexibility as each regulated entity decides the most cost-effective response to carbon price signals.

Market-based

Carbon pricing is adaptive and non-prescriptive. The least cost options to reduce carbon are allowed to prevail through market-based competition. Carbon pricing allows for an evolution in which the most effective technologies fare best, as innovation and cost reductions occur for different products and services.

Upstream

Generally, EWEB will recommend regulating emissions attributed to electric generation as close to the source as possible, in order for Oregon's program to transmit a carbon price signal most effectively. The exact mechanism for regulation should be delegated to a state agency rulemaking process.

Regionally consistent

Carbon cap and trade can be linked to other jurisdictions and states. A consistent carbon price can be set regionally to minimize emissions and jobs simply moving to another state or country, and larger geographical boundaries provide for greater market liquidity.