

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF URGING THE OREGON) RESOLUTION NO. 19-4969
LEGISLATURE TO ADOPT A CLIMATE “CAP)
AND INVEST” SYSTEM AND DIRECT) Introduced by Councilor Shirley Craddick,
PROCEEDS TO IMPLEMENTATION OF THE) JPACT Chair
CLIMATE SMART STRATEGY)

WHEREAS, climate change and disruption threaten to fundamentally change life in our region, state and nation, as well as worldwide, in ways that will cause lasting damage to human communities and natural ecosystems; and

WHEREAS, the negative impacts of climate change and disruption will be felt most acutely by vulnerable populations, including lower income individuals and communities as well as people and communities of color; and

WHEREAS, the potential long-term costs of inaction on climate change vastly exceed the costs of prudent action to reduce the burning of fossil fuels and the emission of greenhouse gases; and

WHEREAS, many of the actions that can be taken to reduce climate impacts also have benefits to public health, as well as to job creation and overall economic competitiveness and resiliency; and

WHEREAS, the State of Oregon’s 2007 greenhouse gas emissions reductions goals direct Oregon to reduce emissions to at least 10 percent below 1990 levels by 2020, and reduce emissions to at least 75 percent below 1990 levels by 2050; and

WHEREAS, approximately 40 percent of greenhouse gas emissions in Oregon are generated by transportation; and

WHEREAS, the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) have major responsibilities for and experience with planning and programming transportation investments in ways that improve safety, mobility and access to jobs and other destinations while reducing vehicle emissions and protecting air quality; and

WHEREAS, for that reason, the 2009 Oregon Legislature directed Metro to develop and implement a plan to reduce greenhouse gas emissions from passenger cars and light trucks to levels consistent with state climate goals; and

WHEREAS, Metro developed that plan, known as the Climate Smart Strategy, in collaboration and consultation with diverse local, regional and state partners, and found that the region would be able to achieve sufficient emissions reductions to meet its targets by implementing its existing local and regional land use and transportation plans; and

WHEREAS, the Climate Smart Strategy was adopted in 2014 with broad regional support and approved by the Oregon Land Conservation and Development Commission in 2015; and

WHEREAS, JPACT and the Metro Council incorporated key elements of the Climate Smart Strategy in the 2018 Regional Transportation Plan (RTP), making the RTP an important tool for implementing the Climate Smart Strategy; and

WHEREAS, many elements of the Climate Smart Strategy lack the funding needed to achieve required reductions in greenhouse gas emissions; and

WHEREAS, legislation is pending before the 2019 Oregon Legislature to create a climate “cap and invest” program that is expected to generate significant funding to be invested in ways that reduce greenhouse gas emissions from transportation; and

WHEREAS, the Portland metropolitan region has a track record of collaboration in strategically allocating transportation funds to projects and programs that improve access and mobility while also reducing per capita vehicle miles traveled, improving air quality and reducing greenhouse gas emissions; and

WHEREAS, Oregon cities and counties rely on the gas tax increases outlined in HB 2017 to fund transportation operations and maintenance, and any proposed “cap and invest” program should not preempt future gas tax increases; and

WHEREAS, the Portland metropolitan region recognizes the needs of cities and counties across the state of Oregon impacted by climate change and potentially impacted by the proposed “cap and invest” program; and

WHEREAS, the Joint Policy Advisory Committee on Transportation (JPACT) has recommended adoption of this resolution at their meeting on February 21, 2019; now therefore,

BE IT RESOLVED:

1. That the Metro Council and the Joint Policy Advisory Committee on Transportation urge the Oregon Legislature to enact a “cap and invest” program that will enable Oregon to meet its greenhouse gas reduction targets; and

2. That an appropriate share of transportation-related auction proceeds from this program should be dedicated to the implementation of the Climate Smart Strategy; and

3. That those proceeds should be spent in ways that will yield the greatest long-term reduction in greenhouse gas emissions per dollar; and

4. That those proceeds should be allocated through a strategic, transparent, and streamlined regional decision-making process; and

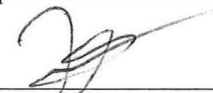
5. That in doing so, Metro conducts public outreach and follows through on Metro’s commitment to equity and protecting vulnerable populations.

ADOPTED by the Metro Council this 20th day of February 2019.



