

***Resolution on Coordination Between Utility and Environmental Regulators  
Concerning Electric Industry Restructuring in the United States***

**WHEREAS,** The electric industry in the United States is preparing for, and undergoing, significant structural and regulatory changes; *and*

**WHEREAS,** These changes are the result of competitive forces encouraged by technological advances and by federal legislation-including PURPA, the Clean Air Act, and the Energy Policy Act-and state implementation of such policies; *and*

**WHEREAS,** Many public utility regulatory commissions are investigating the merits of a shift from regulation to competition and are considering various means of effecting such a shift because it is in the public interest to promote competition; *and*

**WHEREAS,** The electric industry in the United States has a major impact on environmental quality through power plant and transmission construction, operation, and decommissioning; *and*

**WHEREAS,** Current and forthcoming changes in the electric industry will substantially affect the selection, construction, and operation of electric generating and transmission facilities as regulation of monopolies is increasingly replaced by market forces; *and*

**WHEREAS,** The selection, construction and operation of electric generating facilities will also be affected by the actions of environmental regulators; *and*

**WHEREAS,** Restructuring of the electric utility industry provides an opportunity to achieve an industry structure where market incentives encourage cleaner resources when they are least-cost; *and*

**WHEREAS,** Such opportunities could include encouraging commitments by existing generators of electricity to reduce their negative environmental impacts and fostering incentives and market-based approaches to reducing emissions from generation companies that sell power in a given State or region; *now, therefore, be it*

**RESOLVED,** That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 1996 Winter Meeting in Washington, D.C., hereby states its commitment to ensure that public utility regulators acknowledge the potential environmental consequences of electric industry restructuring and to work with environmental regulators to take steps to minimize any potential negative environmental impacts of electric utility restructuring to the maximum extent practical through actions that may be taken within commission jurisdiction; *and be it further*

**RESOLVED,** That the NARUC urges the United States Environmental Protection Agency (EPA) to exercise its legal authority, leadership and responsibility to address potential negative environmental consequences of electric industry restructuring under the aegis of the Clean Air Act; *and be it further*

**RESOLVED,** That the NARUC appreciates the Federal Energy Regulatory Commission's (FERC) decision to recognize in an Environmental Impact Statement the potential environmental consequences of its initiatives in electric industry restructuring and urges the FERC to take any steps, including support for regional solutions, that are within its statutory authority and jurisdiction to ensure that the potential environmental benefits of restructuring are realized and that any potential negative consequences are minimized; *and be it further*

**RESOLVED,** That the NARUC urges the FERC and State public utility regulators to work with the EPA and State environmental protection agencies to secure continued progress toward the cost-effective achievement of environmental quality goals.

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*Sponsored by the Committee on Energy Conservation*  
*Adopted February 28, 1996*