



## OFFICES OF THE GOVERNORS

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### STATEMENT OF THE GOVERNORS OF CALIFORNIA, OREGON AND WASHINGTON ON REGIONAL ACTION TO ADDRESS GLOBAL WARMING

Global warming will have serious adverse consequences on the economy, health and environment of the west coast states. While these consequences are not entirely predictable, the effects of global warming are already evident in the form of higher temperatures, reduced snow pack, insect infestation and increased fire danger in our forests, and rising sea levels on our ocean shores. These impacts will grow significantly in coming years if we do nothing to reduce greenhouse gas emissions.

Unfortunately, present federal policies will not lead to a reduction in current emission levels of the greenhouse gasses associated with global warming. Therefore, the Governors of the west coast states have concluded that our states must act individually and regionally to reduce greenhouse gas emissions.

#### **Economic, Environmental Benefits**

The benefits of addressing global warming are both economic and environmental. Reducing reliance on fossil fuels provides a hedge against the economic impact from oil and natural gas price spikes for individuals and companies. Also, it keeps our energy dollars invested at home instead of exporting them overseas to oil and gas suppliers.

Equally important, emerging green and clean technologies are poised to become a multi-billion dollar growth sector. Addressing global warming now will position west coast states to become global leaders in this emerging economic sector, creating investment opportunities and jobs in new renewable, efficiency and control technologies. It will create opportunities for export of innovative technologies and applications. And, it will promote local businesses that can deliver the goods and services needed to reduce greenhouse gas emissions.

We will address global warming with strategies that provide long-term sustainability for the environment, protect public health, consider social equity, and expand public awareness. Climate change prevention strategies that reduce combustion of fossil fuels and waste will also reduce emissions that cause smog, soot, haze and toxic air pollution. These strategies can help ensure adequate water supplies, preserve farm and forest land uses, and reduce traffic congestion.

Reducing greenhouse gas emissions will also provide significant dollar savings when health care costs and other environmental damages are factored in. We commit to pursue attainable climate change prevention strategies that provide these multiple benefits.

The individual west coast states have already taken significant steps to curb greenhouse gas emissions through carbon standards for new power plants, promotion of renewable energy, and improved building codes and energy efficiency. In many areas, however, our states can work together to achieve greenhouse gas reductions that are greater than what they can achieve on their own.

## **Moving Forward**

For these reasons, the Governors have directed their staffs to work together during the next year to develop joint policy recommendations focused on activities that require regional cooperation and action and present them to the Governors no later than September 1, 2004. These measures should include recommendations on, among other things, ways the west coast states can:

- Use the states' combined purchasing power to obtain fuel-efficient vehicles and low-rolling resistance tires for motor pool fleets. For example, the states are working on a uniform specification for the purchase of hybrid vehicles.
- Reduce emissions from diesel fuel in transportation through reductions in the use of diesel generators in ships at west coast ports, and in the use of diesel engines in trucks by creating a system of emission-free truck stops along the Interstate 5 corridor that stretches from Mexico to Canada.
- Remove barriers to and encourage the development of renewable electricity generation resources and technologies.
- Improve efficiency standards with the potential to reduce greenhouse gas emissions. Specifically, the states could work together to upgrade appliance efficiency standards and seek waivers of federal limitations where necessary.
- Develop consistent and coordinated greenhouse gas emission inventories, protocols for standard reporting, and accounting methods for greenhouse gas emissions; and collaborate on improved scientific tools to more precisely measure the impact of climate change.

Staff shall develop their recommendations in consultation and cooperation with all interested stakeholders and the public. Staff in each state shall work with the business, environmental, and academic communities to develop recommendations as well as proposed goals by which we will measure our progress and effectiveness in reducing greenhouse gas emissions. In doing so, they should also seek to increase public understanding of global warming issues.

We invite other western U.S. states, Canadian provinces, and Mexican states to join us in this approach to reduce greenhouse gas emissions and respond to climate change impacts in our region. By inviting broadened participation, we hope to foster additional opportunities to reduce greenhouse gas emissions and bring additional talents and skills to developing our global warming mitigation and adaptation strategies.

