



City of Austin

Founded by Congress, Republic of Texas, 1839
Municipal Building, Eighth at Colorado, P.O. Box 1088, Austin, Texas 78767 Telephone 512/499-2000

October 4, 2002

Larisa Dobriansky
1000 Independent Ave. SW
P120 Forrestal, 7C034
Washington, DC 20585

Dear Larisa:

The Large Public Power Council (LPPC) CEOs agreed at a recent meeting in Austin, Texas, to participate in a voluntary greenhouse gas (GHG) reduction plan in support of the President's global climate change strategy.

The attached documents outline public powers' proposed GHG reduction plan and a timetable for seeing it through. Public power's climate change strategy seeks to implement GHG mitigation measures that are credible and verifiable and involve voluntary programs and partnerships between the federal government, local governments, environmental groups and industry.

We look forward to working with you on this most important matter.

Sincerely,

Roger Duncan, Vice President
Government Relations, Energy
& Environmental Policy

October 3, 2002

Public Power Voluntary Greenhouse Gas (GHG) Program Action Plan

- Compilation of actions already taken to reduce greenhouse gas emissions (due November 1, 2002)
- Compilation of planned programs to reduce GHG emissions not dependent on 1605(b) requirements (due November 1, 2002)
- Individual company GHG emissions inventory (Spring 2003)
- Individual company GHG emissions goals (May 2003)
- Public power sector GHG emissions goals (May 2003)
- Public power GHG reduction collaborative projects with environmental organizations and local governments (Fall 2003)
 - Project requirements will be part of public power recommendations on 1605(b) protocols revisions
 - Projects: Energy conservation, renewables and mitigation (carbon sequestration, unit or system-wide)
 - Projects may be contingent on 1605(b) reporting credit for transferable credits, baseline protection and credit for early action
 - Projects would not be implemented until 2004

Public Power Community Collaborations

Public power is reaching out to local communities and other local groups for cooperation to reduce greenhouse gas emissions. This initiative will be facilitated, in part, through the Energy & Environment Study Institute (EESI), which has agreed to help LPPC/APPA with outreach to the environmental community. To date the following organizations have shown an interest in collaborating with public power on a voluntary GHG program:

- Alliance to Save Energy
- American BioEnergy Association
- American Council for Energy Efficient Economy
- American Wind Energy Association
- Consortium for Energy Efficiency
- Energy & Environment Study Institute
- International Council for Local Environmental Initiatives
- National Association for State Energy Officials
- Public Citizen (Texas)
- Solar Energy Industries Association

Further, Public Technology, Inc. (PTI), a non-profit organization that serves the National League of Cities, the National Association of Counties and the International City Management Association and its subgroup, the Urban Consortium Energy Task Force (UCETF) have offered outreach to the local government sector. Public power will continue to seek other partners, especially those in the transportation and agriculture sectors of the economy.

Examples of possible collaborations with local communities:

- Salt River Project installs PVs on Phoenix municipal buildings. (renewables, local governments)
- New York Power Authority collaborates with Alliance To Save Energy schools program and retrofits New York schools for energy

efficiency (environmental organization, local government and DSM)

- MEAG funds tree-planting for local governments that they serve. (local government, sequestration)
- Austin Energy, through collaborations with City of Austin and local community organizations, commits to reduce projected increases in emission from 20% to 15 % over next 10 years through DSM & Renewables.

Other Public Power Initiatives Under Consideration:

- Green Power Partnership
- Renewable Energy Development Collaboration
- Green Building Project

October 3, 2002

Timetable: Public Power (APPA/LPPC) GHG Voluntary Plan

- **Spring 2002:** APPA & LPPC form a joint subcommittee to respond to President's "business challenge" to reduce GHG intensity by 18% relative to Gross Domestic Product by 2012. APPA & LPPC participate in Electric Power Industry Climate Initiative (EPICI).
- **July 2002:** LPPC delivers letter to DOE Under Secretary Robert Card that supports DOE's efforts to develop a voluntary greenhouse gas mitigation program for the power generation sector.
- **September 27, 2002:** LPPC delivers letter to EPA Administrator Whitman pledging to "vigorously participate" in voluntary GHG program.
- **November 1, 2002:** Public power companies document past and current successful GHG programs and projects.
- **December 3, 2002 (tentative date):** Roll out of Voluntary GHG Program (EPICI) "Power Partners" program and possible industry-wide MOU with DOE.
- **January 2003:** Public power announces 2003 GHG projects or programs. (This first wave of projects and programs are not contingent on the revised 1605(b) protocols anticipated in January 2004.)
- **December 2002 – May 2003:** Public power develops for implementation projects and programs, including collaborative projects and entity-wide emissions targets, which would be contingent on meeting revised 1605(b) protocols. These projects, programs, and emissions targets would be implemented after the release of the revised 1605(b) protocols in Spring 2004, and only if they "count" under the revised protocols.
- **Spring 2003:** Public power companies prepare GHG emissions inventory and set entity-wide GHG targets.
- **May 2003:** Public power companies make preliminary decisions on "contingent" commitments for projects, programs, and GHG targets.
- **September 2003:** Public power companies make final decision on "contingent" commitments for projects, programs, and GHG targets.
- **Fall 2003:** Public power delivers "contingent" projects to DOE

