
Thursday, February 06, 2020
6:45 PM – 8:30 PM

Development Services Building
Main Floor Auditorium, Room 115
150 Beavercreek Road, Oregon City, OR 97045

AGENDA

6:45 p.m. Pledge of Allegiance

Welcome & Introductions

Chair Jim Bernard & Mayor Brian Hodson, Co-Chairs

Housekeeping

- Approval of December 05, 2019 C4 Minutes **Page 03**
- Membership update in March

6:50 p.m. Strategic Investment Fund

Presenting: Mike Bezner, Asst Director of Transportation

- Discussion memo and materials **Page 05**

7:15 p.m. 2020 Legislative Session

Presenting: Chris Lyons, Government Affairs Manager

- Legislative Staff Memo **Page 07**

8:00 p.m. 2020 C4 Retreat Brainstorm

- Retreat Questionnaire **Page 13**

8:15 p.m. Updates/Other Business

- T2020
- JPACT/MPAC Updates
- Other Business

8:30 p.m. Adjourn

General Information



Current Voting Membership

		C4 Exec	C4 Metro	C4 Rural	JPACT	MPAC	R1ACT
Clackamas County	Chair Jim Bernard	●	●	●			
Clackamas County	Commissioner Paul Savas		●	●	●		●
Canby	Mayor Brian Hodson	●		●			●
CPOs	Laurie Freeman Swanson (Molalla CPO)	●	●	●			
Estacada	Mayor Sean Drinkwine			●			
Fire Districts	Matthew Silva (Estacada Fire District)	●					
Gladstone	Mayor Tammy Stempel		●				
Hamlets	Kenny Sernach (Beavercreek Hamlet)			●			
Happy Valley	Councilor Markley Drake		●				●
Johnson City	Vacant						
Lake Oswego	Councilor Theresa Kohlhoff	●	●				●
Milwaukie	Councilor Kathy Hyzy		●				
Molalla	Mayor Keith Swigart			●			
Oregon City	Mayor Dan Holladay		●				
Portland	Vacant						
Rivergrove	Mayor Walt Williams		●				
Sandy	Mayor Stan Pulliam			●			
Sanitary Districts	Paul Gornick (Oak Lodge Water Services)	●					
Tualatin	Councilor Paul Morrison		●				
Water Districts	Hugh Kalani (Clackamas River Water)						
West Linn	Mayor Russ Axelrod		●				
Wilsonville	Mayor Tim Knapp		●		●		

Current Ex-Officio Membership

MPAC Citizen Rep	Ed Gronke (Alt.)
Metro Council	Councilor Christine Lewis
Port of Portland	Emerald Bogue
Rural Transit	Julie Wehling
Urban Transit	Dwight Brashear

Frequently Referenced Committees:

CTAC:	Clackamas Transportation Advisory Committee (C4 Transportation TAC)
JPACT:	Joint Policy Advisory Committee on Transportation (Metro)
MPAC:	Metro Policy Advisory Committee (Metro)
MTAC:	Metro Technical Advisory Committee (MPAC TAC)
R1ACT:	Region 1 Advisory Committee on Transportation (ODOT)
TPAC:	Transportation Policy Advisory Committee (JPACT TAC)

Thursday, December 05, 2019
Development Services Building
 Main Floor Auditorium, Room 115
 150 Beaver Creek Road, Oregon City, OR 97045

Attendance:

Members: **Canby:** Brian Hodson; Tracy Hensley (Alt.); **Clackamas County:** Paul Savas;
CPOs: Martin Meyers (Redland-Viola-Fischers Mill) (Alt.); **Estacada:** Katie
 Dunsmuir (Alt.); **Hamlets:** Kenny Sernach; John Keith (Stafford) (Alt.); **Happy
 Valley:** Markley Drake; **Lake Oswego:** Theresa Kohlhoff; **Milwaukie:** Wilda Parks
 (Alt.); **Molalla:** Keith Swigart; **MPAC Citizen:** Ed Gronke (Alt.); **Sandy:** Stan
 Pulliam; **Sanitary Districts:** Paul Gornick; **Transit:** Julie Wehling (Canby); Dwight
 Brashear (SMART); **Tualatin:** Paul Morrison; **Water Districts:** Hugh Kalani; **West
 Linn:** Russ Axelrod; **Wilsonville:** Tim Knapp

