

MR. VAN'T HOF: THANKS, MICHAEL, AND THANKS
16 TO THE CONFERENCE ORGANIZERS FOR ASKING ME TO BE HERE
17 TODAY.

18 IT IS A PLEASURE TO TALK ABOUT THE KIND OF
19 COMPANION REGIONAL EFFORT THAT IS GOING ON IN THE
20 WEST COAST, THE WESTERN CLIMATE INITIATIVE, WHICH I
21 WILL GET INTO.

22 BEFORE THAT, I WILL APOLOGIZE FOR MY VOICE.
23 I FELT I HAD WON THE TRIFECTA, HAVING BEEN TO
24 FLORIDA, ARIZONA, AND NOW HAWAII IN THE PAST TWO
25 WEEKS; BUT COMING FROM OREGON AND THE RAINS THERE, I

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1 THINK MY BODY IS NOT MADE FOR SUNNY WEATHER, AND I
2 GOT A COLD.

3 THE WESTERN CLIMATE INITIATIVE, WHICH --
4 I'LL START JUMPING INTO IT -- WE TRIED FIGURING OUT
5 WHAT'S THE RIGHT NAME FOR THIS ORIGINAL INITIATIVE.
6 WE HAD THE RGGI INITIATIVE FROM THE EAST COAST. AND
7 WE THOUGHT FOR AWHILE ABOUT GOING WITH THE WESTERN
8 GREENHOUSE GAS INITIATIVE, BUT WE DECIDED "WGGI" WAS
9 A PROBLEM, IT'S AN INTERESTING ACRONYM.

10 (LAUGHTER).

11 SO WE WENT INITIALLY WITH THE WEST COAST
12 GOVERNORS GLOBAL WARNING INITIATIVE, AND THEN LATER
13 WHAT'S EVOLVED INTO THE WESTERN CLIMATE INITIATIVE.

14 INITIALLY, JUST TO SHOW THAT THIS HAS SOME
15 HISTORY TO IT, THE GOVERNOR OF OREGON, MY GOVERNOR,
16 TED KULONGOSKI, AND THE PREDECESSORS IN WASHINGTON
17 AND CALIFORNIA, GOVERNORS LOCKE AND DAVIS, FORMED THE
18 FIRST WESTERN REGIONAL APPROACH TO ADDRESSING CLIMATE
19 CHANGE BACK IN 2003; AND OUT OF THAT INITIAL EFFORT
20 THERE WAS A SERIES OF RECOMMENDATIONS THAT THE STAFFS
21 FOR THE GOVERNORS DEVELOPED ON HOW TO MOVE FORWARD,
22 BOTH FROM A REGIONAL AND STATE PERSPECTIVE ON CLIMATE
23 CHANGE.

24 SOME OF THE STUFF YOU HAVE ALREADY HEARD
25 ABOUT, THE CLEAN CARS PROGRAM THAT WE'RE INDEBTED TO

0753
1 CALIFORNIA FOR. BOTH OREGON AND WASHINGTON COMMITTED
2 TO ADOPT THOSE AND HAVE DONE SO; IN WASHINGTON BY
3 STATUTE, AND IN OREGON BY RULE. IN FACT, THERE WAS A
4 UNIQUE SITUATION WHERE, TO MY KNOWLEDGE, THIS MAY
5 HAVE BEEN UNPRECEDENTED. THE WASHINGTON LEGISLATURE
6 PASSED LEGISLATION SAYING THEY'RE ADOPTING CLEAN
7 CARS, BUT ONLY IF OREGON DOES IT. AND SO THEN OREGON
8 WENT FORWARD. WE DID IT BY RULE-MAKING. AND ONCE WE
9 DID THAT, THEN THE WASHINGTON LEGISLATION WENT INTO
10 EFFECT.

