# Incentives for Agriculture Stakeholders in the Clean Energy Jobs bill

Oregon has an amazing opportunity to lead the country in climate change mitigation and clean energy by passing the Clean Energy Jobs bill this February. The bill would put a limit and price on climate pollution from the largest emitters in the state. Only businesses that generate over 25,000 tons of pollution (equivalent to 133 rail cars of coal) will be subject to a fee. Individual farms are not covered by the program.

Proceeds would be directed to projects that mitigate climate change and reduce impacts on those most impacted by climate change. Farmers may benefit in two ways: 1)from grant funds to adopt/maintain climate-friendly practices, and/or 2)from selling credits generated by offset projects (certified emission reductions) s to regulated parties. Oregon agriculture therefore stands to gain from the program in multiple ways.

**Grant Funds**

Revenue would go to several grant programs including a Climate Investments Fund.

- 20% of this Fund is for investments that increase carbon sequestration/storage and heightened resiliency in natural and working lands, including agriculture and rangelands.
- 20% can be used in any areas of Oregon for projects that either (i) reduce greenhouse gas emissions and make communities more resilient to the effects of climate change or (ii) increase carbon sequestration and heightened resiliency in natural and working lands (including agricultural land).

The policy recognizes that we can use our rich natural resources to help turn the tide on climate change through carbon sequestration and storage, where growing trees, vegetation, and soil absorb greenhouse gases and lock them away.

The bill funds agricultural practices that sequester carbon in the soil and purchases of energy efficient equipment. A few examples of Oregon specific practices that sequester carbon include growing organically, integrated cover crops and crop rotations, organic no-till practices, conventional no-till and conservation tillage, and rotational grazing.

**Offset Credit**

Agriculture and Forestry, the two uncapped sectors, can generate offsets credits for projects which sequester carbon over time. These offset credits can be sold or traded to regulated parties. The bill allows for aggregation of offset projects in order to increase the economic efficiency and greenhouse gas reduction benefits of small offset projects, such as smaller farms that may want to participate.

An offset represents a verified emission reduction (VER) of 1 ton $CO_2e$ from uncapped sector. The offset must be: Real, permanent, quantifiable, verifiable, enforceable, and additional. The “Additionality" requirement requires that reductions would not otherwise have occurred in a "conservative business-as-usual scenario.”

Farms are an important part of the solution to the problem of a changing climate, and this bill recognizes that.