Staff: Trent Wilson (PGA); Chris Lyons (PGA)

Guests: Jaimie Huff (Happy Valley); Jamie Stasny (DTD); Kathy Hyzy (Milwaukie); Mark
 Ottenad (Wilsonville/SMART); David Marks (CCBA); Ray Atkinson (Clackamas
 Community College); Jeff Gudman (Lake Oswego Resident), Tracy Moreland
 (BCC), Martha Fritzie (DTD); Marge Stewart (Firwood CPO); Bernie Stout
 (Milwaukie Resident)

The C4 Meeting was recorded and the audio is available on the County's website at
<http://www.clackamas.us/c4/meetings.html> . Minutes document action items approved at the
 meeting.

<u>Agenda Item</u>	<u>Action</u>
Approval of November 7, 2019 C4 Minutes	Approved.
January Meeting	Tabled until end of meeting. Members agreed to participate in Doodle Poll for 2 nd Thursday (January 9), pending urgency of agenda.
Housing Needs Assessment	Health, Housing and Human Services Director Richard Swift shared about housing initiatives at the county, as well as timelines for the BCC to review key housing studies. C4 members discussed the outcomes of the Housing Needs Assessment, and a desire to pursue a housing initiative as a group. C4 agreed the that the county should take a look at what

	<p>support they need from the cities, and the cities should consider what support they need from the county. Additionally, the next housing discussion at C4 should include a summary of Session 9 from the retreat, which included the action items on housing.</p>
<p>2020 Legislative Session</p>	<p>Government Affairs Manager Chris Lyons provided a synopsis of the landscape for 2020 State Legislative Session. C4 members discussed their current and past legislative priorities, and agreed that I205 would remain their sole legislative priority for 2020.</p>
<p>Updates/Other Business</p> <ul style="list-style-type: none"> • T2020 • JPACT/MPAC Updates • Other Business 	<p>T2020 – Members agreed to submit or participate in outreach on the T2020 effort, especially leading up to the December 18 T2020 Task Force meeting hosted at Clackamas Community College.</p> <p>JPACT/MPAC – The recommended RFFA projects will appear at JPACT on December 19. Additional discussion on measuring capacity needs may be included in future JPACT discussion.</p>

Adjourned at 8:53 p.m.

TO: Clackamas County Coordinating Committee (C4)
FROM: Mike Bezner, Assistant Director of Transportation, DTD
DATE: January 30, 2020
SUBJECT: Strategic Investment Fund Proposal

Overview:

In November, C4 members approved Staff's proposed project prioritization and road transfer list for the new Strategic Investment Fund (SIF). The potential projects and road transfers were identified during earlier meetings between County and City staff.

The attached list ("Strategic Investment Fund – Possible Funding List") is a proposed 8-year plan for spending the estimated \$1.1 million per year. The list also indicates whether the project is eligible to receive County System Development Charges. All original cost estimates are in 2020 dollars, so staff added a 3% annual inflation factor.

Staff will update C4 on this list every year with actual costs, and modifications can be proposed to C4 depending upon cost underruns or overruns, changes in priorities, or other unforeseen circumstances.

If C4 approves this plan, County staff will include the 2020/21 fiscal year work in our upcoming budget, and will work with the appropriate cities to begin coordination on the appropriate jurisdictional transfers.

