PNUCC

Bringing the *Power* of good ideas *Together*.

PRINCIPLES FOR CARBON POLICY

These PNUCC Principles provide a foundation for general, overarching policy discussions if actions to abate emissions are pursued. The intent is to create a framework under which related regulations are harmonized and regional stability is maintained.

1. Carbon policy is most effective when addressed at the broadest scale possible because carbon emissions are a global pollutant.
2. Carbon policy should be designed to encourage effective emissions reduction across all sectors of the economy.
3. Carbon policy should recognize the need for flexible, dispatchable resources and preserve a path for portfolio options to ensure system reliability.
4. Carbon policy should recognize the region's aggressive past accomplishments in energy efficiency and demand response, support ongoing investments, and acknowledge the value –including carbon savings, they will continue to provide.
5. Carbon policy should support equitable economic stability and minimize the impact on customers.
6. Carbon policy should recognize and harmonize new and existing legal and institutional requirements.

Currently more than 75% of the electric utilities installed generating resources in the Northwest are carbon-free and that share will grow. Over the past decade, Northwest utilities have continued their history of climate friendly investments in carbon-free generation, energy efficiency and demand response. This trend to lower emissions resources will accelerate as coal plants are retired and replaced with lower and zero emitting resources. By 2030, almost 15,000 MWs of coal are expected to be retired in the WECC. Greenhouse gas reductions are also being realized through improved technology and the market, as well as continued investments in energy efficiency and demand-side management programs.

About PNUCC -- PNUCC is an association comprised of consumer and investor owned utilities in the Pacific Northwest. Members focus on key issues facing the Northwest electric utility industry including supply, demand, costs, environmental effects, and reliability of the electric energy supply.

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