

1 **NORTHWEST PUBLIC POWER ASSOCIATION**

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3 **RESOLUTION 08-10 - Proposed**

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5 **PRINCIPLES FOR FEDERAL LEGISLATION AND REGIONAL**
6 **INITIATIVES ON CLIMATE CHANGE**
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8 The Northwest Public Power Association (NWPPA) recognizes the
9 interconnected relationship between energy and environmental policies. We
10 also recognize that growing concerns regarding the threat of climate change
11 have been linked to greenhouse gas (GHG) emissions, requiring energy
12 providers to engage in policy and technology development to reduce
13 greenhouse gas.

14 During this process, NWPPA members face growing uncertainty over
15 what the future of U.S. climate change policy will be and how that future
16 would affect the ability of our utilities to provide reliable, affordable, and
17 safe electric power. Federal and regional policies to address climate change
18 can have substantial impacts on our consumers and it is in NWPPA
19 members' interest to outline principles and positions regarding the
20 reduction of greenhouse gas emissions.

21 As domestic policies and regional efforts to reduce greenhouse gas
22 emissions are contemplated, the NWPPA urges Congress and regional
23 groups like the members of the Western Climate Initiative (WCI) to carefully
24 consider all solutions, including, where appropriate, either a cap and trade
25 system or a carbon tax, for addressing climate change and to incorporate
26 the following principles in any new federal legislation or regional greenhouse
27 gas reduction proposals. Specifically, these efforts must:
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- 29 • Be economy-wide and apply to all industry sectors in proportion to
30 their emissions of greenhouse gases;
- 31 • Consider the financial impact on and the ability of consumers to
32 afford any proposed greenhouse gas emission reduction program;
- 33 • Protect the ability of U.S. industries to compete in world markets and
34 carefully consider the international competitive impact on U.S. jobs;
- 35 • Ensure that investments in non carbon dioxide emitting hydro power,
36 conservation and new noncarbon renewables are appropriately valued
37 in any national trading program;
- 38 • Allow credit for early actions taken to prevent and reduce greenhouse
39 gas emissions, including renewable energy generation, energy
40 efficiency, conservation and greenhouse gas mitigation programs;
- 41 • Maintain reliability, protect national security and avoid over-reliance
42 on any single fuel by recognizing the importance of preserving a
43 diverse mix of electricity generation fuels;
- 44 • Ensure that tax-based or other incentives for the development and
45 deployment of renewable and clean energy facilities and programs are
46 provided on a comparable basis to all electric industry sectors
47 including public power;

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- 50 • Place an enhanced and immediate economy-wide focus on energy
 - 51 efficiency for all energy uses;
 - 52 • Recognize and address regional differences, including fast-growing
 - 53 regions that can impact the fairness and effectiveness of any program
 - 54 designed to address greenhouse gas emissions;
 - 55 • Include additional and expanded support for research, development
 - 56 and deployment of cost-effective technologies for a variety of low and
 - 57 zero carbon technologies, including renewable technologies such as
 - 58 hydro, tidal, wave, geothermal, solar, biomass and wind, as well as
 - 59 technologies to reduce, capture, transform, transport or sequester
 - 60 greenhouse gases from emission sources throughout the regional and
 - 61 national economy;
 - 62 • Consider all policy options to determine the most efficient mechanism
 - 63 to reduce greenhouse gas emissions, including the possibilities of a
 - 64 carbon dioxide tax or fee.
 - 65 • Ensure that development of any greenhouse gas cap and trade or, if
 - 66 considered, any cap and auction system be carefully and thoughtfully
 - 67 structured to minimize consumer exposure to gaming and price
 - 68 volatility, be fair and manageable for small entities, and be durable to
 - 69 ensure that infrastructure investments are not at risk;
 - 70 • Ensure that mechanisms are in place to monitor, enforce and mitigate
 - 71 illegal or fraudulent manipulations outside the rules of any carbon
 - 72 market and manipulations within the rules of any carbon market that
 - 73 lead to unjust or excessive profits.
 - 74 • Ensure all emissions reduction targets are consistent with
 - 75 commercially available technologies necessary to achieve them;
 - 76 • Ensure that any generation portfolio requirements allow all low
 - 77 emission technologies; and
 - 78 • Allowances to emit greenhouse gases for the electric sector should be
 - 79 allocated based on electricity output or retail load served, or a
 - 80 combination of both, not on historic emissions or auction.
 - 81 • Ensure that any revenues that accrue to the state or federal
 - 82 government from a carbon tax or auctioning of allowances, if
 - 83 implemented, are dedicated to advance greenhouse gas reduction
 - 84 goals.

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88 Origination Date: 2007 – Modeled after APPA, NRECA and EEI Resolution
89 with input from SnoPUD, Chelan PUD and SCL – Modified in 2008 to
90 include Regional work of WCI with suggested changes by WPUDA, DCPUD
91 and GCPUD.