Testimony for Robert Allendorfer on SB5981  
March 21, 2019  
Senate Environment and Energy Committee

Thank you, Chairman Carlyle, Senator Ericksen and members of the Committee. For the record my name is Bob Allendorfer and I am the refinery manager for BP’s Cherry Point Refinery.

Today I am testifying in support of Senate Bill 5981. We believe the legislation is well on its way to bringing a comprehensive and effective carbon pricing program to this state.

There is a lot to like about the bill as it is currently drafted – and we will work hard to ensure that the benefits from the key cornerstones in the proposed legislation aren’t diminished.

First and foremost, we believe SB5981 will reduce carbon emissions in Washington state.

Second, it will be consistently applied across the economy, thereby maintaining a level economic playing field and providing business predictability.

Third, it ensures the continued competitiveness of Washington’s energy-intensive, trade-exposed industries and includes cost containment mechanisms.

Fourth, it will permit linkage to the carbon cap-and-trade market in California, and possibly Oregon, thereby creating opportunities for an expanded, market-based, regional approach to the carbon challenge.

We want to thank the drafters of the legislation for preempting local government jurisdictions from doing their own carbon pricing programs – which would pancake the costs, hurt consumers and undermine the viability of the program.

For similar reasons, we oppose passage of a low carbon fuel standard. Independent analysis of California’s Low Carbon Fuel Standard shows that it is much less efficient in reducing carbon emissions than a cap-and-trade program. LCFS is an expensive, unnecessary and redundant program.

We look forward to working with legislators to ensure Washington’s carbon reduction programs considered by this legislature are complimentary – especially the 100% clean
energy bill that recently passed this body – as that due diligence will keep energy costs downs for households throughout the state.

I want to stress the value of a market-based approach to the carbon challenge that’s embedded in this program. BP believes in our ingenuity and the ingenuity of the marketplace. The price signals and business certainty embedded in this cap and trade program unleashes creative solutions – from the board room, to small companies to start-ups in garages, innovation will be incentivized and rewarded.

You will hear additional testimony from other members of our industry today. As you listen, don’t miss the common theme – support for a price on carbon. Yes, there may be disagreement on the approach, but there is support for carbon pricing. So, let’s all rally around that common theme to advance this, the one and only economy-wide carbon pricing bill that we have this session.

My company is ready to roll up our sleeves and will actively engage with Senator Carlyle, legislative leaders and interested parties to help pass SB5981.

We want *this year* to be the year that a good carbon pricing program becomes a reality in Washington state.

Thank you.