Strategic Investment Fund - Possible Funding List
2/5/2020

City	Road / Project	SDC % Eligible	Rural / Urban	Total Project Cost Estimate	Possible SDC Contribution	Total Project Cost (2020 \$) with SDC Contribution	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Sandy	362nd: Paved shoulders from Skogan to OR 211 (362nd near Skogan curve and 362nd/Deming intersection relocation not included- add'l \$1.4 million minimum)	29.4%	Rural	\$1,264,000	\$371,616	\$892,384	\$125,000	\$103,000	\$710,803					
Estacada	Duus, Eagle Creek intersection relocation and turn lanes	53.4%	Rural	\$955,000	\$510,257	\$444,744		\$103,000	\$169,744	\$202,154				
Molalla	Bear Creek Bridge replacement and Molalla Ave shoulders (gravel) from Sawtell to Molalla City limits	44.9%	Rural	\$1,648,000	\$739,293	\$908,707				\$273,182	\$422,066	\$330,393		
Tualatin	Borland (sidewalks, multi-use path to Rolling Hills Church)	30.6%	Urban / Rural	\$1,773,675	\$542,567	\$1,231,108					\$168,826	\$255,040	\$1,026,885	
West Linn	Project tbd (or contribution to Hwy 43)		Urban	\$1,000,000	\$0	\$1,000,000								\$1,100,000
Canby	Jurisdictional Transfer - Maple, Redwood, 13th, Pine, Locust, 1st (includes 86 ADA ramps)		Rural	\$1,400,000	\$0	\$1,400,000	\$700,000	\$721,000						
Gladstone	Jurisdictional Transfer - Glen Echo, 82nd Dr, Kirkwood, Portland (6 ADA ramps)		Urban	\$250,000	\$0	\$250,000	\$250,000							
Happy Valley	Jurisdictional Transfer - Monner, Hagen, Sager, 162nd, Callahan, Idleman (5 ADA ramps)		Urban	\$580,000	\$0	\$580,000				\$633,782				
Lake Oswego	Jurisdictional Transfer - 20 roads (1 ADA ramp)		Urban	\$350,000	\$0	\$350,000					\$393,928			
Milwaukie	Jurisdictional Transfer - Lake (0 ADA ramps)		Urban	\$210,000	\$0	\$210,000		\$216,300						
Oregon City	Jurisdictional Transfer - Beaver Creek Road (includes 25 ADA ramps)		Urban	\$700,000	\$0	\$700,000						\$811,492		
Wilsonville	Jurisdictional Transfer - Stafford, Frog Pond, 53rd (0 ADA ramps)		Urban	\$150,000	\$0	\$150,000			\$159,135					
						(Costs inflated 3% per year)	\$ 1,075,000	\$ 1,143,300	\$ 1,039,682	\$ 1,109,118	\$ 984,820	\$ 1,396,925	\$ 1,026,885	\$ 1,100,000

Memorandum

To: Clackamas County Coordinating Committee (C4)
From: Chris Lyons, Clackamas County Public & Government Affairs
Date: January 30, 2020
RE: C4 Legislative Update

Overview:

The 2020 Oregon legislative session begins Monday, Feb. 3 and will conclude no later than Sunday, March 8. The Legislature is expected to focus the bulk of its attention on establishing a cap & invest carbon reduction program, following the failure to enact such a bill during the 2019 session.

Government Affairs staff will provide an update to C4 on the climate bill (SB 1530) for discussion. Chris also will share any updates on efforts to fund the I-205 Widening and Seismic Improvements Project, for C4 discussion on ways that jurisdictions/entities can participate in legislative advocacy.

Attachment:

- Summary of Core Elements of the Oregon Greenhouse Gas Initiative for LC 19 (SB 1530)

Summary of Core Elements of the Oregon Greenhouse Gas Initiative

LC 19

Program Element	Description
Statewide GHG goals & limit	
New statewide GHG goals	<p>2035: 45% below 1990 emission levels</p> <p>2050: 80% below 1990 emission levels</p>
Establishment of limit	Places a gradually declining limit across total emissions from regulated sectors. The limit applies to aggregate emissions across all the sectors covered by the program, not to individual sectors or entities regulated by the program. The cap declines each year by a constant tonnage amount to achieve a 45% reduction from 1990 levels by 2035, and an 80% reduction below 1990 levels by 2050.
Emissions coverage	
Gases covered	Greenhouse gases covered include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride. The program covers anthropogenic greenhouse gases, which excludes carbon dioxide from certain biofuels (ethanol, biodiesel) and biomass.
Sectors covered	<p>Fossil fuels: All fossil fuels distributed in Oregon, including natural gas, gasoline, diesel and propane</p> <p>Electricity: All electricity generated in Oregon, and electricity imported for use in the state</p> <p>Industrial processes: Specific manufacturing processes that emit GHGs as a by-product, independent of energy use, including manufacture of cement, steel, semi-conductors, and certain chemicals.</p> <p>All combined, emissions from these sources and sectors account for roughly 80% of the state's reported GHG emissions.</p>
Regulated emissions	<p>Emissions from fuels such as gasoline, diesel, and propane will be regulated upstream at the companies importing the fuels for distribution within Oregon. The state will retire allowances on behalf of fuel suppliers in certain geographies of the state, see below.</p> <p>Emissions from natural gas sold by natural gas utilities for their residential, commercial, or industrial sales customers will be regulated at the natural gas utilities.</p> <p>Emissions from natural gas sold by natural gas marketers and distributors to commercial and industrial customers will be regulated at the natural gas marketers, not the utilities.</p> <p>Emissions from electricity generated in Oregon will be regulated at the generating facilities.</p> <p>Electricity imported for use in Oregon will be regulated at the entities scheduling this power for delivery in the state.</p> <p>Large industrial entities will be directly regulated for emissions generated on-site as a result of their industrial processes, if total reported emissions >25K. Emissions associated with the natural gas combusted on-site by these entities will be regulated upstream with the natural gas utility or marketer that supplies the gas to them.</p>

