

INDEX of 2010 NWPPA Resolutions

DRAFT RESOLUTIONS for 2010 En Bloc Consideration-

- RESOLUTION 2010-06** LOCAL CONTROL OF RETAIL RATE SETTING AND CONSERVATION AND RENEWABLES PROGRAMS *
- RESOLUTION 2010-07** IMPROVED AGENCY COOPERATION FOR UTILITY RIGHTS-OF-WAY ON FEDERAL LANDS *
- RESOLUTION 2010-09** WESTERN GOVERNORS' ASSOCIATION ENERGY INITIATIVES *
- RESOLUTION 2010-10** PROTECTING THE BULK POWER SYSTEM FROM CYBER ATTACKS *
- RESOLUTION 2010-11** HOLISTIC APPROACH TO ENERGY, TRANSMISSION AND ENVIRONMENTAL POLICY *

RESOLUTIONS for Individual Consideration-

- RESOLUTION 2010-01** REGIONAL TRANSMISSION SOLUTIONS * (Amendment- B)
- RESOLUTION 2010-02** ENERGY EFFICIENCY * (Amendment- D)
- RESOLUTION 2010-05** HYDROPOWER IS A RENEWABLE RESOURCE * (Amendment- B)
- RESOLUTION 2010-08** CLIMATE CHANGE * (Amendments- B & C)

NEW RESOLUTION for 2010 Consideration-

- RESOLUTION 2010-12** **NEW** -- RELIABILITY STANDARDS AND ENFORCEMENT REFORM *

ARCHIVE RESOLUTION Recommendation --

- RESOLUTION 2010-03** **ARCHIVE** -- ENERGY RESOURCE DEVELOPMENT IS A NATIONAL SECURITY ISSUE *
- RESOLUTION 2010-04** **ARCHIVE** -- EFFECTIVE MANAGEMENT AND OPERATION OF THE COLUMBIA RIVER SYSTEM *

* Indicates substantive changes from 2009 version or a recommendation from the GRC to change the status or format of the resolution.

INDEX of Proposed 2010 NWPPA Resolutions

ACTIVE RESOLUTIONS -

RESOLUTION 2010-01	REGIONAL TRANSMISSION SOLUTIONS * (Amendment- B)
RESOLUTION 2010-02	ENERGY EFFICIENCY * (Amendment- D)
RESOLUTION 2010-03	ARCHIVE -- ENERGY RESOURCE DEVELOPMENT IS A NATIONAL SECURITY ISSUE *
RESOLUTION 2010-04	ARCHIVE -- EFFECTIVE MANAGEMENT AND OPERATION OF THE COLUMBIA RIVER SYSTEM *
RESOLUTION 2010-05	HYDROPOWER IS A RENEWABLE RESOURCE * (Amendment- B)
RESOLUTION 2010-06	LOCAL CONTROL OF RETAIL RATE SETTING AND CONSERVATION AND RENEWABLES PROGRAMS *
RESOLUTION 2010-07	IMPROVED AGENCY COOPERATION FOR UTILITY RIGHTS-OF-WAY ON FEDERAL LANDS *
RESOLUTION 2010-08	CLIMATE CHANGE * (Amendments- B & C)
RESOLUTION 2010-09	WESTERN GOVERNORS' ASSOCIATION ENERGY INITIATIVES *
RESOLUTION 2010-10	PROTECTING THE BULK POWER SYSTEM FROM CYBER ATTACKS *
RESOLUTION 2010-11	HOLISTIC APPROACH TO ENERGY, TRANSMISSION AND ENVIRONMENTAL POLICY *
RESOLUTION 2010-12	NEW -- RELIABILITY STANDARDS AND ENFORCEMENT REFORM *

* Indicates substantive changes from 2010 version or a recommendation from the GRC to change the status of the resolution.

1 **Northwest Public Power Association**
2 **Resolution 2010-01 (A)**
3 **Regional Transmission Solutions**
4

5 **Background**
6

7 NWPPA recognizes transmission solutions are important to the region. NWPPA believes the
8 transmission planning process in the Northwest is effective and working well. NWPPA members
9 already benefit from a reliable, low-cost power and transmission system. The vast majority of
10 electric utilities operating in the West are dependent on the regional transmission system for
11 access to Power Marketing Administration (PMA) power and the wholesale power market. Any
12 proposal aimed at modifying the operating characteristics of the Western regional transmission
13 system must be cautiously approached as misguided changes to the fundamental operating
14 procedures of the transmission grid have had devastating consequences for consumers in other
15 regions.
16