# **TAKING ACTION TO ADDRESS GLOBAL WARMING:**

**An Overview of the Accomplishments of  
California, Oregon and Washington**

## **California Accomplishments:**

### SUMMARY

- As a region and a state, California is implementing policies and legislation that will reduce its emissions of GHGs.
- California is looking for increased efficiencies and new technologies to achieve reductions in CO<sub>2</sub> emissions.
- California expects to almost double its use of renewable energy in 14 years.
- California will remove CO<sub>2</sub> by forest conservation and reforestation.

Transportation Energy Efficiency: Governor Davis signed California's landmark climate change legislation, directing the California Air Resources Board to set maximum feasible limits for greenhouse gases from motor vehicles, starting in model year 2009. A Joint Report by the State's Energy Commission and Air Resources Board also recommends statewide goals and strategies for reducing dependence on petroleum in the transportation sector.

Energy Efficiency: California is upgrading its building and appliance efficiency standards and new standards will become effective in 2005. Since 1975, these standards, combined with the state's energy efficiency programs, have saved more than 10,000 megawatts of energy, an amount equal to the output of twenty, 500-megawatt power plants. Since their inception, these standards have reduced consumer energy bills by over \$20 billion.

Renewable Energy: Governor Davis ardently supported and signed legislation creating the most ambitious Renewable Portfolio Standard in the nation. It requires each of the State's investor-owned utilities to increase their renewable portfolio to 20 percent by 2017. The State's energy agencies are working to accelerate achieving this goal by 2010. California's Renewable Investment Plan offers per kilowatt-hour incentives for renewable power plants and tax credits for solar energy system.

Climate Action Registry and Emissions Inventory: California has established a voluntary Climate Action Registry (CAR) that requires company-wide reporting of greenhouse gas emissions and third party certification. This Registry may allow companies to count greenhouse gas emission reductions against future targets. California maintains and is updating its statewide emissions inventory of greenhouse gas emissions.

Sequestration of Carbon Dioxide (CO<sub>2</sub>) Emissions: Under legislation signed by Governor Davis, CAR will adopt protocols for accounting, reporting, and certifying carbon stocks and CO<sub>2</sub> emissions sequestered by forest conservation and reforestation of native forests in California. Forestland must be permanently dedicated to forest use through restrictions granted in perpetuity. Forestry activities that are reported must exceed those already required.

Public Interest Energy R D & D: California's energy R D & D program supports scientific research to develop energy-efficient end-use, renewable energy, more efficient natural gas, and efficient electricity generation technologies to reduce CO<sub>2</sub> emissions.

## **Oregon Accomplishments:**

**Carbon Dioxide (CO<sub>2</sub>) Standard for New Energy Facilities:** Oregon has a CO<sub>2</sub> performance standard for new energy facilities. It is designed so that the facilities must provide CO<sub>2</sub> offsets in addition to building efficient facilities. A developer may either implement offset projects or provide funds to The Climate Trust. Nine facilities have met the standard. The standard demonstrates that energy facilities can make significant reductions in greenhouse gas emissions in a competitive energy market.

**The Climate Trust:** One result of Oregon's CO<sub>2</sub> standard was the creation of an independent organization that has a role in implementing the standard—The Climate Trust. It is a major purchaser of CO<sub>2</sub> offsets in the US. It has international recognition and respect for its path-breaking role in acquiring CO<sub>2</sub> offsets.

**Benchmark to Hold CO<sub>2</sub> Emissions at 1990 Levels:** One of Oregon's 100 Benchmarks by which the state measures its progress is to hold the state's CO<sub>2</sub> emissions to 1990 levels.

**Forest Sequestration:** The legislature has authorized the Department of Forestry to establish a carbon-trading program for landowners who sequester carbon in forests. However, budget constraints have delayed implementation of that program.