Summary of Core Elements of the Oregon Greenhouse Gas Initiative

LC 19

Program Element	Description
Exemptions & exclusions	De minimis quantities of imported gasoline or diesel fuels
	Emissions from landfills (not covered by cap and trade but the bill directs the Environmental Quality Commission to regulate large landfills to ensure they are using landfill management and monitoring practices that best reduce greenhouse gas emissions).
	GHG emissions from fuels used in aviation, watercraft, or locomotives
Transportation Fuels	
Phase-In	The requirement for transportation fuel suppliers to acquire allowances is phased-in by geography. From 2022-2024, all fuel suppliers delivering transportation fuels to the Portland Metro MPO will be required to obtain allowances. The state will retire allowances on behalf of fuels delivered elsewhere. Starting in 2025, all fuel suppliers delivering transportation fuels to all MPOs and to cities with more than 10 million gallons of fuel delivery, will be required to obtain allowances. The state will retire allowances on behalf of fuels delivered to all remaining rural areas of the state. In addition, all cities and counties not covered by the phase-in may voluntarily opt in.
Truck-stops	The state will retire allowances for fuels sold at Oregon truck stops on an interstate within 1.5 miles of a border with a state without a carbon pricing program.
Direct distribution of allowances	
Investor-owned utilities	<p>2021 – 2030: Direct allocation to these companies will follow a one-time forecast of emissions from electricity to serve their retail customers. This forecast will be based on the most recent integrated resource plan acknowledged by the Public Utility Commission or an update to the plan, as of January 1, 2021.</p> <p>2031 – 2050: Direct allocation of allowances declines in a constant annual amount from the amount allocated in 2030 to reach an amount that is 80 percent below the average emissions in the five years preceding the passage of HB 2020 by 2050.</p> <p>Use of Funds: Allowances distributed to IOUs can be used for compliance with emissions associated with their Oregon load, or can be monetized to the benefit of the utilities' retail customers. This will be overseen by the Public Utility Commission.</p>
Public power	<p>2021: Direct allocation to entities scheduling electricity for COUs equal to a 2021 baseline. This baseline will account for emissions from representative years and consider anticipated growth in customers or load, and hydrovariability.</p> <p>2022 – 2050: Decline from the amount of allowances allocated in 2021 at the same annual decline as the program's overall cap, with a floor of 20% of the 2021 allocation.</p> <p>Use of allowances: Allowances distributed to COUs can be used for compliance with emissions associated with their Oregon load, or can be monetized to the benefit of their customers, as overseen by their boards.</p>