17 **NWPPA's Position**
18

- 19 • Policymakers should encourage groups like the ColumbiaGrid, the Northern Tier
20 Transmission Group and the Transmission Agency of Northern California to continue to
21 develop, fund and implement regional solutions to transmission problems.
- 22 • NWPPA supports efforts to advance proposals focused on low-cost solutions to
23 recognized transmission problems. Any effort to modify the transmission system should
24 not result in the creation of new institutions that would lessen regional input and
25 control.
- 26 • NWPPA opposes efforts by the Federal Energy Regulatory Commission (FERC) to
27 encourage the formation of a Regional Transmission Organization (RTO) in the West.
28 Past RTO proposals have produced ill-defined governance, excessive costs, loss of
29 regional accountability and greater federal regulation.
- 30 • NWPPA opposes efforts by Congress to direct the construction of transmission.
- 31 • Policymakers should support a measured approach to addressing regional transmission
32 problems that encourages regional collaboration rather than imposing a one-size fits all
33 system that is costly and ill-suited for the Western region.
- 34 • In order to maintain a reliable and stable power supply, NWPPA supports transmission
35 access for all types of generating resources and beneficiary financing of transmission
36 lines to serve those resources. (NEW)

37
38 Origination Date: 2005. Revised in 2010.

1 Northwest Public Power Association
2 Resolution 2010-01 (B)
3 Regional Transmission Solutions
4

5 **Background**
6

7 NWPPA recognizes transmission solutions are important to the region. NWPPA believes the
8 transmission planning process in the Northwest is effective and working well. NWPPA members
9 already benefit from a reliable, low-cost power and transmission system. The vast majority of
10 electric utilities operating in the West are dependent on the regional transmission system for
11 access to Power Marketing Administration (PMA) power and the wholesale power market. Any
12 proposal aimed at modifying the operating characteristics of the Western regional transmission
13 system must be cautiously approached, as misguided changes to the fundamental operating
14 procedures of the transmission grid have had devastating consequences for consumers in other
15 regions.
16

17 **NWPPA's Position**
18

- 19 • Policymakers should encourage sub-regional planning groups like the ColumbiaGrid, the
20 Northern Tier Transmission Group and the Transmission Agency of Northern California
21 to continue to develop, fund and implement regional solutions to transmission
22 problems.
- 23 • NWPPA supports efforts to advance cost effective proposals ~~focused on low cost~~
24 solutions to solve recognized transmission problems including those arising from the
25 integration of variable generation resources. Any effort to modify the transmission
26 system should not result in the creation of new institutions that would lessen regional
27 input and control.
- 28 • NWPPA opposes efforts by the Federal Energy Regulatory Commission (FERC) to
29 encourage the formation of a Regional Transmission Organization (RTO) in the West.
30 Past RTO proposals have produced ill-defined governance, excessive costs, loss of
31 regional accountability and greater federal regulation.
- 32 • NWPPA opposes efforts by Congress to direct the construction of transmission.
- 33 • In order to maintain a reliable and stable power supply, NWPPA supports transmission
34 access for all types of generating resources and beneficiary financing of transmission
35 lines to serve those resources. (NEW)
- 36 • Policymakers should support a measured approach to addressing regional transmission
37 problems that encourages regional collaboration rather than imposing a one-size fits all
38 system that is costly and ill-suited for the Western region.

39
40 Origination Date: 2005. Revised in 2010.

**Northwest Public Power Association
Resolution 2010-02 (A)
Energy Efficiency**

Background

NWPPA believes that energy efficiency can assist its members in meeting future challenges in the years ahead due to increased energy demand, costs and regulation. Energy efficiency gains can help offset costs associated with the Bonneville Power Administration's tiered rate structure, market power purchases, construction of increased generating resources and increased costs related to complying with regulation, including state and federal renewable portfolio standards and climate change legislation. Energy efficiency is affordable and abundant and can build upon the strong foundation of low-cost hydroelectric generation in the West. Energy efficiency technologies can help create jobs which benefit local economies. New investments and incentives for energy efficiency will help to develop additional technologies and promote energy independence.

NWPPA's Position

- NWPPA urges Congress to promote all reasonable, cost-effective and feasible energy efficiency measures including increased funding for the development of demand side management technologies.
- NWPPA supports tax credits and incentives for residential, commercial and public facilities to install energy efficiency measures because they are prudent mechanisms to help reduce costs and impacts to budgets.
- NWPPA supports increased funding for energy efficiency programs.
- NWPPA supports training programs that help build an energy efficiency workforce of the future.
- NWPPA supports reasonable energy efficiency building codes that result in significant energy use reductions.
- NWPPA supports a coordinated effort at all levels of government to help inform the public about the benefits of energy efficiency.
- NWPPA believes it members should receive credit for early energy efficiency actions to meet emission reduction targets.

