

# NeRC

Northwest Economic Research Center  
College of Urban and Public Affairs



**Clean Air Tax or Fee Study (SB306)-  
PNREC May 2014**





# CARBON TAX AND SHIFT:

How to make it work for Oregon's Economy



## Study Objectives

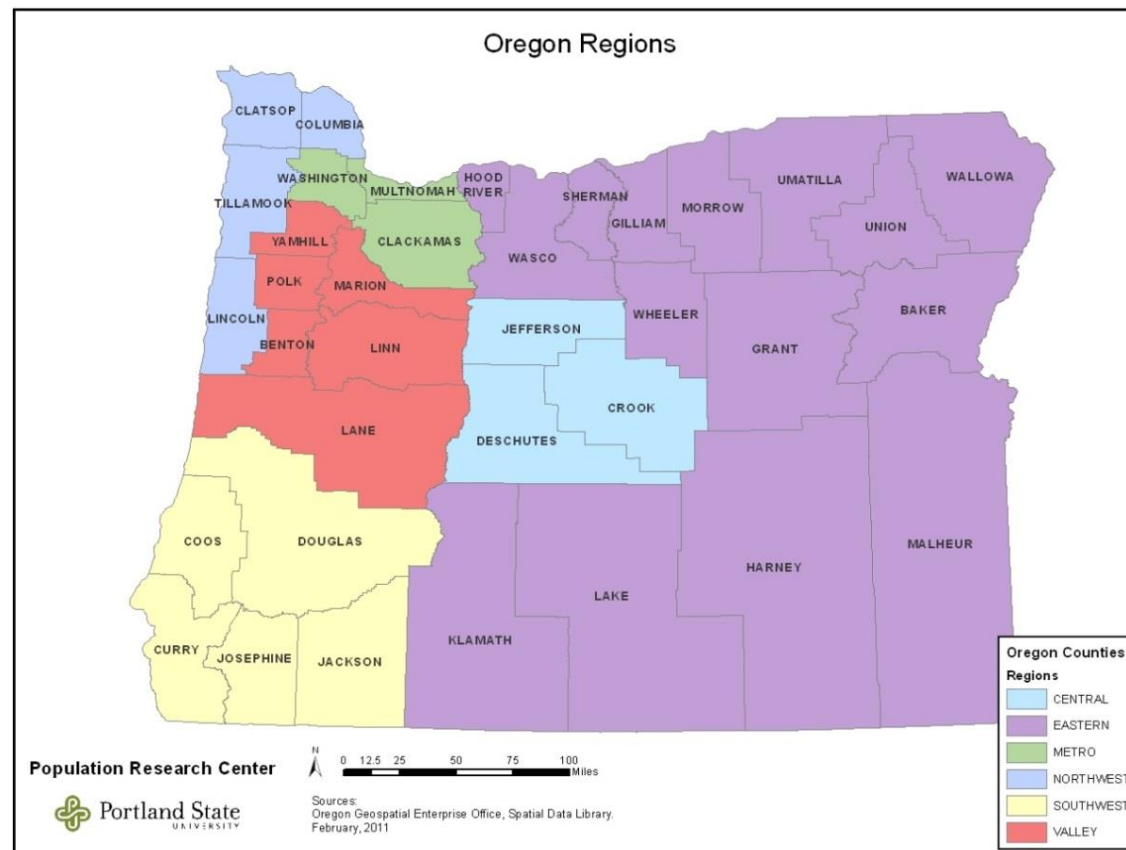
1. Carbon tax level & tax base
2. Revenue repatriation options
3. Evaluate economic & GHG impacts
4. Equity issues

## Report Features

- Identification of an Effective Administrative Structure
  - **Economic Efficiency**
  - **Effectiveness in Reducing Greenhouse Gas Emissions**
  - **Cost-Effectiveness of administration**