Summary of Core Elements of the Oregon Greenhouse Gas Initiative

LC 19

Program Element	Description
<p>Natural gas utilities</p>	<p>Allocation for Low Income Customers: Natural gas utilities receive allowances at no cost in an amount equal to 100% of the emissions from serving utilities' low income residential customers. This allocation is maintained for the duration of the program, updated regularly to ensure adequate protection of low income customers.</p> <p>Allowances allocated for consignment: In addition to the allocation for low income customers, natural gas utilities will be provided allowances at no cost equal to 60% of the utilities' forecasted 2021 total emissions associated with their sales customers and their transport customers (those served by natural gas marketers). Utilities will be required to consign these allowances for sale at the state auction. Proceeds from the sale of these consigned allowances will be held by the State Treasury and their use overseen by the PUC. This allocation for consignment begins declining at the rate of the economy-wide allowance budget in 2022.</p> <p>PUC Oversight: Utilities must develop a plan that will be acknowledged by the PUC that addresses the range of programs, activities or technologies designed to reduce GHGs, acquire renewable natural gas, and provide rate relief. In addition, the PUC will determine the portion of revenues from consignment for transport customers of the natural gas utility that are returned in rate relief or used to fund programs for energy efficiency, upgrades, and fuel-switching for industrial and commercial gas users.</p> <p>Trade Exposed Gas Users: Natural gas utilities will be consigned allowances equal to 100% (97% after 2030) of the emissions associated with specified entities called trade exposed gas users (TENGUS) for the purposes of rate relief, <u>subject to requirements</u> that those gas users implement energy efficiency audits and implement upgrades with payback periods of 5 years or less. A new program for trade exposed gas users is created to provide financial support for upgrades with longer payback periods.</p>
<p>Emissions Intensive, Trade Exposed Facilities</p>	<p>For 2021-2024, allowance allocation to EITE entities is based on 100% of the facilities' emissions per unit of output in the years preceding the start of the cap and trade program. For 2025-2050, the allocation is based on a Best Available Technology benchmark. The benchmark can be set either individually for each good, or for a group of goods. Benchmark findings will be issued as an order (similar to a permit), that may be challenged through a contested case hearing and normal administrative hearings processes.</p> <p>Best Available Technology is the fuels, processes, equipment and technology that will most effectively reduce the greenhouse gas emissions associated with the manufacture of a good, without changing the characteristics or quantity of the good being manufactured, that is technically feasible, commercially available, economically viable, and compliant with all applicable laws. Best Available Technology benchmarks will be updated every 9 years. In the BAT determination process, the Carbon Policy Office will consider facilities' emissions efficiency audit reports subject to requirements about the third party conducting the audit.</p>

Summary of Core Elements of the Oregon Greenhouse Gas Initiative

LC 19

Program Element	Description
Rate Protections	
Transportation	Phased-in by geography. No fuel price impacts in rural communities.
Natural Gas - Residential	Low-income residential customers held harmless. Consignment process will return portion of the allowance value to all other natural gas customers in the form of rate relief or other programs that benefit natural gas customers and reduce emissions.
Natural Gas - Commercial (Not Trade Exposed)	Consignment process will return portion of the allowance value to all other natural gas customers in the form of rate relief or other programs that benefit natural gas customers and reduce emissions.
Natural Gas - Trade Exposed Gas Users	Trade exposed gas users (see above) will be held harmless through consignment process <u>as long as</u> they uphold requirements for energy efficiency auditing and implementation requirements (see above).
Electricity	Direct allocation of allowances minimizes rate increases. Additional protections to account for variations in hydroelectric output. Transition period given for direct access customers with existing electricity supplier contracts through 2025.
Reserves	
Price containment reserve	Each year, an amount of allowances to be determined in rulemaking will be distributed to a price containment reserve for the purpose of maintaining allowances prices below specified thresholds (see below).
Electricity price containment reserve	Each year, an amount of allowances to be determined in rulemaking will be distributed to an electricity price containment reserve. Allowances in this reserve will be used to moderate electricity price increases from unexpected increases in emissions that are outside the control of utilities. Priority will be given to variability in hydroelectric output.
Emissions Intensive, Trade Exposed Process Reserve	Each year, an amount of allowances to be determined in rulemaking will be distributed to an account for emissions intensive, trade exposed entities that experience significant changes to the emissions or their competitive environment. These allowances would also be accessible for direct allocation to new or expanded industrial manufacturing that is identified as emissions-intensive, trade exposed.
Market Design	
Auction	After directly allocating allowances to entities and setting allowances aside in reserve, the state will distribute the remainder of allowances for sale at regular auctions. Entities interested in acquiring these allowances can register with the state to participate in the auction and make bids at the auction to purchase them. This distributes allowances to those entities that value them the most.
Price “floor”	The state auction will include a minimum price that the state is willing to sell the allowances made available at the auction.
Price “ceiling”	The state auction will also include a maximum price that allowances can be sold.
Price containment reserve auctions	The state will make available allowances set aside in the allowance price containment reserve for sale at predetermined price points between the price floor and ceiling.
Allowance Banking	Entities are able to bank allowances for use in future compliance periods.
Compliance	For each compliance period, entities must submit allowances equal to their total emissions over that timeframe following the end of each compliance period.
Offset credits	
Concept	Offset credits represent emission reductions or removals from sources not covered by the cap. The credits can be used for compliance for a portion of a regulated entity’s compliance obligation. Offset projects must result in greenhouse gas emissions reductions or removals that are real, permanent, quantifiable, verifiable, enforceable, and not otherwise required by law.

