ERE-1/GAS-1

Resolution Encouraging State and Federal Policymakers to Seek Guidance from State Utility Regulators to Design Markets that Will Achieve Reduction of Greenhouse Gas Emissions at Least Cost

Whereas at least hundreds of individual utilities are preparing to meet certain state CO_2-reduction requirements or have adopted a voluntary CO_2-reduction target;

Whereas reducing CO_2 from all sectors benefits society at large by reducing greenhouse gas emissions that contribute to global warming;

Whereas through years of policy- and market-driven investments in electric efficiency, renewable generation, and other CO_2 reducing technologies, the electric sector currently accounts for a comparative 32% of U.S. greenhouse gas emissions (*See* Energy Information Administration);

Whereas the residential, commercial, and industrial sectors combined account for 27% of U.S. greenhouse gas emissions (*See* Environmental Protection Agency);

Whereas the nation's natural gas infrastructure also has the potential to be leveraged to use low-to-no CO_2 resources;

Whereas meeting CO_2 reduction requirements can be best achieved by allowing all carbon reducing investments and strategies to compete on the basis of total costs;

Whereas the regulators' role is not to favor specific fuels or technologies, but rather to implement policies and regulations in order to deliver reliable utility service that adequately meets the requirements of the jurisdiction at least cost;

Whereas regulated utilities can help reduce CO_2 emissions in various ways, including future technologies and solutions that are not yet developed or known;

Whereas the total costs and benefits of any emissions-reducing investment proposal, including impacts to the environment, the economy, jobs, and working conditions, matter to society;

Whereas utilities are uniquely capable of managing the cost of CO_2 reductions through regulated utility services, including exploring rates and investments to meet customer demand at least cost;

Whereas minimizing the cost of meeting CO_2-reduction requirements requires the ability to compare solutions on total cost; to enable this comparison, the level of investment and ratepayer costs required to reduce or eliminate CO_2 emissions in utility services should be clearly presented;

Whereas the relative cost of electricity, transportation, and heating fuels will play an important role in customers' decisions to adopt new technologies and solutions that reduce CO_2;

Whereas the most efficient market will allow competition between a wide range of resources; *and*

Whereas least cost CO_2 reduction strategies may come from various economic sectors, including regulated utilities; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2022 Winter Policy Summit in Washington, DC, encourages state and federal policymakers to consider that well-designed markets will reduce CO_2 in the energy sector at the least cost while maintaining reliable, resilient, and affordable service and therefore policy makers should seek guidance from state utility regulators on market design.

Passed by the Committees on Energy Resources and the Environment & Gas February 15, 2022.
Adopted by the NARUC Board of Directors on February 16, 2022.