# Report Features

- Evaluation of Impacts on Low-Income Households and Geographic Regions



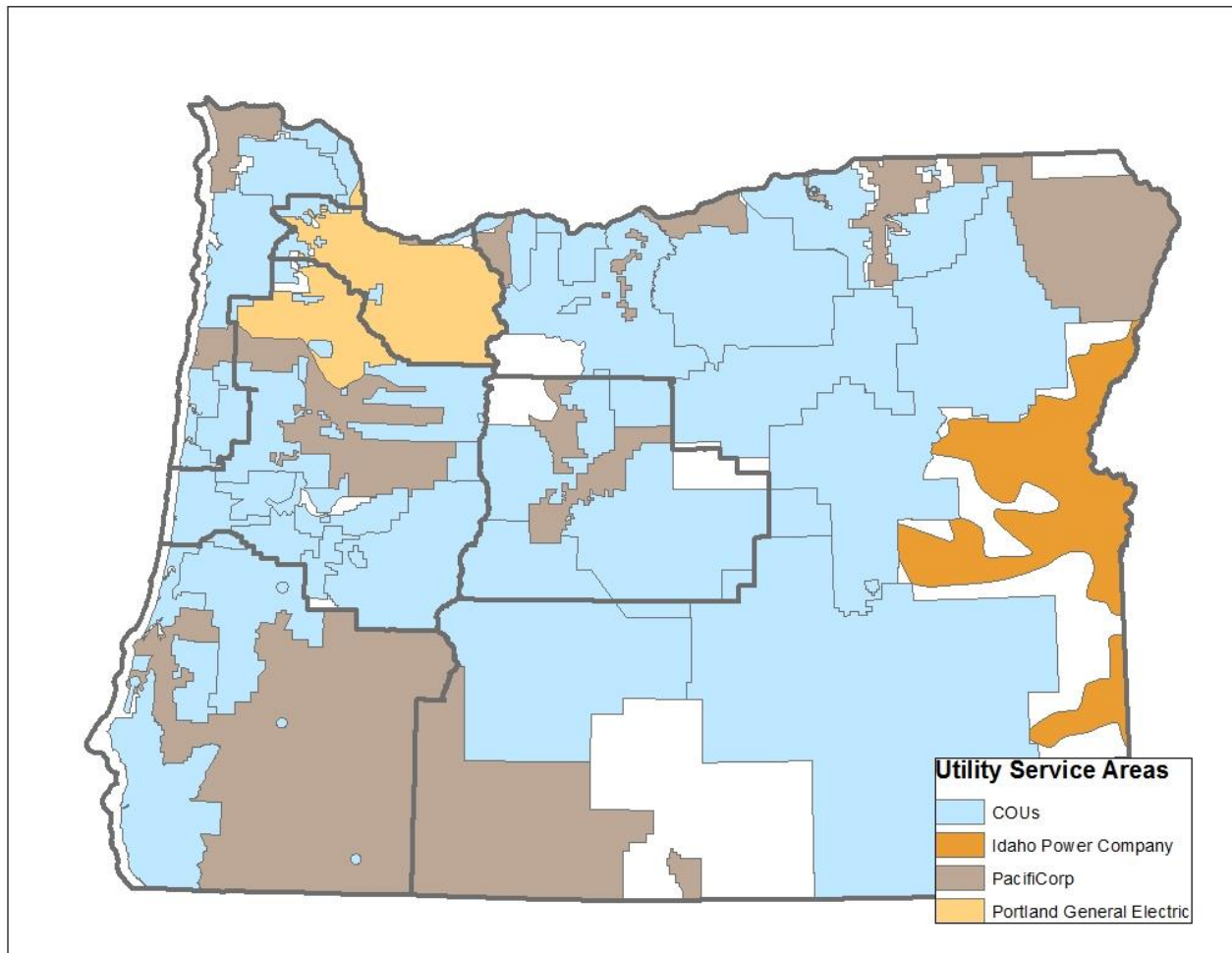
## Report Features

- Economic Implications
  - **70 industry sectors**
  - **Key Industries Identified by Oregon Business Development Commission**
    - Outdoor Gear and Activewear
    - High Technology
    - Forestry and Wood Products
    - Advanced Manufacturing
    - Clean Tech
- Also includes: Agriculture, Transportation, State and Local Gov't, and Other Mfg. Sectors

## Report Features

- Impacts on Jobs, Wages, Existing Gov't Revenue Sources, and Per-Unit Fuel Cost
  - **CTAM → REMI → Emissions → Revenues**
- Assessment of Methods for Treatment of Imported and Exported Energy
- Scenarios with Varying:
  - **Fee Levels**
  - **Repatriation Methods**

# Electricity Apportionment





## Emission Modeling

- Estimates of Fuel Purchases by Type
- Emissions/\$ Output for each Industry
  - Includes Non-Combustion Emissions for Broader Discussion
- Allow for Additional Emissions Reductions due to Energy Efficiency

## Repatriation Options

- Revenue Neutral
  - Demonstrate Effect of Carbon Price and Tax Cuts
- Low-Income Assistance
  - Low-Income Employed and Not Employed
- Transportation Infrastructure
  - Highway Trust Fund

## Repatriation Options

- Business/Household Energy Efficiency
- Exemption of Identified Traded Sectors
- Additional Support for Rural Residents
- Other Options

## Report Features

- Background on Costs and Benefits of Existing Laws (as defined in SB306)
- Revenue Repatriation Designed to:
  - **Maximize Positive Impacts**
  - **Mitigate Negative Impacts on Low-Income Households, Geographic Regions, Economic Sectors**



Thank you!

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