← where are they on timeline
← first wave of projects is ready

← need rep. on behalf of industry

- *January 1, 2004: Federal Agencies release revised 1605(b) protocols.*
- **Spring 2004:** Implementation of “contingent” commitments for programs, projects, and GHG targets.



Who is LPPC?

Customer statistics

LPPC members

What is public power?

LPPC on the issues

Press releases

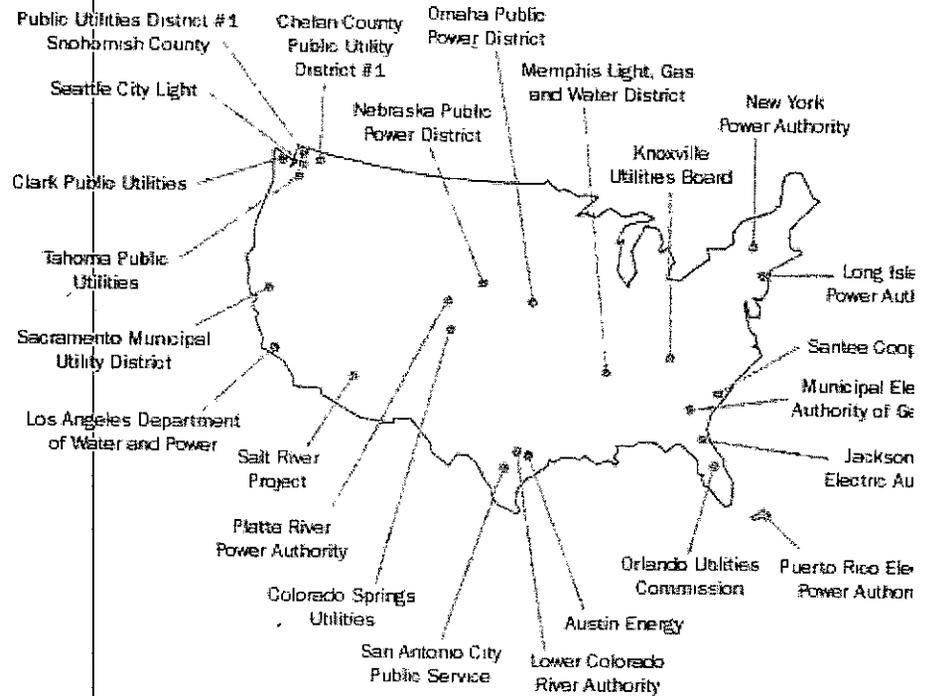
Public power trivia

Public power glossary

Contact us

Who is LPPC?

LPPC members



The 24 members of LPPC are located in 11 states across the country and in Puerto Rico they provide reliable, high quality, low-cost electricity to more than 40 million people. To contact individual members contact them at the addresses shown below. If you have any contact wgridley@ouc.com.

Austin Energy

Mr. Juan Garza, General Manager
Austin Energy • 721 Barton Springs Road • Austin, TX 78704-1194
Phone: (512) 322-6002 • Fax: (512) 322-6005 • juan.garza@auslinenergy.com

Chelan County Public Utility District No. 1

Mr Charles Hosken, General Manager
Chelan County Public Utility District No. 1 • P O. Box 1231 • 327 Wenatchee Avenue • Wenatchee, WA 98807-1231
Phone: (509) 663-8121 • Fax: (509) 664-2879 • charlie@chelanpud.org

Clark Public Utilities

Mr. Wayne Nelson, General Manager & CEO
Clark Public Utilities • 1200 Fort Vancouver Way • P O. Box 8900 • Vancouver, WA 98668
Phone: (360) 992-3239 • Fax: (360) 992-3204 • wnelson@clarkpud.com