11 THE OTHER AREAS OF FOCUS WERE AROUND
12 EFFICIENCY STANDARDS. THE WEST COAST HAS, WITH
13 CALIFORNIA'S LEAD AGAIN, THE HIGHEST EFFICIENCY
14 STANDARDS IN THE NATION; AND WE'RE TRYING TO
15 CONTINUOUSLY UPGRADE THOSE AND MAKE THEM CONSISTENT
16 ON THE WEST COAST.

17 THE TRUCK STOP ELECTRIFICATION WAS ONE
18 EXAMPLE OF A PILOT PROGRAM TO FOCUS ON REDUCING
19 EMISSIONS AT TRUCK STOPS BY ELECTRIFYING THEM SO THAT

20 THEY DIDN'T HAVE TO RUN THE RIGS ALL NIGHT LONG, TO
21 GET THE AC AND WHAT-HAVE-YOU THAT THEY NEED IN THE
22 TRUCK STOPS.

23 SOME OF THE MAJOR STEPS THAT CAME OUT OF
24 THAT WERE DEVELOPING STAKEHOLDERS' PROCESSES
25 STATEWIDE. OREGON DID THAT IN 2004. AND THAT WAS

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1 REALLY THE FIRST MAJOR STEP, TO GET ALL THE
2 STAKEHOLDERS IN THE STATE TOGETHER AND SAY WHAT IS IT
3 THAT OREGON CAN DO AND SHOULD DO TO REDUCE GREENHOUSE
4 GAS EMISSIONS. IT'S KIND OF BECOME THE ROAD MAP FOR
5 MUCH OF THE ACTION IN OREGON SINCE THEN.

6 THE GOVERNORS, AS FRAN MENTIONED, GOVERNOR
7 SCHWARZENEGGER, IN 2005, AND OUR GOVERNOR, I LIKE TO
8 POINT OUT, A FEW MONTHS BEFORE GOVERNOR
9 SCHWARZENEGGER IN 2005, ANNOUNCED REDUCTION GOALS FOR
10 THE STATE OF OREGON, OURS BEING TO GET 10 PERCENT
11 BELOW 1990 LEVELS BY 2020.

12 AND THEN IT WAS ALSO COMMENTED ON THAT THE
13 THREE STATES COMMITTED TO RENEWABLE PORTFOLIO
14 STANDARDS; CALIFORNIA WAS FIRST, OREGON, AND
15 WASHINGTON HAVE SUBSEQUENTLY ADOPTED THEIR OWN
16 RENEWABLE PORTFOLIO STANDARDS, WITH OREGON PASSING
17 THIS PAST SESSION, IN 2007, REQUIRING 25 PERCENT
18 RENEWABLE ENERGY BY 2025. OREGON ALSO PASSED A
19 RENEWABLE FUEL STANDARD THAT SESSION, WHICH IS ONE OF
20 THE MOST AGGRESSIVE IN THE NATION, AS WELL, REQUIRING
21 THE PLANNING OF ETHANOL AND BIODIESEL INTO OUR FUEL
22 SUPPLY.

23 SO IN ADDITION TO THE THREE STATES, THE
24 SOUTHWEST GOT INVOLVED AND WITH LEADERSHIP FROM
25 ARIZONA AND NEW MEXICO'S GOVERNORS, THEY FORMED THEIR

0755

1 OWN INITIATIVE. I'M NOT GOING TO GET INTO DETAILS,
2 BUT A VERY SIMILAR APPROACH THEY TOOK IN TERMS OF HOW
3 TO ADDRESS CLIMATE CHANGE FROM A REGIONAL
4 PERSPECTIVE. AND SO THESE TWO EFFORTS BECAME ONE,
5 WITH WHAT WAS ORIGINALLY THE WESTERN REGIONAL CLIMATE
6 INITIATIVE AND NOW THE WESTERN CLIMATE INITIATIVE.
7 IT STARTED WITH THOSE FIVE STATES; AND WE HAVE BEEN
8 JOINED BY UTAH, A SIXTH STATE, AND TWO CANADIAN
9 PROVINCES, MANITOBA AND BRITISH COLUMBIA. AND THAT
10 IS ONE OF THE UNIQUE FEATURES OF THIS WESTERN
11 INITIATIVE, IS IT'S AN INTERNATIONAL EFFORT OF STATES
12 AND PROVINCES. AND WE ALSO HAVE SONORA, ONE OF THE
13 STATES IN MEXICO, AS AN OBSERVER. AND WE'RE HOPEFUL
14 THAT OTHER MEXICAN STATES WILL JOIN INTO THIS
15 INITIATIVE, AS WELL.

