



To: Senator Elizabeth Steiner, Ways & Means Committee Co-Chair  
 Representative Tawna Sanchez, Ways & Means Committee Co-Chair  
 Senator Michael Dembrow, Ways & Means, Natural Resources Subcommittee Co-Chair  
 Representative Khan Pham, Ways & Means, Nat. Resources Subcommittee Co-Chair  
 Members of the Ways & Means Committee

May 12, 2023

Cc: Senate President Rob Wagner  
 House Speaker Dan Rayfield  
 Senate Majority Leader Kate Lieber  
 House Majority Leader Julie Fahey

Re: **Investing in Oregon for Economic Resilience**

Dear Co-Chairs and Members of the Ways & Means Committee,

We write to express our **support for a strong budget, capitalizing on historic federal funding**, investing in equitable climate actions critical for Oregon’s economy and future. We recommend this even – in fact, especially – in the face of a potential recession.

**A Business Decision**

We know your job with Oregon’s budget is extremely challenging. As business leaders, we face constant budget

tensions as well. We also know that in strategic planning, a high-level analysis drives the key insights. Considering Oregon's situation, we offer this business perspective.

- The federal government has put **\$369 billion** on the table to support equitable investments in addressing climate change.
- Oregon is **1.28%** of the U.S. population.
- Oregon's 'fair share,' just on a per capita basis, is approximately **\$4.7 billion**. *That's if we only do an average job at landing this opportunity.*
- This opportunity is huge, but **we can make it even bigger**:
  - **Oregon is a leader in equitable clean energy solutions** – the very objectives the IRA is designed to address – with benefits reaching every corner of the state. So **we should dramatically exceed this target**, landing much more than our share.
  - Our own Sen. Wyden says the IRA could actually be MUCH bigger since much of it is in tax credits for climate-aligned investments. But Oregonians and businesses need to be **aware** and **supported** (by agencies and policies) to **take full advantage of these funds**.
  - A thorough analysis by RMI, considering our geography, industries, policy context, and other factors, estimates [Oregon's IRA opportunity is \\$8 billion](#).
- IRA programs and funds that can **boost nearly every industry in Oregon**, from agriculture to manufacturing, renewables, buildings, vehicles, etc., in every county across the state.
- **Maximizing the IRA also addresses pressing needs in communities across Oregon** which you've seen in your roadshow, from rural schools with leaky buildings described in Portland, to infrastructure needs in Newport, to needs voiced in the Roseburg, Ontario and Salem sessions.

Given all these benefits, what is Oregon's strategy to **maximize this \$5 to \$8 billion opportunity**? A high-level analysis of IRA funding pathways shows a **clear need for the state to lead**:

- Considering the large **tax credit parts of the IRA**, as noted above, the state can play a proactive role, ensuring Oregonians are aware and supported in maximizing these opportunities.
- The **competitive portion** of the IRA is estimated to offer another \$53 billion. With a business view, this is an opportunity pipeline with nearly **15% of IRA funding at risk**. We need our agencies, communities, businesses and NGO's poised (with policies and programs) to win our share.
- Finally, there's the **'formula' parts of the IRA**. Even if delivered proportionally, we need diligent capacity to request, manage, and maximize these resources where they're needed most.

Getting more specific, Oregon can maximize this opportunity by **getting ready now** with **policies that align** with these investments, and **agencies that are equipped** to capture and implement these programs, and able to partner with the private sector where appropriate. In essence, action now will position Oregon to be first in line as the federal agencies release rules and guidelines to access these funds.

Business leaders know that any real strategy requires budgeting real resources. In this case, that means **deploying several 10s of millions of dollars** to **a) ensure strength in the agencies** tied to IRA-related programs, **b) fund policies** that highly leverage IRA resources, and **c) invest in equity-focused programs**, like those outlined in the People's Budget, that leverage the **Justice40 objectives of the IRA**. We strongly recommend the high-leverage investments below, bringing benefits to Oregon communities and businesses.

## Specific Examples: Where to invest in Oregon to get a high ROI in IRA dollars

### 1. STRONG AGENCY BUDGETS to capture and implement the IRA opportunity

- a. **\$10 million to ensure agency capacity** needed for this strategy – mainly in ODOE, DEQ, and other natural resources agencies. For specifics, we suggest the letter to you dated February 17, 2023 from 18 leading organizations with a diverse set of perspectives.
- b. Multiple **agency POPs** that provide high-leverage in capturing and delivering on IRA opportunities. Below are priority examples, among many others, with clear IRA leverage.
  - i. DEQ #114 Supports implementation of the Climate Protection Program and the Clean Fuels Program (\$1.6 million), with strategies that leverage IRA.
  - ii. DEQ #115 Supports the implementation of the Community Climate Investment program (\$1.5 million), including leveraging IRA in multiple sectors of investments.
  - iii. DEQ #142 Four positions related to supporting state & federal grant coord. (\$449,717)
  - iv. ODOE #452 Staffing for community capacity building/grant navigation (\$393,315)

