


WEST COAST REGIONAL CARBON SEQUESTRATION PARTNERSHIP
westcarb.org




Climate Change


A View from Arizona

Don Pelley
Salt River Project

Annual Meeting
November 27, 2007




About SRP

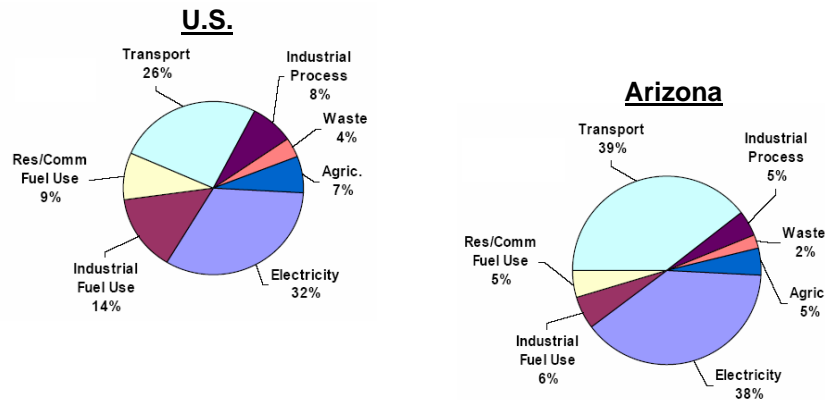


- One of the largest public power utilities in the nation
- 920,000 electric customers
 - ~30,000/yr growth
- Largest water supplier to the Valley of the Sun
- 2007 Retail peak – 6,590 MW
 - +925 MW since 2005

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Greenhouse Gas (GHG) Emissions by Sector



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Governor Janet Napolitano Testimony – Nov 2007

“In the absence of meaningful federal action.....”

- Arizona GHG Action
 - 2000 levels by 2020
- Regional GHG Action
 - Western Climate Initiative
- Request for National Action



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Regional Initiatives

British Columbia Manitoba

WCI

RGGI

WA, OR, CA, AZ, NM, UT, NY, ME, VT, NH, MA, CT, RI, PA, DE, MD

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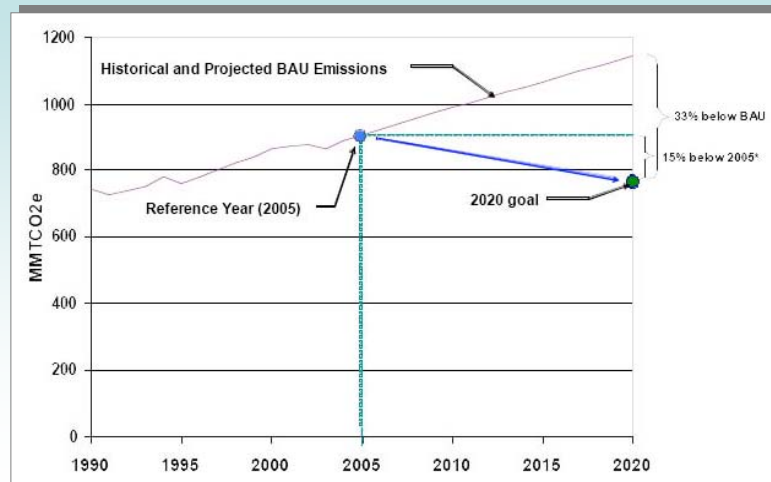
Western Climate Initiative

- Launched in February 2007
- GHG 15% below 2005 levels by 2020
- Cap and Trade program

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WCI Partner GHG Emissions and Regional Goal



So, what's a coal-burning utility in a growing region to do...



Participate In The Legislative Process

- Any mandatory program should be national in scope and include all sectors
- Reduction targets should follow a “slow-stop-reverse” implementation strategy
 - Reward early action
 - Promote efficiency and renewable energy projects in early years
- Preference for market-based mechanisms
 - No windfall to non-emitting sources
 - Recognize high-growth areas such as Arizona
- Safety valve
- Extensive national funding for research
- Allow offset projects such as enhanced agricultural practices, reforestation, technology investment in developing countries

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Factor Green House Gases Into Resource Planning

- Attach a shadow price to CO₂ emissions
- Support efforts to identify new technologies
- Seriously consider nuclear resources
- Re-look at renewable energy



Palo Verde Nuclear Generating Station

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Document Emissions & Early Actions

- “Voluntary” process to track and certify greenhouse gas emissions
- Establish a baseline of non-generation GHG emissions
- Develop methodology for carbon credits for renewables and energy efficiency



Participate in Research and Development

- EPRI Climate Program
- Demonstration project for efficient removal of CO₂
- Coal Fleet for Tomorrow
- EPRI's Energy Efficiency Initiative
- Regional climate studies at labs and universities
- WESTCARB Carbon Sequestration



Get More Aggressive In Pursuing The “Low Hanging Fruit”

- 220,000 smart meters (goal 1 million in 5 years)
- Builder partnerships promoting energy-efficient materials and appliances
- Internet tools and lighting solutions for commercial customers
- Compact fluorescent lights, Energy Star appliances, and efficient pool timer promotions
- M-Power



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Strengthen Existing Programs Which Address CO₂ – Renewables



- Purchasing renewable energy including wind, geothermal, and biomass
- Low-head hydro, landfill gas, fuel cell
- Installing over one MW of solar projects
- EarthWise Solar Incentive Program
- EarthWise Energy green pricing program

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Arizona Sequestration Project

- Limited sequestration sinks will require cooperation and collaboration
- Risk and liability are major concerns