Origination Date: 2009. Revised in 2010.

1 **Northwest Public Power Association**
2 **Resolution 2010-02 (D – SnoPUD/Chelan Merge)**
3 **Energy Efficiency**
4

5 **Background**
6

7 NWPPA believes that energy efficiency can assist members to meet challenges in the years ahead due to
8 increased energy demand, costs and regulation. Energy efficiency gains can help offset costs associated with
9 the Bonneville Power Administration’s tiered rate structure, market power purchases, construction or
10 acquisition of additional generating resources and increased costs related to compliance with regulations,
11 state and federal renewable portfolio standards, and potential impacts of climate change legislation. Energy
12 efficiency is cost effective and abundant and can build upon the strong foundation of low-cost hydroelectric
13 generation in the West. Energy efficiency technologies and applications can help create jobs which benefit
14 local economies. New investments and incentives for energy efficiency will help to raise awareness of the
15 public and of businesspeople to the benefits of energy efficiency, help to create demand for and
16 development of additional technologies and promote energy independence.
17

18 **NWPPA’s Position**
19

- 20 • NWPPA urges Congress to promote all technically feasible, cost-effective and achievable energy
21 efficiency measures including increased funding for the development of demand side management
22 technologies and services.
- 23 • NWPPA supports tax credits and incentives for residential, commercial industrial, agricultural and
24 public facilities and processes to install energy efficiency measures which mitigate consumer energy
25 costs
- 26 • NWPPA supports increased funding for low income energy efficiency programs.
- 27 • NWPPA supports training programs that help build an energy efficiency workforce of the future.
- 28 • NWPPA supports economically feasible energy efficiency building codes that result in significant
29 energy use reductions over the life of the building. And energy efficiency equipment standards that
30 reduce the amount of energy required to power amenities.
- 31 • NWPPA supports a coordinated effort at all levels of government to help inform the public about the
32 benefits of energy efficiency compared to the total costs of the alternatives.
- 33 • NWPPA supports establishing benchmarking of energy use in existing buildings (residential and
34 commercial) using weather normalization for HVAC loads as an important indicator to assist in
35 identifying conservation opportunities.
- 36 • NWPPA believes its members should receive credit for early energy efficiency actions to meet
37 emission reduction targets -- including the avoidance of emissions from new generation.
38

39 Origination Date: 2009. Revised in 2010.

**Northwest Public Power Association
Resolution 2010-03 – Proposed Archive**

Energy Resource Development is a National Security Issue

Background

NWPPA believes that recent national security threats have made the United States more aware that it lacks adequate domestic energy resources to meet growing energy demands. Currently, the United States imports in excess of 50 percent of its petroleum needs, in part from sources that are subject to embargo. The nation's energy security depends upon the development of new and existing domestic energy resources, more efficient technologies, and comprehensive conservation efforts in order to reduce the nation's dependence on foreign fuels. NWPPA recognizes the importance of developing domestic energy resources to meet the nation's energy security and economy needs.

NWPPA's Position

- NWPPA supports legislation to facilitate an adequate domestic energy supply to reduce the nation's dependence on foreign energy sources.
- NWPPA supports increased appropriations funding and tax credits to incentivize renewable energy production, energy efficiency research and development programs, and consumer incentives for new product use.
- NWPPA urges Congress to consider environmentally responsible exploration and development of domestic oil, gas, coal, and other energy resources including development of new, domestic nuclear and hydro power resources.
- NWPPA believes Congressional support is needed for conservation programs and incentives, alternative fuels, and the use of more fuel-efficient vehicles provide additional opportunities to reduce the nation's dependence on foreign energy sources.

Origination Date: 2009. Revised in 2010.

**Northwest Public Power Association
Resolution 2010-04 – Proposed Archive**

Effective Management and Operation of the Columbia River System

Background

NWPPA members rely heavily on the low-cost power generated from hydroelectric dams in the Columbia River System, which serves as the foundation for the Northwest economy. Electrical output from these dams on the Columbia River System is significantly affected by the operation of the river system. Benefits from the dams on the Columbia River system include not only generation of clean, renewable and economical power, but irrigation, freight transport, recreation and congressionally mandated flood control. NWPPA members take the responsibility for management of this natural resource seriously. Electricity ratepayers have invested billions of dollars over the years in fish and wildlife restoration as well as other natural resource programs.

The Bonneville Power Administration has spent billions of dollars on Endangered Species Act and other statutory obligations to fish and wildlife. In addition, publicly-owned and investor-owned utilities are responsible for many programs that cost hundreds of millions of additional dollars. NWPPA members must pass on these costs directly to their customers through electricity rates, which consequently affect the regional economy. Over many of the last several years, substantial numbers of fish have returned to the Columbia River, and the number of harvested fish has broadly increased in most of those years. At the same time, pressures to increase funding levels for fish mitigation have intensified and there have been renewed calls by environmental groups to remove the Snake River dams.