**Transportation:** Oregon has several programs aimed at reducing greenhouse gas emissions from transportation. In 2003, the Oregon Legislature authorized pay-as-you-drive insurance. The Oregon Environmental Council estimates that participants will reduce their driving up to 15 percent. Oregon offers a state income tax credit of \$1,500 with the purchase of a hybrid vehicle. The Oregon Commute Options program requires commute trip reduction plans at businesses. Oregon integrates its transportation and land use planning to ensure efficient development and use of land and other resources. Land use regulations set growth boundaries to reduce sprawl and encourage compact urban land uses, which can be served by transit and other alternate modes. The public transit system in the Portland metro area is strong and growing. It includes light rail, streetcars, and transit-oriented development, including light rail to the airport.

**Energy Efficiency:** Oregon has numerous energy programs that reduce greenhouse gas emissions. These include residential and business tax credits and loans for conservation, renewable energy, alternative fuels, and recycling. It also includes assisting the public sector in these endeavors. In addition, under the State Energy Efficiency Design program, state buildings have reduced their energy use by 10 percent below 2000 levels. Overall, the combined savings from all of the conservation and renewable resource programs administered by the Oregon Department of Energy reduced emissions of CO<sub>2</sub> by 3.7 million metric tons in 2001.

**Energy Efficient Building Codes:** Oregon updated its residential energy code in April 2003. It is one of the most efficient codes in the country. In October 2003, Oregon's commercial energy code will be updated to be equivalent to or better than ASHRAE 90.1-99, the national standard.

Public Purpose Charge: Customers of investor-owned electric utilities pay a 3 percent public purpose charge that goes to conservation and renewable energy.

Renewable Energy: In the last 5 years Oregon has seen the development of 219 MW of wind plant capacity. It has adopted expedited siting processes for wind farms at the state level, and it has provided model-siting ordinances for local governments.

### **Washington Accomplishments:**

Gov. Gary Locke:

- Directed the Washington Energy Facility Site Evaluation Council (EFSEC) to establish CO2 mitigation requirements on all new power plants producing more than 350 megawatts (MW). EFSEC began rulemaking earlier this year, and should announce its CO2 standards in the coming weeks.
- Directed the Department of Ecology, which has jurisdiction for regulating power plants under 350 MW, to begin a similar rulemaking process this fall for future smaller power plants.
- Successfully pushed the State Building Code Council to update the energy code for new construction, resulting in new standards that will reduce residential natural gas consumption by 50 percent over the next 15 years and reduce annual global warming emissions by 300,000 metric tons.
- Continues to support state-funded weatherization assistance for existing homes, making homes more energy efficient and reducing the use of electricity, gas or oil needed to heat or cool them.

Gov. Locke sponsored and signed legislation that:

- Provides incentives to the development of wind and solar energy projects by removing sales and use taxes on such projects.
- Requires all state buildings, schools and colleges to undergo "energy audits" and increase energy efficiency through use of energy service contractors (or ESCOs) who make up-front investments and are paid from a portion of monthly savings.
- Directs utilities to make renewable energy available to any consumer who wants it. Utilities now offer "green options" such as Seattle City Light's "Seattle Green Power" program, Snohomish Public Utility District's "Planet Power," Puget Energy's "Green Power Plan" and Tacoma Power's "Evergreen Options," and many others. These voluntary programs have promoted new and innovative development of green power in Washington and Oregon.
- Requires agencies to consider green building standards (specifically, the LEEDS Silver Standard) in the development new state buildings.

He also signed legislation that:

- Requires utilities to disclose their fuel mix so that consumers are informed about the sources and the environmental attributes of the power they purchase.
- Allows utility customers who have their own small fuel cell, solar, wind or hydroelectric facilities (up to 25 kilowatts) to connect their generating equipment to the grid and sell their excess electricity back to the utility.
- Promotes the use of biodiesel as a substitute for fossil fuels by creating a pilot project for the use of biodiesel in school buses and providing tax exemptions for the manufacture and sale of biodiesel.

Future actions will include:

- Development of streamlined and clear standards for siting alternative fuels facilities, such as wind power.
- Promotion of renewable energy through support of and involvement in marketing utility “green power” options.
- Identification and promotion of economic development opportunities for the clean energy industry. This approach will identify public-private partnership opportunities for bringing evolving energy technologies to the marketplace, and provide direct technical assistance, infrastructure funding and project development support for clean energy businesses.