16 THE FIVE STATES INITIALLY AND THOSE THAT
17 JOINED IN SIGNED A MEMORANDUM OF UNDERSTANDING, AND
18 ESSENTIALLY THE KEY FEATURES OF THE MOU WERE, ONE,
19 THAT THERE WOULD BE A REGIONAL GOAL CREATED FOR THE
20 PARTICIPATING JURISDICTIONS IN TERMS OF REDUCTIONS BY
21 AUGUST OF '07; AND THEN THAT THERE WOULD BE A
22 MARKET-BASED DESIGN MECHANISM TO ACHIEVE THOSE
23 REDUCTIONS, APPROVED BY AUGUST OF '08. AND SO WE'RE
24 RIGHT IN THE HEART RIGHT NOW. WE CAME OUT WITH A

25 REDUCTION GOAL, THE REGIONAL REDUCTION GOAL; AND NOW
0756

1 WE'RE -- THE COMMITTEES ARE DEVELOPING THE DESIGN
2 RECOMMENDATIONS THAT WERE COMMENTED UPON IN THE PRIOR
3 PRESENTATION IN TERMS OF WHAT GOES INTO THAT.

4 I'LL SKIP OVER THIS. THOSE ARE SOME OF THE
5 OTHER OBSERVER STATES THAT HAVE JOINED INTO THE
6 PROCESS, AT LEAST IN TERMS OF COMING TO MEETINGS AND
7 OBSERVING WHAT'S GOING ON. WE'RE HOPEFUL THAT SOME
8 OF THOSE ARE GOING TO BECOME MEMBERS BEFORE AUGUST OF
9 '08.

10 IN ADDITION TO THOSE, MONTANA JUST RECENTLY
11 ANNOUNCED THAT THEY'RE INTENDING TO JOIN AS A MEMBER
12 OF THE GROUP. SO WE'RE SLOWLY ACCUMULATING THE
13 WESTERN ELECTRICITY, THE WEC STATES; AND THE MORE WE
14 GET IN HERE, OBVIOUSLY THE BETTER FROM AN ELECTRICITY
15 PERSPECTIVE BECAUSE OF LEAKAGE ISSUES AND HOW DO YOU
16 DO IT -- HOW DO YOU KEEP -- HOW DO YOU HAVE
17 REDUCTIONS MANDATED THROUGHOUT THE SYSTEM WHEN
18 THERE'S PARTICIPANTS THAT ARE SENDING ENERGY INTO THE
19 JURISDICTIONS.

20 REAL BRIEFLY, TOUCHING ON THE CLIMATE
21 REGISTRY, WHICH WAS ALSO MENTIONED, THAT'S A NATIONAL
22 AND NOW INTERNATIONAL -- AGAIN, CANADIAN PROVINCES
23 ARE A PART OF IT -- THAT ATTEMPTS TO CREATE A
24 SYSTEMIC PROCESS FOR VOLUNTARY REPORTING AND
25 ULTIMATELY TO BE A LOCATION FOR MANDATORY REPORTING

0757

1 FOR THE STATES THAT ARE DEVELOPING THOSE SYSTEMS.
2 OREGON IS RIGHT NOW GOING THROUGH DEVELOPING ITS OWN
3 MANDATORY REPORTING PROGRAM; NEW MEXICO, IT WAS
4 MENTIONED CALIFORNIA HAS DONE IT. MOST OF THE -- ALL
5 OF THE PARTICIPANTS IN THIS PROCESS ARE DEVELOPING
6 MANDATORY REPORTING PROGRAMS TO CREATE THE BASELINES
7 FOR THE REDUCTIONS. WE'VE GOT KIND OF AN INVENTORY
8 LEVEL, UP-DOWN, TOP-DOWN ASSESSMENT OF WHAT OUR
9 EMISSION PORTFOLIOS ARE, BUT THIS IS GOING TO FILL IT
10 IN WITH BOTTOM-UP DETAILED INFORMATION FOR THE
11 EMITTERS.