NWPPA's Position

- NWPPA supports the responsible management and operation of the Columbia River System to mitigate the impact of dam operations on fish and wildlife through cost-effective, measurable, accountable results, based upon a rigorous, refereed and traditional scientific process.
- NWPPA opposes flow augmentation, increased spill, reservoir drawdown or dam breaching as inconsistent with a scientifically responsible fish and wildlife preservation and recovery effort.

Origination Date: 2005. Revised in 2010.

1 **Northwest Public Power Association**
2 **Resolution 2010-05 (A)**
3 **Hydropower is a Renewable Resource**

4
5 **Background**

6
7 NWPPA supports hydropower as a renewable, clean, economically beneficial, cost-effective and
8 safe energy resource. Hydropower serves the nation’s economy and people by supplying
9 power, controlling floods, developing navigation systems, irrigating farmlands, supporting fish
10 hatcheries and developing recreational opportunities. Hydropower keeps the air and water
11 clean by reducing the need to burn and import fossil fuels. Hydropower is the foundation of
12 the Northwest region’s energy supply.

13
14 **NWPPA’s Position**

- 15
- 16 • NWPPA believes Congress should recognize existing hydropower as a
17 renewable resource.
 - 18 • NWPPA urges Congress to be sensitive to legislative initiatives that may impact
19 hydropower resources and the enormous benefits of hydropower to the environment
20 and economy.
 - 21 • Hydropower, regardless of its size and start date, should be considered a zero
22 carbon resource that is eligible to receive full credit under any carbon reduction
23 reporting or compliance program (NEW).
 - 24 • NWPPA supports federal investments in new advanced hydropower technologies
25 through research, development, and incentives to help achieve national energy
26 independence. (NEW)
 - 27 • NWPPA believes Congress should provide sufficient incentives to both public and private
28 sectors for increases in domestic hydropower generation to help meet State and Federal
29 renewable energy goals. (NEW)

30
31 Origination Date: 1997. Revised in 2010.

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**Northwest Public Power Association
Resolution 2010-05 (B)
Hydropower is a Renewable Resource**

Background

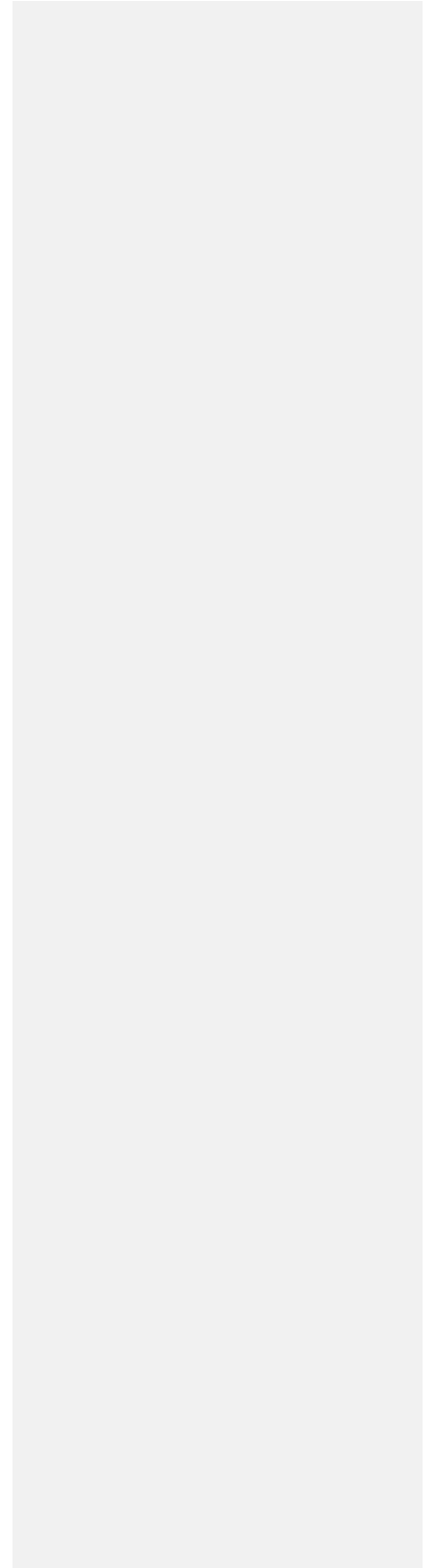
Hydropower is the foundation of the Northwest region's energy supply. NWPPA supports hydropower as a renewable, clean, economically beneficial, cost-effective and safe energy resource. Hydroelectric projects serve the nation's economy and people by supplying renewable power, controlling floods, developing navigation systems, irrigating farmlands, supporting fish hatcheries and developing recreational opportunities. Hydropower keeps the air and water clean by reducing the need to burn and import fossil fuels. Today, hydropower is the Nation's largest renewable resource, represents 7 percent of our electric generation capacity and avoids 225 million metric tons of carbon emissions per year. Yet, tremendous untapped potential remains – Just 3 percent of the existing 79,000 dams in the United States are utilized to generate electricity. Responsible hydropower growth can double existing capacity to 200,000 MW and triple existing jobs to 1 million in the United States. ~~Hydropower is the foundation of the Northwest region's energy supply.~~ Our Nation is thirsting for new jobs and new sources of emissions-free, low impact renewable energy – and hydropower can provide both on a massive scale.