Lynn Peterson, Council President

Approved as to Form:



Nathan A. S. Sykes, Acting Metro Attorney

IN CONSIDERATION OF RESOLUTION NO. 19-4969, FOR THE PURPOSE OF URGING THE OREGON LEGISLATURE TO ADOPT A CLIMATE “CAP AND INVEST” SYSTEM AND DIRECT PROCEEDS TO IMPLEMENTATION OF THE CLIMATE SMART STRATEGY

Date: February 13, 2019
Department: Government Affairs and
Policy Development Meeting
Date: February 28, 2019

Prepared by: Randy Tucker,
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Presenter: Randy Tucker

ISSUE STATEMENT

The Oregon Legislature is considering House Bill 2020, which would create a market-based “cap and invest” program designed to achieve state goals for reducing greenhouse gas (GHG) emissions. Under HB 2020, as introduced, the state would place a cap on overall GHG emissions that would decline over time, and use periodic auctions to allocate the right to emit GHGs under the cap. Proceeds from these auctions would support efforts to reduce GHG emissions, to adapt to climate change and related purposes.

This resolution expresses the Portland metropolitan region’s support for the legislation and calls for an appropriate share of these proceeds to be directed to the implementation of the region’s Climate Smart Strategy (2014), which is embodied in the recently adopted 2018 Regional Transportation Plan (RTP).

ACTION REQUESTED

Approve Resolution No. 19-4969.

IDENTIFIED POLICY OUTCOMES

Resolution No. 19-4969 supports the implementation of the Climate Smart Strategy, which involves a broad range of transportation investments across all modes that are proven to reduce greenhouse gas emissions while improving safety, mobility and access to jobs and services and supporting other community and regional goals. It also supports the region’s desired outcome of providing leadership in responding to climate change.

POLICY QUESTION(S)

The resolution calls on the Legislature to pass the “cap and invest” legislation; to direct an appropriate share of the resulting auction proceeds to projects and programs that implement the Climate Smart Strategy; to invest those proceeds in ways that can achieve the greatest GHG emissions reductions per dollar spent; and to distribute proceeds through a regional decision-making process.

STRATEGIC CONTEXT & FRAMING

See “Background” and “Legal Antecedents” below for a brief history of GHG reduction efforts at the state and regional levels. The bill under consideration in Salem represents an ambitious effort to combat climate disruption; if it passes, Oregon would be the second state, after California, to implement such a program (similar programs are in place in

certain Canadian provinces). Not surprisingly, it is controversial, and has partisan overtones; depending on one's perspective, it would impose new costs across the economy, or internalize the existing costs of climate change while stimulating economic opportunity and innovation.

Because this legislation will have wide-ranging impacts, it is being watched closely by a very broad range of interests. Transportation stakeholders variously see this effort as a major threat or an opportunity to pursue long-sought changes in the structure of transportation funding.

Support for "cap and invest" legislation is included in the Metro Council's legislative agenda, adopted in Resolution No. 19-4954 on January 31. At the January 17 meeting of the Joint Policy Advisory Committee on Transportation (JPACT), Metro staff was asked to develop a resolution of support for this legislation. This resolution and staff report respond to JPACT's request.

Legal Antecedents

Metro Council actions

- Ordinance No. 14-1346B (For the Purpose of Adopting the Climate Smart Communities Strategy and Amending the Regional Framework Plan to Comply with State Law), adopted by the Metro Council on December 18, 2014.
- Ordinance No. 18-1421 (For the Purpose of Amending the 2014 Regional Transportation Plan to Comply with Federal and State Law and Amending the Regional Framework Plan), adopted by the Metro Council on December 6, 2018.
- Resolution No. 19-4954 (For the Purpose of Adopting an Agenda for the 2019 Oregon Legislative Session), adopted by the Metro Council on January 31, 2019.

State of Oregon actions

- Oregon House Bill 3543, the Climate Change Integration Act, passed by the Oregon Legislature in 2007, codifies state greenhouse gas reduction goals and establishes the Oregon Global Warming Commission and the Oregon Climate Research Institute in the Oregon University System.
- Oregon House Bill 2001, the Jobs and Transportation Act, passed by the Oregon Legislature in 2009, directs Metro to conduct greenhouse gas emissions reduction scenario planning and LCDC to adopt reduction targets for each of Oregon's metropolitan planning organizations.
- Oregon House Bill 2186, passed by the Oregon Legislature in 2009, directs work to be conducted by the Metropolitan Planning Organization Greenhouse Gas Emissions Task Force.
- Oregon Senate Bill 1059, passed by the Oregon Legislature in 2009, directs planning activities to reduce greenhouse gas emissions in the transportation sector and identifies ODOT as the lead agency for implementing its requirements. This work was conducted through the Oregon Sustainable Transportation Initiative and led to development of the Oregon Statewide Transportation Strategy (STS): A 2050 Vision for Greenhouse Gas

Emission Reduction. In 2018, the Oregon Transportation Commission adopted an amendment to incorporate the STS as part of the Oregon Transportation Plan.

