

Ted Kulongoski unveils 'green' goals for 2009

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Saying he wants all Oregonians to "live cleaner, greener lives," Gov. Ted Kulongoski unveiled a sweeping energy agenda Monday designed to combat global warming with everything from zero-emission skyscrapers to tiny electric cars.

"Climate change is the most important environmental and economic issue of our time," Kulongoski said as he laid out a long list of tax incentives, new rules and ambitious goals he wants the 2009 Legislature to adopt.

If he gets his way, Oregon would take a leading role in national efforts to reduce carbon emissions that scientists say could have a profound effect on sea levels, weather patterns and drought conditions in the coming years and decades.

The total cost of his proposals is under \$10 million, which means they can be achieved despite the economic recession, the governor said.

If the Legislature approves the plan, Oregon would become a national leader in renewable energy production, electric car use and "green" building construction, he said. "How we live, how we move, how we work is going to change."

The governor's prospects in the Legislature appear positive. During the 2007 legislative session, Kulongoski took advantage of a solid Democratic majority to pass new tax incentives for solar and wind power companies, and to require power companies to get 25 percent of their electricity from renewable sources by 2025.

On Monday, he said it's time to redouble the state's commitment. "In 2009, we must be bolder, more comprehensive and even more visionary," Kulongoski said.

Among his proposals:

Put a lid on overall carbon emissions from the state's biggest industrial sources, and allow them to buy and sell carbon "credits" -- a system known as cap and trade.

Set a goal of building houses and commercial buildings that emit no carbon by 2030.

End the \$1,500 tax credit for purchasing hybrid cars and establish a \$5,000 credit for buying plug-in electric hybrids and all-electric cars.

Set a goal to reduce the number of miles people drive in cars, including incentives to take alternative transportation.

Democrats are expected to keep or increase their majority during the next session, which would give the governor a leg up. And though they expressed some skepticism, Republican leaders didn't rush to condemn his plan Monday.

House Minority Leader Bruce Hanna, R-Roseburg, said he would emphasize conservation more than the governor. And he said the plan needs to acknowledge there are other sources of clean energy, such as hydropower, clean coal technology and, potentially, nuclear power.

"You have to have that menu of options to move forward," Hanna said, noting it would be years and years before renewables such as solar and wind power could cover the state's energy needs.

This is the first rollout of what the governor hopes to achieve in next year's session, which is his last. How much he accomplishes will help determine how he'll be remembered as the state's top executive.

The governor undoubtedly will catch flak from critics who say global warming is not the threat it's been made to be, or that it's a natural part of historic climate shifts. But it's clear that Kulongoski has pinned his legacy hopes on the broad issue of climate change, which he called "a settled issue."

Moving toward renewable, carbon-free energy would help alleviate those conditions and spur the economy, he said.

He noted that tax incentives passed in 2007 already have helped make Oregon the leading solar manufacturer in North America, with seven companies. He is asking the Legislature to expand those tax incentives to cover companies that make energy efficiency upgrades as well as those that build new renewable energy plants.

The part of the governor's plan likely to get the most scrutiny is the cap-and-trade program for carbon emissions, which Kulongoski wants to hand over to the Department of Environmental Quality. An industry-based group weighed in Monday with its objections.

"It would be political malpractice to allow an agency to decide Oregon's energy and economic policies," said Erica Hagedorn, spokeswoman for the group, called Oregonians for a Balanced Climate Policy. Members include Associated Oregon Industries, Northwest Industrial Gas Users and Industrial Customers of Northwest Utilities.

The concern is that the lower emission standards could drive up the cost of energy. But Kulongoski injected a note of urgency Monday.

"We're seeing increased temperatures, decreased snowpack, diminishing water supplies, more unpredictable weather patterns, increased risk of forest fires and volatile energy prices," he said. "Oregonians want action, not delay."

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Climate change plan

- **Greenhouse gas reduction:** Authorizes regional cap-and-trade system for carbon emissions; sets limits on emissions from the state's largest sources; sets low-carbon standards for all new electricity generation
- **Energy efficiency:** Establishes energy performance certificates for new homes or commercial buildings, similar to MPG ratings for new cars; sets goal of zero-emission new buildings by 2030; allows 50 percent tax credit for large-scale energy efficiency projects, up to \$20 million
- **Renewable energy:** Sets up pilot program to pay for energy produced from solar projects; establishes tax credit for residents who donate to a renewable energy incentive fund
- **Transportation:** Offers \$5,000 credit for purchase of new plug-in hybrid or