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NWPPA's Position

- NWPPA believes Congress should recognize ~~existing~~ hydropower as a renewable resource, if it enacts a federal Renewable Electricity Standard.
- NWPPA urges Congress to be sensitive to legislative initiatives that may impact hydropower resources and the enormous benefits of hydropower to the environment and economy.
- NWPPA encourages Congress to support policies that enable growth in hydropower capacity- and corresponding opportunities for new job growth.
- Hydropower, regardless of its size and start date, should be considered a zero carbon resource that is eligible to receive full credit under any carbon reduction reporting or compliance program (NEW).
- NWPPA supports federal investments in new advanced hydropower technologies through research, development, and incentives to help achieve national energy independence. (NEW)
- NWPPA believes Congress should provide sufficient incentives to both public and private sectors for increases in domestic hydropower generation to help meet State and Federal renewable energy goals. (NEW)

41 Origination Date: 1997. Revised in 2010.



1 **Northwest Public Power Association**
2 **Resolution 2010-06**
3 **Local Control for Retail Rate Setting and**
4 **Conservation and Renewable Programs**

5
6 **Background**
7

8 NWPPA believes that through the efforts of local control, consumer-owned utilities in the West
9 have established themselves as leaders in developing conservation and renewables programs
10 for their consumers and in providing equitable retail rates. Local control is a well-functioning
11 tradition and historical form of regulation for public power utilities. NWPPA members have
12 been involved in conservation standards since the 1980's, which is an example of the benefits
13 of local control. To complement conservation and greenhouse gas reduction efforts, public
14 power utilities are investing in locally tailored renewable energy programs that best meet the
15 individual needs of their communities. Each utility, through its own rate and socioeconomic
16 studies, has been able to determine their fair share of costs for each class of customer. The
17 elected officials of such locally-controlled utilities are responsible for the proper functions of
18 their utility and are directly accountable to their customers.

19
20 **NWPPA's Position**
21

- 22 • NWPPA believes that policy decisions, such as rate setting and the development of and
23 investment in renewable resources and conservation, should be left to the authority of
24 the locally elected governing boards of public power utilities.
- 25 • NWPPA opposes any efforts that would change, undermine or diminish the regulation of
26 public power utilities from traditional and historical local control.
- 27 • NWPPA believes Congress should work with public power utilities to remove barriers
28 and create incentives for conservation and renewable resources rather than
29 through mandated programs.
- 30 • Public power utilities should have access to incentives that are comparable to those
31 available to private utilities.

32
33 Origination Date: 1997. Revised in 2010.

**Northwest Public Power Association
Resolution 2010-07
Improved Agency Cooperation for Utility
Rights-of-Way on Federal Lands**

Background

NWPPA members have an obligation to provide dependable electric service to their customers. This requires a reliable and safe transmission and distribution system. In operating and maintaining these systems on or near federal lands, consumer-owned utilities require timely and economical access to these lands for the purpose of construction, maintenance, relocation, and repairs of electric utility facilities and rights-of-way. To gain access to federal lands, these utilities are required to work with numerous federal agencies, such as the U.S. Department of the Interior (including the National Park Service, U.S. Fish and Wildlife Service, U.S. Bureau of Land Management and Bureau of Indian Affairs), Department of Defense (U.S. Army Corps of Engineers), and U.S. Department of Agriculture (including the U.S. Forest Service).

In working with these agencies, utilities often encounter policies that prohibit or delay access to federal lands, add excessive costs to perform the work to obtain the required permits, and create adverse impacts to public health and safety including damage to electrical lines and forest lands. These policies include: forbidding or delaying development, maintenance and use of roads in national forests; imposing a strict liability clause for fire suppression in utility easement agreements, while restricting a utility's ability to minimize such liability by clearing brush from forest floors or trimming and topping trees; and forbidding or delaying the extension of service to private property or adding unreasonable conditions to such extensions.

