

***Resolution on Public Purpose Research & Development In the Electricity and Natural Gas Industries***

**WHEREAS**, On February 26, 1997, NARUC resolved that, because beneficial public interest research and development may be at risk in restructured, more competitive energy industries, it is timely to convene interested parties such as NARUC, NRRI, EPRI, GRI, DOE, NREL, electric and gas industry representatives, and others to discuss public interest research and development; *and*

**WHEREAS**, On October 14-15, 1997, in St. Louis, Missouri, NARUC and others (NCCEI, ASERTTI, NRRI, EEI, EPRI, GRI and DOE) sponsored the Executive Dialog on Public Purpose Research and Development in the Electric and Gas Utility Industries; *and*

**WHEREAS**, Participants at the Executive Dialog heard presentations from knowledgeable experts on:

- The Big Picture -- R&D Trends in the U.S. and Abroad,
- Current R&D Landscape in the Electricity and Natural Gas Industries,
- Benefits of Electricity and Natural Gas R&D, and
- Risks to R&D under Emerging Market Structures, *and*

**WHEREAS**, Participants at the Executive Dialog considered: “Strategic Options for Public-Interest Energy R&D,” by the National Council on Competition and the Electric Industry; *and*

**WHEREAS**, Participants at the Executive Dialog discussed:

1. What is “public interest” energy research and development? What are the issues that could interfere with the development of a consensus definition of what comprises public interest R&D?
2. What will be the best forms of governance for overseeing the conduct of this public interest R&D?
3. What will be the best mechanisms for funding this public interest R&D? *and*

**WHEREAS**, The Executive Dialog produced some agreement and, where disagreement continues, a better understanding of issues; *now, therefore, be it*

**RESOLVED**, The National Association of Regulatory Utility Commissioners (NARUC), convened in its 109th Annual Convention at Boston, Massachusetts, charges its

committees with continuing to seek solutions to the challenges of maintaining the benefits of public purpose energy research and development; *and be it further*

**RESOLVED**, NARUC supports ongoing collaborative efforts by EPRI, GRI and their constituents to develop new funding and governance mechanisms; *and be it further*

**RESOLVED**, These quests should be based on the following principles:

- The public receives important net benefits from public purpose research and development;
- Public purpose research and development should be better defined and communicated so the public will understand its benefits and costs and its relationship to public policy goals;
- Public purpose research and development should continue to be performed by institutions such as EPRI, GRI, the national labs, and other state-level and national-level entities;
- State and/or Federal governments should intervene in markets to the extent needed to continue public purpose research and development;
- Public purpose research and development should be administered by institutions with governance responsive and accountable to their funders;
- In addition to voluntary support, funding for public purpose research and development should be provided, to the extent needed, by some combination of mechanisms, perhaps including, but not limited to: taxes, tax credits, and/or non-bypassable system charges.

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*Sponsored by the Committees on Electricity, Energy Resources and the Environment, and Gas*

*Adopted November 12, 1997*