### 2. FULLY FUNDED POLICIES that help maximize federal dollars

- a. **SB 868-871: The ‘Resilient, Efficient Buildings Policy Package’** supports efficiency & cost savings in new & existing homes & buildings.
  - Creates jobs in small contractors, architecture, engineering, construction, and others.
  - Reduces business costs in commercial buildings.
  - Increases health and affordability for families, especially in vulnerable communities.
  - Addresses our second largest emissions sector.
- b. **HB 2714: Electric medium and heavy-duty truck incentive program**, accelerating Oregon business access to critical federal incentives and significant fuel and maintenance cost savings. (Related POP 112 enables a pilot of the medium/heavy-duty truck incentive.)
- c. **SB 803: Renewable diesel transition study** on the potential for a phased transition off fossil diesel (Better Fuels Oregon), creating business cost savings while reducing black carbon and drought impacts on farms, forests, ranches, and tourism.
- d. **SB 530: Carbon sequestration metrics and incentives** for Oregon’s farms, forests, and wetlands, leveraging federal incentives and boosting resilience.
- e. **SB 522: Updated Oregon climate goals and action**, providing resources and oversight capability for the Oregon Climate Action Commission, aligned with leveraging federal resources.
- f. **HB 2613: EV incentives** that increase small business and family access to the cost savings and other benefits of electric vehicles.
- g. **HB 3579: Clean technology leadership** policies and incentives, strategically supporting, growing, and attracting climate technology companies and clean energy manufacturers.
- h. **HB 2534: State Energy Strategy**, directing ODOE to develop a comprehensive state energy strategy, including investment priorities, leading to a range of Oregon business and job creation opportunities, and leveraging IRA resources.

## Revenue and Economic Uncertainty

Some may say ‘*This federal leverage makes sense, but if the revenue projection comes in lower, then all bets are off.*’ While this sounds like a responsible perspective, the economics simply don’t hold. Given the clear opportunity to get huge returns by investing, **a challenging revenue forecast would make this money-multiplying machine even more important** – delivering on-going, stabilizing funds, much of that flowing to

vulnerable communities. This strategy will help Oregon weather a recession. In short, in the face of economic uncertainty, any approach that hampers Oregon on this opportunity would *not* be responsible.

The scale of the potential savings also doesn't meet the challenge. Just for instance, without the details, consider the impact of \$200-\$300 million for the policies, programs and agency strength we've outlined above. Should we save that money in our rainy day fund and other reserves to help Oregon through a recession? From a business and problem-solving perspective, this idea is a 'solution' that simply doesn't measure up to the scale of the problem. On top of a historic \$2 billion already in reserves, saving another **\$200-\$300 million is simply not going to make the difference in helping Oregon through a recession.**

From a business perspective, the strategic choice is clear. We suggest this high-level analysis also applies to your budget decision. Given current opportunities, it doesn't make sense to save a few hundred million dollars – a frugality-minded solution that would miss historic opportunities and doesn't match the scale of the potential economic problem. The sound business choice, and the right move for our communities, is to **invest those dollars and get a huge ROI from federal resources.** Again for thinking purposes, if a \$200-\$300 million investment in strong IRA-related policies and agencies helps maximize our \$5-\$8 billion dollar opportunity (a swing of \$2-3 billion), that is a **10X return on Oregon's investment.**

### Your Leadership Opportunity

We appreciate that you, as a committee, face especially challenging budget decisions this year. We hope this high-level analysis from a business and economic perspective provides useful input to your thinking. From our view, the right choice is to **invest in Oregon's economy, get tremendous returns on those investments thanks to these historic federal opportunities, and thereby make Oregon's economy stronger and more resilient for whatever lies ahead.**

We also realize that this analysis does not get into the complexities of the state budget, and you are the experts. But at the end of the day, a budget is a budget; economics are economics. You have the choice to lead and either push/hold more money in reserves, or grow the budget pie and make smart investments.

Thank you for your service to Oregon!

Sincerely,

Ampere Scientific  
Birdsmouth, LLC  
Bora Architecture & Interiors  
EC Electric  
Edlen & Co.  
Elevate Capital  
Hope Well Wine  
Indow Windows  
InPipe Energy  
JH Climate Ventures, LLC  
Metropolitan Group  
Neil Kelly  
New Seasons Market

Oregon Business for Climate  
PAE Engineers  
Portland Seed Fund  
Providence Health & Services  
Ruffwear, Inc.  
SERA Architects, Inc.  
Shift Advantage  
The Joinery  
TITAN Freight Systems Inc.  
Vernier Science Education  
Wildwood | Mahonia Inc.  
Willamette Technical Fabricators  
ZGF Architects LLC

*This letter is organized by Oregon Business For Climate. For information, contact Tim Miller: [tim@orbizclimate.org](mailto:tim@orbizclimate.org).*