- Oregon Senate Bill 324, passed by the Oregon Legislature in 2015, allows the Oregon Department of Environmental Quality to fully implement the Clean Fuels Standard beginning in 2016.
- Oregon Metropolitan Greenhouse Gas Reduction Targets Rule (OAR Chapter 660, Division 44), last amended in January 2017, defines greenhouse gas emissions reduction targets for each of Oregon’s metropolitan areas.
- Oregon House Bill 2017, passed by the Oregon Legislature in 2017, provides a major transportation package that included several elements that will help to reduce GHG emissions, notably a new payroll tax to support transit operations.

Anticipated Effects: If HB 2020 is approved, proceeds from the cap and invest program are expected to generate significant funding that will be invested to reduce greenhouse gas emissions from transportation in Oregon, including implementation of the Climate Smart Strategy.

Financial Implications: Adoption of this resolution has no budget impact at this time.

BACKGROUND

The Legislature established greenhouse gas emissions reduction targets in HB 3543 (2007). The 2009 Jobs and Transportation Act (HB 2001) directed Metro to develop and implement a plan to reduce greenhouse gas emissions from cars and light trucks consistent with the targets in HB 3543. Metro developed that plan, the Climate Smart Strategy, in collaboration with many partners; it was adopted with broad regional support in 2014 and approved by the Oregon Land Conservation and Development Commission in 2015.

“Cap and invest” legislation was introduced in 2016 but was set aside at the time in favor of the so-called “coal to clean” bill that phased out electricity derived from coal. Late in the 2017 session, over 30 co-sponsors introduced SB 1070, a “marker bill” that represented the starting point for discussion of 2018 legislation. Four working groups met in the fall of 2017 to flesh out that legislation, which was then introduced as HB 4001 and SB 1507 in the short 2018 session. However, leadership decided at the end of the 2018 session to create a joint committee to continue working on climate legislation over the interim and bring back a bill in the longer 2019 session. That bill is HB 2020.

Meanwhile, in 2015 the Legislature passed SB 324 allowing DEQ to fully implement the Clean Fuels Program beginning in 2016, and in 2017 the Legislature passed a major transportation package that included several elements that will help to reduce GHG emissions, notably a new payroll tax to support transit operations. Both of these pieces of legislation provide critical underpinnings for the region’s efforts to implement the Climate Smart Strategy, but additional funding will be needed for the region to meet state GHG reduction targets.

ATTACHMENTS

Resolution No. 19-4969

Clean Energy Jobs Eligibility analysis for Climate Smart Strategy Projects and Programs



	Within Constitutional limits	Outside Constitutional limits
Transit	<ul style="list-style-type: none"> - Transit priority signals - Transit signal upgrades - Transit capital improvements in the right-of-way to increase speed and reliability of bus travel on roads (striping, pull outs, separate travel lanes for buses) - Roadway repaving needed to ensure smooth and efficient travel of buses - Transit stop improvements such as signage, bus shelters, benches and lighting in the right-of-way - Utilities or electrical needed to support transit in the right-of-way (i.e., BRT) 	<p>Transit service, including:</p> <ul style="list-style-type: none"> - Increase coverage and frequency of bus and light rail service - Expanded WES commuter rail service - Employee and community shuttles - Affordable transit pass program for students, seniors and low-income riders <p>Transit capital equipment, including:</p> <ul style="list-style-type: none"> - New buses - New rail or streetcar vehicles - Preventative maintenance or improvement of equipment <p>Transit oriented development</p>
Biking and walking	<p>Signals, including:</p> <ul style="list-style-type: none"> - Bike priority signals - Pedestrian priority signals <p>Capital projects in the right-of-way, including but not limited to:</p> <ul style="list-style-type: none"> - Pedestrian improvements (sidewalks, crosswalks, curb ramps, medians) - Bike improvements including bike lanes - Safe Routes infrastructure - Multi-modal trails in the right-of-way 	<p>Transportation demand management or travel options programs, including:</p> <ul style="list-style-type: none"> - Education - Travel information and incentives - Marketing, e.g. car share, carpooling <p>Safe Routes to School education and programming</p>
Trucks & Vehicles	<p>Intelligent Transportation Systems, including:</p> <ul style="list-style-type: none"> - Traffic signal timing and coordination - Transit priority signals - Truck priority signals - Highway ramp metering - Traveler Information (variable message signs, variable speed limits) <p>New connections between two roadways and highway overcrossings to increase network connectivity</p>	<p>Clean fuels, including:</p> <ul style="list-style-type: none"> - Retrofitting vehicles for clean fuels - Reduced carbon intensity of fuels - Purchasing clean fuels - Clean fuel infrastructure (in or outside of the right-of-way) <p>Low-and zero-emissions vehicles and trucks:</p> <ul style="list-style-type: none"> - Newer, more fuel efficient vehicles - Retrofitting vehicles - Charging stations <p>Incident response detection and clearance</p>