Colorado Springs Utilities

Mr. Phil Tollefson, Executive Director of Utilities

Colorado Springs Utilities • P.O. Box 1103, Mail Code 615 • Colorado Springs, CO 80947
Phone (719) 668-8000 • Fax: (719) 668-8020 • ptollefson@csu.org

Jacksonville Electric Authority

Mr. Walter Bussells, Managing Director
Jacksonville Electric Authority • 21 West Church Street • Jacksonville, FL 32202
Phone: (904) 665-7220 • Fax: (904) 665-7366 • busswp@jea.com

Knoxville Utilities Board

Mr. Larry Fleming, President & CEO
Knoxville Utilities Board • P. O. Box 59017 • Knoxville, TN 37950-9017
Phone (865) 594-7570 • Fax (865) 594-7519 • lfleming@kub.org

Long Island Power Authority

Mr. Richard Kessel, Chairman & CEO
Long Island Power Authority • 333 Earle Ovington Boulevard, Suite 403 • Uniondale, N.Y. 11553
Phone. (516) 222-7700 • Fax: (516) 719-9137 • rkessel@lipower.org

Los Angeles Department of Water and Power

Mr. David Wiggs, General Manager
Los Angeles Department of Water and Power • 111 N. Hope Street • Los Angeles, CA 90012
Phone: (213) 367-1338 • Fax. (213) 367-1455 • dwiggs@ladwp.com

Lower Colorado River Authority

Mr. Joseph Beal, P.E., General Manager
Lower Colorado River Authority • 3700 Lake Austin Boulevard - MS H115 • Austin, TX 78703
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MEAG Power

Mr. Robert Johnston, President & CEO
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Memphis Light, Gas & Water Division

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Nebraska Public Power District

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New York Power Authority

Mr. Eugene Zeltmann, President
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Phone (518) 433-6700 • Fax: (518) 433-6780 • zeltmann_e@nyopa.gov

Omaha Public Power District

Mr. Fred Petersen, President
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Orlando Utilities Commission

Mr. Robert C. Haven, General Manager
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Platte River Power Authority

Mr. Brian Moeck, General Manager
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Puerto Rico Electric Power Authority

Mr. Hector Rosario, Executive Director
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Sacramento Municipal Utility District

Ms. Jan Schori, General Manager
Sacramento Municipal Utility District • 6201 S Street • Sacramento, CA 95817-1899
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Salt River Project

Mr. Richard Silverman, General Manager
Salt River Project • 1521 Project Drive • Tempe, AZ 85281
Phone: (602) 236-5886 • Fax: (602) 236-5444 • rsilver@srpnet.com

San Antonio City Public Service

Mr. Milton Lee, General Manager & CEO
San Antonio City Public Service • 145 Navarro • P.O. Box 1771 • San Antonio, TX 78296-1771
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Santee Cooper

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Seattle City Light

Mr. Gary Zarker, Superintendent
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Phone: (206) 684-3200 • Fax: (206) 684-3158 • gary.zarker@ci.seattle.wa.us

Snohomish County Public Utility District #1

Public Utilities District #1, Snohomish County • 2320 California Street • P.O. Box 1107 • Everett, WA 98206-1107
Phone: (425) 783-8473 • Fax: (425) 783-8305 • pdelias@snopud.com

Tacoma Public Utilities

Mr. Mark Crisson, Director of Utilities
Tacoma Public Utilities • 3628 S 35th Street • P.O. Box 11007 • Tacoma, WA 98411-0007
Phone: (253) 502-8200 • Fax: (253) 502-8378 • mcrisson@ci.tacoma.wa.us

Environmental Groups

- **Alliance to Save Energy (ASE)**

The Alliance to Save Energy promotes energy efficiency worldwide to achieve a healthier economy, a cleaner environment and energy security. Founded in 1977, the Alliance to Save Energy is a non-profit coalition of business, government, environmental and consumer leaders. The Alliance to Save Energy supports energy efficiency as a cost-effective energy resource under existing market conditions and advocates energy-efficiency policies that minimize costs to society and individual consumers, and that lessen greenhouse gas emissions and their impact on the global climate. To carry out its mission, the Alliance to Save Energy undertakes research, educational programs, and policy advocacy, designs and implements energy-efficiency projects, promotes technology development and deployment, and builds public-private partnerships, in the U.S. and other countries.