Summary of Core Elements of the Oregon Greenhouse Gas Initiative

LC 19

Program Element	Description
Restrictions on use	<p>A maximum of 8 percent offsets can be used to meet entities' compliance, and is subject to the following conditions:</p> <ul style="list-style-type: none"> • <i>Geographic Limits</i> : Offset project must be located in the United States or a jurisdiction with which the state has agreed to link. • <i>Air Quality Limits</i> : The number of offset credits that a regulated entity can submit may be limited if that entity is located in an impacted community and a non-attainment area (significant air quality challenges) or is in violation of their air quality permit. • <i>Direct Environmental Benefits</i> : No more than 4 percent of entities' compliance obligations can be met using offset credits from projects that do not have a direct environmental benefit in Oregon.
Auction Revenues	
Concept	Offset credits represent emission reductions or removals from sources not covered by the cap. The credits can be used for compliance for a portion of a regulated entity's compliance obligation. Offset projects must result in greenhouse gas emissions reductions or removals that are real, permanent, quantifiable, verifiable, enforceable, and not otherwise required by law.
Climate Investment Fund	10% dedicated to to eligible Indian tribes; 25% to OWEB for natural and working lands; 25% to ODF for wildfire mitigation; 20% to local governments for climate mitigation/adaptation projects; 20% to state agencies for climate mitigation/adaptation projects. Majority of funds shall be spent for the benefit of impacted communities.
Transportation Decarbonization Fund	20% shall be used by ODOT for transportation projects around the state that further the aims of the OGGI program selected by the OTC. 80% shall be distributed by MPOs, cities, and counties for projects that further the aims of the OGGI program.
Governance/Implementation	
Office of Greenhouse Gas Regulation	Creates the Office of Greenhouse Gas Regulation within the Department of Environmental Quality, with an administrator appointed by the Governor with Senate approval.
Oregon Greenhouse Gas Reduction Board	Seven voting members, appointed by the Governor subject to confirmation by the Senate. Members of the board appointed under this subsection must be residents of this state well informed in energy and climate issues and shall include the following: two members with energy expertise, one member with transportation expertise, one member with offsets/forestry/agricultural expertise; one member with industry expertise; one member with economics or finance expertise; one member with expertise in climate change mitigation.

2020 C4 Retreat Agenda Questionnaire

This form is intended to gather information from C4 members to build a blueprint for the 2020 C4 retreat, scheduled for June 5-6, 2020.

Staff has identified the following topics either as timely for the retreat or as interests by C4 members. Please circle your interest level for each topic.

Topics	Interest Level		
Key Note Speaker <i>(leadership, topic specific, regional leader)</i>	Low	Moderate	High
More Networking/Discussion time <i>(Can be topic specific)</i>	Low	Moderate	High
Housing: Construction Excise Tax <i>(Is this group ready to pursue a countywide excise tax to develop funds to address housing?)</i>	Low	Moderate	High
Transportation: Transit Development Plan and HB 2017 Funds	Low	Moderate	High

Are there other topics that you feel are timely or relevant for C4 to address at the retreat?

Write-in Topics	Preferred format for topic (please circle)		
	Informational	Discussion	Action Item
	Informational	Discussion	Action Item
	Informational	Discussion	Action Item

Additional Comments:

**** Please fill out this form and provide it to staff after the meeting on February 6, 2020. Thank you!**