12 SO I HAVE COVERED THIS. THAT'S WHAT THE
13 REGIONAL GOAL WAS: 15 PERCENT BELOW 2005 LEVELS BY
14 2020. ESSENTIALLY, IT WAS AN AGGREGATION OF EACH OF
15 THE JURISDICTIONS THAT HAD ANNOUNCED THEIR OWN
16 REDUCTION GOALS AND SET TO A 2005 TIME MODEL. AND
17 THAT WAS PARTLY BECAUSE THAT'S -- THE DATA IS MOST
18 AVAILABLE FOR 2005; AND AS IT IS GOING FORWARD AT
19 THIS POINT, IT WAS THE EASIEST PLACE TO HAVE AS A
20 BASELINE.

21 YOU'VE SEEN THE VARIOUS SCENARIOS FOR
22 REDUCTIONS, AND THIS SETS OUT KIND OF WHAT THE
23 REGIONAL GOAL WOULD ACHIEVE, WHICH AGAIN, OF NOTE,
24 THAT IT'S A PIECE OF THE PUZZLE IN TERMS OF GETTING
25 2050 LONG-TERM REDUCTION GOALS.

0758

1 SO, AS I MENTIONED, WE'RE RIGHT NOW GOING
2 THROUGH THE PROCESS OF FIGURING OUT WHAT TO DO WITH
3 OFFSETS, HOW THEY'RE GOING TO PLAY INTO THE SYSTEM,

4 AND GETTING STAKEHOLDER INVOLVEMENT AND INPUT THAT WE
5 NEED TO COME OUT WITH THE DESIGN IN AUGUST OF '08.

6 ONE OF THE OTHER UNIQUE FEATURES OF THE
7 WESTERN INITIATIVE IS IT'S PURPORTING TO BE AN
8 ECONOMY-WIDE CAP-AND-TRADE PROGRAM. SO IT'S NOT JUST
9 FOCUSING ON ELECTRICITY. AT A MINIMUM, IT WILL COVER
10 ELECTRICITY, BUT WE'RE HOPEFUL THAT IT WILL COVER
11 SIGNIFICANT SECTORS BEYOND ELECTRICITY UNDER A
12 CAP-AND-TRADE PROGRAM; OR IF THOSE SECTORS THAT
13 AREN'T COVERED IN THE CAP-AND-TRADE, THAT THE REGION
14 WILL WORK TOGETHER; FOR INSTANCE, WITH TRANSPORTATION
15 IF IT IS NOT COVERED IN SOME WAY UNDER A
16 CAP-AND-TRADE PROGRAM, TO ADDRESS THE OTHER PARTS OF
17 THE ECONOMY.

18 I ALSO WANTED TO AT THIS POINT JUST MENTION
19 THAT SO YOU'VE GOT THE EAST COAST RGGI, YOU'VE GOT
20 THE WESTERN INITIATIVE THAT I'M TALKING ABOUT; AND
21 JUST THIS PAST WEEK THERE WAS AN ANNOUNCEMENT FROM
22 THE MIDWESTERN STATES THAT THEY'RE GOING FORWARD WITH
23 A SIMILAR INITIATIVE; AND SO FAR, I THINK, ILLINOIS,
24 MINNESOTA, WISCONSIN, MICHIGAN, IOWA -- I MAY HAVE
25 MISSED ONE OR TWO -- KANSAS AND MANITOBA ARE A PART