- **American BioEnergy Association (ABA)**

Our mission at the ABA is to be the leading voice in the U.S. for the biomass industry. Toward that end, the ABA will be an advocate for progress in the production of power, transportation fuels, and chemicals from biomass. Working with others in the energy and environmental communities, the ABA will seek to build support in the federal government for the biomass industry through tax incentives, increased biomass research and development budgets, regulations and other policy initiatives.

- **American Council for Energy Efficient Economy (ACEEE)**

The American Council for an Energy-Efficient Economy is a nonprofit organization dedicated to advancing energy efficiency as a means of promoting both economic prosperity and environmental protection. ACEEE is a leader in efforts to improve utility-related energy efficiency policies and programs. We provide information and technical assistance to utilities, government entities, and advocates in order to encourage the development of effective energy efficiency strategies in the utility sector.

- **American Wind Energy Association (AWEA)**

AWEA is a national trade association that represents wind power plant developers, wind turbine manufacturers, utilities, consultants, insurers, financiers, researchers, and others involved in the wind industry -- one of the world's fastest growing energy industries. In addition, AWEA represents hundreds of wind energy advocates from around the world.

- **Consortium for Energy Efficiency (CEE)**

The Consortium for Energy Efficiency (CEE), a national, non-profit public benefits corporation, promotes the manufacture and purchase of energy-efficient products and services. Our goal is to induce lasting structural and behavioral changes in the marketplace, resulting in the increased adoption of energy-efficient technologies.

In today's restructured utility market, some states are continuing with utility administration of energy-efficiency programs; other states are designating public agencies for this work. CEE serves the needs of both, providing a forum for the exchange of information and ideas.

CEE members include utilities, statewide and regional market transformation administrators, environmental groups, research organizations and state energy offices. Also contributing to the collaborative process are CEE partners - manufacturers, retailers and government agencies. The U.S. Department of Energy and Environmental Protection Agency both provide major support, through active participation as well as funding.

- **Energy & Environment Study Institute (EESI)**

Founded by a bipartisan group of Members of Congress in 1984, the Environmental and Energy Study Institute helps meet the critical need for timely information, the exchange of ideas, and rigorous policy debate on major environmental and energy issues.

EESI promotes the development of public policy options that will sustain people, the environment and natural resources. We educate policymakers and other key individuals and constituencies with diverse perspectives through Capitol Hill briefings, roundtables, policy analysis and concise issue papers.

We also encourage broad-based dialogue and provide strategic advice on important issues through active participation in various coalitions and networks, such as the Sustainable Energy Coalition of which EESI is a founding member.

- **International Council for Local Environmental Initiatives (ICLEI)**

ICLEI is the international environmental agency for local governments. ICLEI's mission is to build and serve a worldwide movement of local governments to achieve tangible improvements in global environmental and sustainable development conditions through cumulative local actions.

More than 400 cities, towns, counties, and their associations from around the world are full Members of the Council, with hundreds of additional local governments participating in specific ICLEI campaigns and projects. As a movement, association, and agency, ICLEI continues to work towards its environmental and sustainable development goals.

- **National Association for State Energy Officials (NASEO)**

For more than a decade, the National Association of State Energy Officials (NASEO) has provided leadership on these issues as energy's Washington voice - guiding regional, state and federal government officials toward a deeper understanding of energy's pivotal role in the economy and environment, and informing them about the specific energy priorities and concerns of the states and territories.

Affiliated with the National Governors' Association, NASEO members are officials from the State and Territory Energy Offices and affiliates from the private and public sectors. The nonprofit association was created by the governors as an "instrumentality of the states" to improve the effectiveness and quality of state energy programs and policies, and to be a collector and repository of energy-related information. NASEO meetings and communications offer a forum for energy officials, policymakers and others to exchange information and discuss issues with regional and national implications.

Issues of concern to NASEO include electric and gas utility, transportation, buildings, research, economic development, environmental, energy efficiency, renewable energy and other energy-related matters.

- **Public Citizen**

Public Citizen is a national, nonprofit consumer advocacy organization founded by Ralph Nader in 1971 to represent consumer interests in Congress, the executive branch and the courts. We fight for openness and democratic accountability in government, for the right of consumers to seek redress in the courts; for clean, safe and sustainable energy sources; for social and economic justice in trade policies; for strong health, safety and environmental protections; and for safe, effective and affordable prescription drugs and health care.

