



PPC POSITION PAPER Climate Change Legislation

February 2008

- The Pacific Northwest has long relied upon ways of meeting electrical demand without generating CO₂ emissions, specifically through conservation, hydro and other types of renewable energy, and nuclear energy.
- Under BPA's Regional Dialogue Record of Decision, BPA will no longer be directly responsible for meeting the load growth of the bulk of its customers. Most PPC members will need to invest in new resources to meet load growth. By necessity, it is highly likely that some of those resources will be carbon-emitting.
- Under key climate change legislation introduced by Senators Lieberman (I-CT) and Warner (R-VA), a cap and trade system would be used to limit national carbon emissions levels -- with only 10% of the total emissions credits allocated to load-serving entities (an additional 20% of total emissions are distributed to utilities based on historical emissions).
- The weighted reliance on an emissions-based allocation scheme would unfairly penalize the Pacific Northwest for its historical reliance on hydro resources, particularly since many utilities have made tremendous investments in maintaining these low emitting resources. Also, the Northwest's investments in conservation, energy efficiency and new renewable power has helped keep this region the lowest carbon emitting region of the United States, in spite of our recent high growth rates.
- Allocating allowances to local distribution utilities based on retail electric sales will advance consumer interests, equitably align emissions reduction responsibility, and encourage investments in low emitting technologies and pollution controls, highly efficient fuel use, and energy efficiency and conservation. This approach will promote innovation and support America's economic, energy and environmental objectives.

PPC thanks those House members that wrote the Energy and Commerce Committee seeking recognition of the Northwest's historic investment in non- and low-carbon resources and urges the delegation to advocate for the allocation of allowances in a manner that recognizes the historic, low carbon emitting investments made by the region and will help regional utilities keep future electricity rates low.