



## **Carbon Management Principles**

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The Public Generating Pool (PGP) is composed of nine consumer-owned electric utilities in Washington and one consumer-owned electric utility in Oregon. Collectively, PGP member utilities serve approximately one million customers with a utility owned asset base that is 94% carbon-free. PGP has developed the following principles to provide expert perspective and support dialogue about carbon management in Oregon and Washington.

The PGP is committed to a multi-sector low carbon energy future that is meaningful and cost-effective. The PGP supports sustainable clean energy strategies that balance consumers, economics, and the environment.

#### **PRINCIPLES**

- Achieve the most efficient carbon emission reductions at the least-cost to citizens:
  - Pursue market based, economy-wide solutions
  - Recognize the role of efficient natural gas fired generation in limiting overall state carbon emissions as recognized in the Council's 7<sup>th</sup> Power Plan and EPA's Clean Power Plan
  - Recognize the important role of existing hydro generation in limiting state carbon emissions
  - Recognize and support the role that electricity sector could play in reducing carbon emissions in the transportation sector
  
- To assure highest value and least-cost to consumers, state specific carbon efforts should:
  - Complement and not complicate or limit options for Clean Power Plan implementation
  - Be harmonized with other state policies
  - Be coordinated with strategies of other regional states
  
- Regulate carbon uniformly and be technology neutral
  - Basing regulatory application on criteria other than the GHG emissions of the resource (e.g., size, age of facility, etc.) will be inefficient and will not result in least-cost GHG abatement solutions.
  - Consistent treatment assures that existing hydro and renewable resources are not disadvantaged based on non-carbon emissions based criteria.
  
- Preserve a path for economic development and utility load/resource growth
  - Acknowledge the role and importance of long term resource planning in a low carbon environment.
  
- Regulate carbon at the point of the production
  - Downstream enforcement will create significant paperwork burden and unnecessarily increase compliance costs
  
- Include compliance flexibility for utilities that pursue cross sector carbon reductions
  - Incent investment in transportation electrification, grid optimization, and conservation
  
- Allocate allowances or distribute revenues associated with carbon regulation in a way that fairly allocates costs and benefits
  
- Assure that the regulatory approach functions well over a variety of climate and hydro conditions (e.g., persistent low water conditions)

#### **Public Generating Pool**

Chelan County PUD / Clark Public Utilities / Cowlitz County PUD / Eugene Water & Electric Board / Grant County PUD  
Klickitat County PUD / Lewis County PUD / Pend Oreille County PUD / Snohomish County PUD / Tacoma Power