

Issue Brief
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WPUDA supports emissions legislation, with guidelines

The Washington Public Utility Districts Association has adopted a set of principles that our members believe must be considered in any federal legislation designed to reduce greenhouse gas emissions.

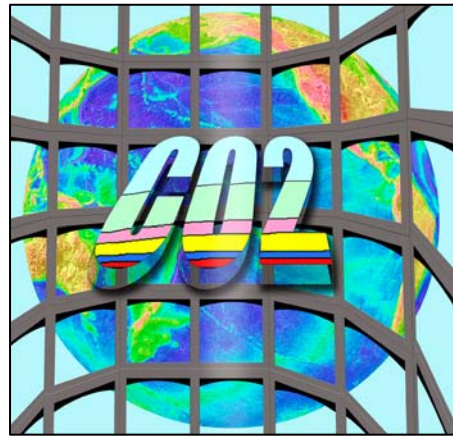
As Congress engages in developing climate-change legislation, we urge lawmakers to keep these principles in mind. We also pledge to work with the Northwest delegation as this process proceeds.

We believe emissions legislation must:

- Be applied to all sectors of the economy, not just electric utilities.
- Offer incentives on a comparable basis for public and private utilities for development of renewable energy generation, conservation and energy efficiency, and the deployment of smart grid technology
- Allow for flexibility to achieve the most cost-effective reductions on behalf of consumers; and
- Allow credit for early actions taken to reduce GHG emissions, including investment in hydro and non-hydroelectric renewable energy, energy efficiency and conservation;

To avoid another Enron-like scenario, legislation also must provide effective oversight of any federally established carbon-trading market.

This oversight must ensure that the market produces the desired environmental benefits in the



most efficient and cost-effective manner, while retaining public confidence.

We also urge lawmakers to consider carefully how emissions legislation might affect Northwest power resources and consumers and to not penalize the region's clean, renewable hydropower system.

While we supported renewable portfolio legislation in Washington state, we continue to have concerns about a federal RPS that that could require utilities to comply with two sets of standards.

When considering a federal RPS, Congress must take into consideration what has already occurred at the state level. In addition, hydroelectric generation must be treated equally with other renewable power resources.