NWPPA's Position

- NWPPA believes Congress should propose the creation of an interagency review committee with the authority to revise and streamline all policies that can adversely impact a utility's ability to obtain timely access to federal lands for the purposes of maintaining safe and reliable operations.
- Federal agencies should work with NWPPA members to enhance the utility's rights to operate and maintain facilities and rights-of-way.
- Federal agencies should assist NWPPA members in obtaining Congressional support to revise the current strict liability clause statute and other laws that restrict timely access to federal lands for the purposes of construction, maintenance, relocation and repairs of electric utility facilities and rights-of-way located on federal lands.

Origination Date: 2006. Revised in 2008 and 2010.

**Northwest Public Power Association
Resolution 2010-08 (A)
Climate Change**

Background

NWPPA recognizes the relationship between energy and environmental policies and understands that federal climate change policy continues to evolve. NWPPA members face growing uncertainty over what the future of federal climate change policy will be and how that future will affect the ability of NWPPA's utilities to provide reliable, affordable, and safe electric power. Federal policies to address climate change could have substantial impacts on our consumers and, therefore, it is in NWPPA's best interest to provide Congress clear direction regarding policies to reduce Greenhouse Gas (GHG) emissions.

NWPPA's Position

If any GHG emission regulations are enacted by Congress:

- Regulation should occur through federal legislation to ensure uniform application across the United States and should pre-empt implementation of state, regional and Environmental Protection Agency GHG reduction programs.
- All sectors of the economy should have reduction targets proportional to their contribution to GHG emissions and timelines for achieving those targets which should be based exclusively on lowering GHG emissions and not on raising government revenues to fund unrelated activities.
- Consumer-owned utilities must maintain their right to local control by retaining the flexibility to meet GHG reduction targets in a way that best meets the needs of their communities and must receive appropriate credit for all current and past actions to prevent, reduce or mitigate GHG emissions.
- Legislation should exclude any form of auction in GHG markets and instead, include mechanisms to provide cost certainty for utilities to protect consumers from excessive price volatility, fraud and market manipulation -- as evidenced by the Western electricity crisis of 2001.

Origination Date: 2005. Modified in 2008 and 2009 -- Revised in 2010.

1 Northwest Public Power Association
2 Resolution 2010-08 (B)
3 Climate Change
4

5 **Background**
6

7 NWPPA recognizes the relationship between energy and environmental policies and
8 understands that federal climate change policy continues to evolve. NWPPA members face
9 growing uncertainty over what the future of federal climate change policy will be and how that
10 future will affect the ability of NWPPA's utilities to provide reliable, affordable, and safe electric
11 power. Federal policies to address climate change could potentially have substantial impacts
12 on our consumers. ~~and, therefore, it is in NWPPA's best interest to provide Congress clear
13 direction regarding policies to reduce Greenhouse Gas (GHG) emissions.~~
14

15 **NWPPA's Position**
16

17 If any potential GHG emission regulations are enacted by Congress:
18

- 19 • Regulation should occur through federal legislation to ensure uniform application across
20 the United States and should pre-empt implementation of state, regional and
21 Environmental Protection Agency GHG reduction programs.
- 22 • All sectors of the economy should have reduction targets proportional to their
23 contribution to GHG emissions and timelines for achieving those targets which should
24 be based exclusively on lowering GHG emissions in the most cost-effective manner.
25 ~~emissions and not on raising government revenues to fund unrelated activities.~~
- 26 • Consumer-owned utilities must maintain their right to local control by with local control
27 should retain~~ing the~~ flexibility to meet GHG reduction targets in ~~a ways~~ that best meets
28 the needs of their communities and does not mandate unnecessary acquisition of
29 energy resources which are not necessary to meet load growth. ~~must~~
- 30 • Utilities should receive appropriate credit for all reasonable current and past actions to
31 prevent, reduce or mitigate GHG emissions.
- 32 • Legislation should exclude any form of auction in GHG markets and instead, include
33 mechanisms to provide cost certainty for utilities to protect consumers from excessive
34 price volatility, fraud and market manipulation -- as evidenced by the Western electricity
35 crisis of 2001.

36
37 Origination Date: 2005. Modified in 2008 and 2009 -- Revised in 2010.

