

**THE NATIONAL ASSOCIATION OF  
STATE UTILITY CONSUMER ADVOCATES  
RESOLUTION 2007-04**

RESOLUTION ON GLOBAL WARMING

- WHEREAS, NASUCA has been on record since 1990 as acknowledging that, based on reports of the Intergovernmental Panel on Climate Change (IPCC), there was “a growing scientific consensus on the need to reduce emissions of greenhouse gases”;
- WHEREAS, NASUCA has been on record since 1990 urging the United States electric utility industry to take into account the need to reduce emissions of greenhouse gases as part of its resource planning;
- WHEREAS, NASUCA has been on record since 1990 declaring that both ratepayers and electric utilities would benefit from the establishment of “climate defense technologies” including conservation and energy efficiency as a means to reduce emissions of greenhouse gases;
- WHEREAS, the most recent report of the IPCC in 2007 has concluded that global warming is, in fact, occurring and that “warming of the climate system is unequivocal,” with eleven of the last twelve years being the warmest on record;
- WHEREAS, the IPCC has concluded with “very high confidence” that human activities have the net effect of global warming and that for the past 50 years, human influence is likely the single dominant influence on global warming, over all other causes including natural climate processes;
- WHEREAS, the burning of fossil fuel is the primary factor causing an increase, far exceeding the natural range, in global atmospheric concentrations of carbon dioxide;
- WHEREAS, increasing greenhouse gases are causing temperatures to rise, and in the absence of mitigation, the IPCC projects that by 2100, the increase to global surface temperatures will be 2.0 to 4.5 degrees centigrade (3.5 to 8.0 degrees Fahrenheit);
- WHEREAS, according to the IPCC, the fastest growth in greenhouse gas emissions since 1970 has occurred in the energy supply sector of the global economy;
- WHEREAS, approximately 20 to 25 percent of global carbon emissions occur in the United States;

- WHEREAS, electric generation produces the largest percentage of U.S. greenhouse gas emissions, but there are a number of other contributing economic sectors including transportation and industrial facilities;
- WHEREAS, the IPCC has determined that increases in global temperatures can be reduced or mitigated through implementation of technologies that are currently available and through the implementation of further mitigation technologies that are projected to be commercially available before 2030;
- WHEREAS, a number of states have taken independent or joint action to reduce greenhouse gas emissions at the state and regional level;
- WHEREAS, the United States Congress is currently considering a number of proposals that would assign a cost to emissions of carbon dioxide and other greenhouse gases, including the implementation of a cap and trade system, comparable to the system utilized with respect to sulfur dioxide emissions in the 1990 Clean Air Act;
- WHEREAS, the electric utility industry in the United States has changed dramatically since the enactment of the 1990 Clean Air Act, particularly with respect to the pricing of electric generation in many states and regions on a market basis rather than a cost basis;
- WHEREAS, if a cap and trade emissions program for greenhouse gas emissions from electric generation is enacted, it is essential that such a program produce appropriate emission reductions while minimizing the cost to electric consumers;
- WHEREAS, to the extent that electric generation is included in any cap and trade program, the initial allocation of emissions allowances must not produce windfall gains for electric generators at the expense of electric consumers;
- WHEREAS, the experience in the European Union has demonstrated that, even where emissions allowances are allocated free of charge to electric generators, the market value of such allowances has been included in the market price of generation to consumers, resulting in higher costs for consumers and financial windfalls for electric generation owners;
- WHEREAS, if a cap and trade or other mandatory greenhouse gas mitigation program, such as a carbon tax, is implemented in the United States, it should be done on an economy-wide basis, and should not be limited to electric generation;
- WHEREAS, limiting a greenhouse gas program to electric generation would increase the relative cost of electric generation (compared to the cost of other energy) even in cases – such as plug-in hybrid vehicles -- where electric generation might

be more efficient and produce fewer greenhouse gas emissions than other fuels that would be used for the same purpose;

WHEREAS, continued uncertainty and delay regarding regulation of greenhouse gas emissions in the United States does not benefit electric consumers because generation resource decisions are being made today that could result in even greater costs in the future if they do not properly account for the cost of greenhouse gas emissions;

WHEREAS, given the gravity and urgency of climate change phenomena, NASUCA urges the United States Congress to devote all federal resources necessary to develop and commercialize next generation energy resources from both a central station and distributed generation perspective, *e.g.*, energy efficiency and demand response, advanced clean coal generation, carbon sequestration, advanced nuclear generation, energy storage, bio-fuel, photovoltaic and other advanced renewable and non-renewable energy resources;

WHEREAS, understanding that federal funds are not limitless, NASUCA calls for the United States Congress to prioritize the funding to resources that are lower cost and/or contain less total environmental, fuel and technology risk such as energy efficiency and renewable resources, or have a strong national security component such as clean coal with carbon sequestration;

WHEREAS, NASUCA recognizes the potential for such complex new technologies to increase the cost of electric generation in the United States and thereby adversely impact utility customers through higher utility bills;

WHEREAS, therefore, NASUCA urges the United States Congress to keep the economic well-being of utility consumers foremost in mind when contemplating how best to transition the electric generation industry to acceptable emissions levels;

NOW THEREFORE, BE IT RESOLVED, that NASUCA urges Congress to implement reductions in greenhouse gas emissions, such as through a cap and trade system or through taxation of carbon emissions, on an economy-wide basis;

BE IT FURTHER RESOLVED, that any greenhouse gas emission reduction program should provide appropriate emission reductions while minimizing the cost to consumers, and must not produce windfall gains for electric generators at the expense of electric consumers;

BE IT FURTHER RESOLVED, that the federal government must play a vital role in research, development and commercialization of advanced electric generation, energy efficiency and demand response technologies;

BE IT FURTHER RESOLVED, that utility consumers must not be economically disenfranchised in the transition to a clean and sustainable energy future.

BE IT FURTHER RESOLVED, that the NASUCA Electric Committee with the approval of the Executive Committee is authorized to take all steps consistent with this resolution in order to secure its implementation.

Approved by NASUCA:

Submitted by:

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Place

NASUCA Electric Committee

\_\_\_\_\_  
Date

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Date

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