

WHEREAS, The National Association of Regulatory Utility Commissioners ("NARUC") adopted in November 1994 a Resolution in Competition, the Public Interest, and Potentially Stranded Benefits which states "that a fundamental responsibility of State and federal electric utility regulators in this transition period is to assure that vital public interests and established public benefits will be preserved in any restructuring of the electric utility industry;" and

WHEREAS, NARUC adopted in July 1995 a resolution setting out "Principles to Guide the Restructuring of the Electric Industry" which states, among other things, that "The public benefits of energy efficiency, renewable resource technologies and research and development should be maintained through existing or new mechanisms;" and

WHEREAS, The nation has a compelling interest in preserving and promoting these public benefits, for the good of consumers, the economy, and the environment; and

WHEREAS, NARUC adopted in November 1997 a *Resolution Endorsing Federal Legislative Provisions to Preserve and Promote Public Benefits Programs in the Nation's Electric Industry* that urged Congress, "as it considers legislation to restructure the nation's electric industry, to include in such legislation workable mechanisms to support State and utility public benefits programs such as energy efficiency, renewable energy technologies, research and development, and low-income assistance;" and

WHEREAS, The November 1997 Resolution also outlined design principles for such mechanisms that should be considered, including:

- A Federal-State partnership, building upon State and utility expertise in designing and implementing electric serve and public purpose program, and leaving the greatest possible degree of flexibility and regulatory oversight to individual States;
- Such programs may be designed, supported, and delivered through the nation's electric system, using broad-based, competitively neutral funding mechanisms, subject to regulatory oversights; and
- Federal support should be made available to assist and encourage the States to develop and implement public purpose programs that meet the needs of the States and the Nation; and

WHEREAS, NARUC in March of 2000 adopted a Resolution Adopting Positions on Issues in Federal Legislation to Restructure the Electric Industry which included a statement regarding Public Benefits that "NARUC believes the best approach for Congress to follow during the transition to a competitive market is to establish a Federal/State trust funded by a non-bypassable, competitively neutral customer charge."; and

WHEREAS, The March 2000 Resolution also stated that "A State would qualify for the Federal Match by designating its own program and funding mechanism for its match"; *now therefore be it*

RESOLVED, That the Board of Directors of the National

Association of Regulatory Utility Commissioners ("NARUC") convened at its July 2000 Summer Meeting in Los Angeles, California, hereby re-affirms its insistence that Public Benefits must be included in any electric industry restructuring legislation, and be it further

RESOLVED, That further study of societal costs and benefits is warranted prior to NARUC supporting any particular implementation or funding mechanism for the continued support of Public Benefit Programs.

Sponsored by Committee on Electricity

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