NEW Proposed KEA Resolution

Northwest Public Power Association Resolution 2010-08 (C) Climate Change

Background

NWPPA believes that reducing carbon emissions will be an important part in the development of a National Energy Plan. Whatever measures are implemented to provide the incentives for electric utilities to invest in clean generation, there will be provisions that will allow existing generation facilities to continue to release carbon due to economic and political considerations. To gain a National net limit on carbon emissions will mandate facilities with low emissions to subsidize, in some manner, facilities that use technologies that currently have large carbon discharges. It will be necessary to provide a transition period for investment and technology development to replace and / or modify existing generation to achieve the carbon emission objectives consistent with meaningful guidelines and recognized standards. To insure that the objectives are achieved at the end of the transition period the carbon subsidy should be eliminated and all KWHs generated should be allocated the same carbon emission allowance. This will encourage timely investment to reduce carbon emissions.

NWPPA's Position

If any GHG emission regulations are enacted by Congress:

- Policy makers should recognize that the net discharge by electric utilities be ratcheted down in a transition period. This will imply that initially utilities with large carbon emissions will be subsidized by utilities with low carbon discharges.
- There should be a transition period for electric generation facilities to reduce their carbon discharge. This will establish that at the end of this transition period the carbon allowance per KWH is the same for all generation facilities.

Origination in 2010 as proposed by Kodiak Electric Association - AK.

1 **Northwest Public Power Association**
2 **Resolution 2010-09**
3 **Western Governors' Association Energy Initiatives**
4

5 **Background**
6

7 NWPPA recognizes that the Western Governors' Association (WGA) and its members influence
8 regional and national energy policy through various initiatives. The WGA is an active
9 organization of Governors representing 19 Western states, which has outlined three goals in its
10 Clean and Diversified Energy Initiative. They include: 1) Develop an additional 30,000
11 megawatts of clean energy by 2015 from both traditional and renewable sources; 2) Achieve a
12 20 percent increase in energy efficiency by 2020; and 3) Ensure a reliable and secure
13 transmission grid for the next 25 years.
14

15 NWPPA members serve roughly half of all consumers in the Western United States and British
16 Columbia. NWPPA provides public power's perspective on various WGA energy initiatives as
17 the footprint of these two organizations overlap.
18

19 **NWPPA's Position**
20

- 21 • NWPPA urges the WGA to seek input from all consumer-owned utilities in the
22 discussion, formulation and production of energy initiatives that impact the Western
23 region and its shared constituencies.
- 24 • The WGA's energy policy positions should take into account that consumer-owned
25 utilities are different than for-profit interests because consumer-owned utilities have an
26 obligation to provide service to customers and are not guaranteed a rate of return on
27 energy investments, nor do they have responsibilities to shareholders.
28

29 Origination Date: 2008. Revised in 2010.

1 **Northwest Public Power Association**

2 **Resolution 2010-10**

3 **Protecting the Bulk Power System from Cyber Attacks**

4
5 **Background**

6
7 NWPPA supports protecting its infrastructure from cyber attacks. In 2007, the North American
8 Electric Reliability Council (NERC), acting as the Electricity Sector Information Sharing and
9 Analysis Center (ES-ISAC) for the U.S. Department of Homeland Security (DHS), distributed a
10 cyber-vulnerability alert developed by DHS to selected entities in the electric power sector. The
11 DHS “Aurora” alert was not subject to mandatory compliance under Federal Power Act (FPA)
12 Section 215, which mandates reliability standards for certain electric utilities. The alert was
13 intended to caution the industry to secure remotely accessible transmission relays and other
14 devices from cyber attack, based on simulations conducted at the Idaho National Lab which
15 demonstrated that remote access to bulk power system (BPS) relays could be used to damage
16 rotating machines—such as generators, pumps or motors— that are connected to the power
17 grid. The electric utility industry voluntarily complied with this alert.

18
19 Following the release of the DHS Aurora alert, in 2008 Congress conducted hearings to consider
20 the Federal Energy Regulatory Commission’s (FERC), NERC’s and industry’s response to the alert
21 and other related issues. FERC’s Chair argued at a congressional hearing that the Commission
22 needs additional authority, to supplement FPA Section 215, authorizing FERC to impose interim
23 reliability standards on an emergency basis when national security or intelligence agencies
24 identify an imminent cyber threat to the bulk-power system. NERC’s CEO agreed. Many in
25 Congress also agreed, resulting in House legislation giving FERC limited authority to direct the
26 electric utility industry to take certain steps in the event of a cyber-security emergency. The
27 Senate also drafted legislation that gave the Department of Energy a greater role.