0759

1 OF THAT PROGRAM. AND WE ARE LOOKING TO CREATE
2 LINKAGES BETWEEN THE THREE SYSTEMS SO THAT, YOU KNOW,
3 AS RGGI HAS INFLUENCED THE FEDERAL DISCUSSION AROUND
4 LEGISLATION, THE WESTERN STATES WANTED TO MAKE SURE
5 THAT WE WERE GETTING WESTERN ISSUES HIGHLIGHTED AND
6 INTO THE MIX FOR CONVERSATION. AND IT'S ALSO GOING
7 TO BE IMPORTANT THAT THERE IS CONSISTENCY AND
8 LINKAGES BETWEEN THOSE THREE PROGRAMS TO FILTER INTO
9 FEDERAL LEGISLATION AND ALSO LINKAGES TO THE
10 INTERNATIONAL PROGRAMS THAT ARE ALREADY OUT THERE.

11 SO, THERE'S, IN ADDITION TO -- I'M GOING TO
12 SKIP OVER THESE SLIDES SINCE I'M RUNNING OUT OF TIME,
13 BUT WE'LL COVER SOME OF THE PIECES.

14 ICAP WAS A GROUP THAT WAS RECENTLY
15 ANNOUNCED THAT THE WESTERN CLIMATE INITIATIVE AND THE
16 RGGI STATES HAVE SIGNED ONTO, WHICH IS WORKING WITH
17 KYOTO COUNTRIES, EUROPEAN COUNTRIES, TO DEVELOP A --
18 TO TRY AND MAKE AS MUCH CONSISTENCY AS WE CAN AROUND
19 MARKET-BASED APPROACHES TO THE REDUCTION PROGRAMS.

20 THESE ARE THE COMMITTEES THAT I MENTIONED
21 THAT ARE WORKING ON DESIGN ELEMENTS. I'M THE CHAIR
22 OF THE ELECTRICITY COMMITTEE, AND THERE'S CHAIRS FOR
23 THE OTHER FOUR. AND WE ARE IN THE HEART OF GETTING
24 TO A DESIGN.

25 THIS IS THE INTERNATIONAL EFFORT THAT I

0760

1 MENTIONED BRIEFLY.

2 AND FINALLY, JUST STAKEHOLDER OUTREACH IS
3 CRUCIAL IN THIS PROCESS. YOU KNOW, THIS IS SOMEWHAT
4 FOREIGN TO SOME OF THE STAKEHOLDERS BECAUSE THEY'RE
5 USED TO VERY MUCH BEING PART OF THE DESIGN OF THE
6 SYSTEMS, IN THE ROOM, NEGOTIATING THE PROCESS. WE
7 HAVE DEVELOPED THIS TO BE REALLY A GOVERNOR'S
8 OFFICE-BASED AND STAFFED, STATE STAFFED-BASED

9 PROCESS, SO WE'RE TRYING TO MAKE SURE THAT WE'VE GOT
10 ADEQUATE OUTREACH TO THE STAKEHOLDERS AND GETTING THE
11 FEEDBACK WE NEED FOR THE DESIGN ELEMENTS TO MAKE SURE
12 THAT WE GET THE BUY-IN FROM THE VARIOUS SECTORS IN
13 OUR JURISDICTIONS AND LEGITIMACY FOR THE PROGRAM.

14 SO MY TIME IS UP. I WILL LEAVE IT AT THAT.

15 THIS IS SOME OF THE WEBSITES YOU CAN GO TO
16 IF YOU WANT TO GET MORE INFORMATION ON WHAT EITHER
17 THE CLIMATE REGISTRY, THE INITIATIVE, OR OREGON'S
18 SPECIFIC INITIATIVES ARE.

19 AND I WOULD BE HAPPY TO TALK MORE ABOUT
20 OREGON'S INITIATIVES IF THERE'S ANY QUESTIONS.

21 THANKS.

22