

Resolution Encouraging the Voluntary Filing of Greenhouse Gas Mitigation Plans by Electric Power Generators

WHEREAS, The atmospheric concentration of carbon dioxide ("CO₂") and other so-called greenhouse gases has increased and such increases can change the Earth's climate; and

WHEREAS, Human actions contribute to the increased atmospheric concentration of greenhouse gases; and

WHEREAS, There are many international and national regulatory proposals to reduce greenhouse gas emissions; and

WHEREAS, Electric power generation is a large source of greenhouse gas emissions and the adoption of a regulatory proposal to reduce greenhouse emissions could have a significant impact on ratepayers, cooperative members and shareholders of electric power generators in the United States; and

WHEREAS, Because CO₂ emissions are currently not regulated, there remains considerable uncertainty regarding what the final, or even interim, greenhouse gas emissions reduction policies will be and how they will effect greenhouse gas emitting industries like the electric power industry, let alone individual electric power generators; and

WHEREAS, Despite the uncertainty regarding the adoption and design of any greenhouse gas emission reduction requirement, the fact that such reduction requirements could have a significant impact on electricity consumers and ratepayers means that public utility commissions need to be informed of the possible consequences and impacts on ratepayers; *now*

therefore be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners ("NARUC") convened in its 2000 Summer Meeting in Los Angeles, California, recommends that electric power generators should voluntarily file with their overseeing public utility commission a greenhouse gas mitigation plan discussing the climate change issues and cost implications for ratepayers; and be it further

RESOLVED, That the greenhouse gas mitigation plan could discuss:

1. Total CO₂ and other greenhouse gas emissions for 1990 and the year for which the most complete emissions information is available for all sources of electricity for the electric power generator.
2. Possible impacts on the electric power generator's system and ratepayer costs if international and national climate change regulatory policies:
 - A. Promote unrestricted emissions trading and/or carbon sequestration possibilities to meet any CO₂ emissions reduction requirement;
 - B. Permit but restrict or limit emission trading

and/or carbon
sequestration
possibilities to meet
any CO2 emissions
reduction requirement;
or

C. Prevent emission
trading and/or use of
carbon sequestration
possibilities to meet
any CO2 emissions
reduction requirement.

D. In discussing these
possible impacts, the
electric power
generator could
describe how various
CO2 emission
reduction levels
change the impacts.

3. How the timing of CO2 emissions reduction
requirements may affect the electric power

generator's system and ratepayer costs.

4. How other factors, such as technological
advances, conservation efforts or fuel
conversions could impact the electric power
generator's system and/or ratepayer costs.

5. Those actions taken by the electric power

generator regarding climate change and additional actions that appear prudent in response to developing international and national climate policies. This portion of the filing could describe industry and industry-approved climate change initiatives, i.e. EPRI's Climate Change Targets and the Department of Energy's Climate Challenge Program, and how the electric power generator views such programs; *and be it further*

RESOLVED, That although it is important to educate public utility commissions on the possible consequences of possible greenhouse gas emission reduction policies, and to assure that electric power generators are prepared for the possible adoption of any such policy, the regulatory uncertainty surrounding greenhouse gas emissions reduction requirements means that it may not be in the best interest of ratepayers, cooperative members or shareholders for electric power generators to take, or be required to take without financial recovery, uneconomic steps to reduce greenhouse gas emissions at this time; *and be it further*

RESOLVED, That NARUC encourages electric power generators to adopt cost-effective measures to mitigate, offset and reduce greenhouse gas emissions associated with electric power generation consistent with accepted scientific findings and current technologies.

Sponsored by the Committee on Energy Resources and the Environment

Adopted by the NARUC Board of Directors, July 26, 2000.