28
29 **NWPPA’s Position**

- 30
- 31 • Should Congress consider legislation, NWPPA would encourage policymakers to focus
32 on legislation that is narrowly crafted and targeted to address the issues involving cyber
33 security without placing an unnecessary burden on the electricity industry that may
34 produce only limited results.
 - 35 • NWPPA opposes legislation to grant FERC broader powers to develop and implement
36 standards during an emergency.
 - 37 • NWPPA supports a method that relies on electric industry developed actions that
38 facilitate expedient identification and understanding of electric system vulnerabilities,
39 with standardized procedures for disseminating information to utilities.
- 40

41 Origination Date: 2009. Revised in 2010.

**Northwest Public Power Association
Resolution 2010-11**

Holistic Approach to Energy, Transmission and Environmental Policy

Background

The mission of consumer-owned electric utilities is to provide low-cost, reliable electricity, while being responsible environmental stewards. Consumer-owned utilities are directly accountable to the people they serve through locally elected or appointed officials. They are not-for-profit, so their rates are determined by their costs – which are in turn passed through to their customers. NWPPA members often take the initiative and engage in leadership roles in implementing “green” power programs and/or investing in low carbon energy sources, but only after first determining the costs and benefits of such programs to their customers and the future of their utility.

Many demands are placed on electric utilities and, therefore, consumer-owned utilities must recognize the relationship with and balance the challenges between providing low-cost, reliable electricity for their customers while meeting and achieving environmental mandates and goals. Consumer-owned utilities will continue to strive towards meeting these goals and objectives – thereby contributing to America’s economic well-being. Consumer-owned utilities must be able to continue to invest in a diverse, cost-effective and reliable power generation portfolio, while being responsive to clean energy and energy efficiency goals of their customers and communities.

NWPPA’s Position

- Policymakers should ensure that the pursuit of energy, transmission and environmental goals are considered holistically as much as possible, rather than in isolation, to maximize the quantifiable benefits and cost-effectiveness of the policy approaches to our customers. These goals should minimize redundant or competing policies and outcomes.
- The holistic approach to policy development should take into account, among other considerations: electric system reliability; energy costs; impacts to customers; conservation targets and achievements; technology-based and incentives-driven energy solutions; the uniqueness of each power system; and environmental stewardship.

Origination Date: 2009. Revised in 2010.

Northwest Public Power Association Resolution 2010-12 (NEW) Reliability Standards and Enforcement Reform

Background

The Energy Policy Act of 2005 directed the Federal Energy Regulatory Commission (FERC) to establish new rules regarding the creation of an Electric Reliability Organization to develop and enforce Electric Reliability Standards. The mandatory reliability standards and associated compliance criteria, as they are currently being deployed, processed, and interpreted by FERC, the Regional Entities (RE), the North American Electric Reliability Corporation (NERC), have placed significant additional burdens on NWPPA members. NERC oversight relies on detailed reporting documentation that consumes resources and diverts utility engineering and operations personnel from actually maintaining and operating their system reliably. Additionally, NWPPA members are exposed to uncertain financial penalties that do not bear a reasonable relationship to the seriousness of violations and their potential consequences to Bulk Electric System reliability. While many mandatory standards benefit customers, the inordinate emphasis in the current standards documentation is costly, often does not have a direct and demonstrable positive impact on reliability, and may divert resources from activities that have a more direct positive effect on system reliability.

NWPPA's Position

- NWPPA supports efforts to reform existing standards, and to focus the development of new standards, on results-based requirements and metrics that address actual threats to system reliability rather than documentation or administrative requirements.
- NWPPA supports efforts to clarify existing mandatory reliability standards to the extent feasible, and to include measurable requirements in these standards to the extent feasible, to help registered entities prioritize resources to satisfy compliance requirements.
- NWPPA urges reforming NERC sanction guidelines to narrow the range of potential penalties, limit the application of daily penalties, and require more empirical rigor in the application of mitigating and aggravating factors relevant to the applications of penalties.
- NWPPA urges development of rules for enforcement of standards violations which call for a more direct relationship between potential penalties and the impact of violations on the Bulk Electric System.
- NWPPA supports efforts to provide greater transparency and consistency within and between regions in the enforcement and auditing processes.
- NWPPA urges adoption of procedures enabling utilities to seek informal advice from the REs outside the enforcement process, and procedures that enable the REs to provide consistent advice through real-time coordination with NERC.

- 43 • NWPPA urges adoption of procedures that facilitate informal resolution without resort
44 to Notices of Alleged Violation.
- 45 • NWPPA urges FERC, NERC, and the REs to give the views expressed in self-reports by
46 registered entities their due weight, and foster collaborative problem solving by
47 allowing self-reports to facilitate informal communications between registered entities
48 without penalizing registered entities.
- 49 • NWPPA urges FERC, NERC, and the REs to employ procedures for education,
50 cooperation, and informal resolution as primary resources in the effort to enhance
51 system reliability, with the assessment of penalties undertaken where essential and
52 after other efforts have failed.

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54 Origination Date: 2010.