- **Solar Energy Industries Association (SEIA)**

The Solar Energy Industries Association is the national trade association of solar energy manufacturers, dealers, distributors, contractors installers, architects, consultants, and marketers, concerned with expanding the use of solar technologies in the global marketplace. National SEIA members--combined with state chapter members--total more than 500 companies providing solar thermal and electric products and services



www.lppc.org

The Large Public Power Council

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September 26, 2002

President George W. Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

The Large Public Power Council (LPPC) supports your efforts regarding multi-pollutant controls for the power generation sector and the development of a comprehensive, voluntary greenhouse gas strategy. We appreciate your leadership on these important environmental issues and stand ready to work with you and the Congress in the successful development of each initiative.

LPPC is an association of 24 of the largest public power systems in the United States. LPPC members directly or indirectly provide reliable, affordably priced electricity to most of the 40 million customers served by public power. We own and operate over 44,000 megawatts of generation and approximately 26,000 circuit miles of transmission lines. LPPC member utilities and public power agencies are located in states and territories representing every region of the country. In addition, member utilities own and operate a diverse portfolio of fossil, nuclear, hydropower, and other renewable energy sources that reflect the national energy mix.

Your Clear Skies Initiative established an excellent framework for reducing power plant emissions in a coordinated and efficient manner. The targets and time schedules set forth in the Initiative for reducing NO_x, SO₂, and mercury are ambitious, but appear appropriate to achieve the health and environmental goals established under the Clean Air Act. It will be most important, however, that emission reduction levels established through implementing legislation be technically and economically feasible and consistent with objectives to ensure adequate supplies of reasonably priced power. Given the stringency of the targeted reduction levels, however, the use of emissions trading systems will be essential for achieving the reductions at the lowest possible cost to industry and the communities we serve.

One key design element of any emissions trading system for NO_x, SO₂, and mercury is the method for distributing allowances to electric generating units. LPPC supports the allocation of allowances to only those units subject to the multi-pollutant reduction requirements and strongly opposes the distribution of allowances through any type of allowance auction system. Although different allowance allocation methodologies may be appropriate for different pollutants, whatever methodology adopted must result in an equitable allocation of the control obligations to those generating facilities.

Austin Energy (TX) • Chelan County PUD (WA) • City Public Service (TX) • Clark Public Utilities (WA) • Colorado Springs Utilities (CO) • JEA (FL)
Knoxville Utilities Board (TN) • Long Island Power Authority (NY) • Los Angeles Department of Water and Power (CA) • Lower Colorado River Authority (TX)
Memphis Light, Gas and Water Division (TN) • Municipal Electric Authority of Georgia (GA) • Nebraska Public Power District (NE)
New York Power Authority (NY) • Omaha Public Power District (NE) • OUC (FL) • Platte River Power Authority (CO)
Puerto Rico Electric Power Authority (PR) • Sacramento Municipal Utility District (CA) • Salt River Project (AZ) • Santee Cooper (SC)
Seattle City Light (WA) • Snohomish County PUD (WA) • Tacoma Public Utilities (WA)

Modernizing of the current air regulatory programs should be an essential element of any multi-pollutant control program enacted into law. It makes no sense to layer another set of emissions control requirements on top of the current federal-state regulatory scheme. We are ready to work with the Administration and Congress in developing a new regulatory paradigm that achieves superior environmental results in a more efficient and cost-effective manner. Key elements of this new paradigm include reform of new source review, elimination of redundant air regulatory requirements, and a period of regulatory certainty going forward for the power generation sector.

Finally, LPPC supports your efforts to develop a voluntary, greenhouse gas mitigation strategy. LPPC members pledge to work in partnership with the federal government to develop and implement effective programs and initiatives for reducing greenhouse gas emissions. Moreover, in response to your business challenge for companies to take voluntary action, we pledge to participate vigorously and maximize the effectiveness of voluntary approach to the climate change issue.

All LPPC members are committed to environmental excellence and among the 24 LPPC member utilities we have some supporting more environmentally stringent provisions and others suggesting a narrower scope. LPPC looks forward to helping to shape revisions to the Clean Air Act.

LPPC appreciates your leadership on these important environmental issues. We commit to work with you and Congress to pass balanced multi-pollutant legislation for the power generation sector and to assume a lead role for our industry in the successful implementation of a voluntary greenhouse strategy.

Sincerely,

Jan Schori
Chair

cc: Key House/Senate Leaders
EPA Administrator Whitman
DOE Secretary Abraham
EPA Assistant Administrator Holmstead