Electricity Restructuring and Environmental Protection

Draft Presentation

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WHAT ARE OUR OBJECTIVES FOR ELECTRICITY INDUSTRY?

- Probably same as for current industry

- What actions can best achieve those goals?
  - Probably different from today's actions
  - Will markets achieve enough energy efficiency?
  - Will markets produce enough renewables?

- Are these the right questions? No!
  - How much environmental quality are we willing to pay for?
CAVANAGH SOLUTION EXCELLENT, SKIPS KEY STEPS

VALUES
- Economic progress
- Social equity
- Environmental stewardship

OBJECTIVES
- Protect human welfare
- Clean electricity
- Regional environmental quality

MONEY
- DSM
- Renewables
- IRP

Ralph
EVEN IF ACTIONS ARE UNCHANGED, QUESTIONS ARISE

• Given nonbypassable distribution charge:
  - How much should be collected each year?
  - Who decides, on what basis?
  - For what should money be used?
  - Who decides, on what basis?
  - Who spends the money, under what controls?

• How to keep these funds from becoming a special interest pork barrel (entitlement)?