

Resolutions

Passed by the

NARUC Board of Directors

At The

2010 WINTER COMMITTEE MEETINGS

of the

**NATIONAL ASSOCIATION OF
REGULATORY UTILITY COMMISSIONERS**

Wednesday, February 17, 2010

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CA-1 Resolution on LIHEAP Funding

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) recognizes adequate utility service to be a vital key to the health and safety of American households; *and*

WHEREAS, The need for energy assistance is growing rapidly during the current recession, at the same time that severe constraints on State budgets and the increased strain on the nation's support system provided by nonprofit, faith-based, and other community organizations have limited the resources available for energy assistance; *and*

WHEREAS, The Low-Income Home Energy Assistance Program (LIHEAP) provides vital heating and cooling assistance to low-income families, including households with working poor, senior citizens, very young children, and persons with disabilities; *and*

WHEREAS, Arrearages and service disconnections are increasing and electric and gas companies are being forced to write off increasing levels of revenue due to consumers being unable to pay bills; *and*

WHEREAS, In Fiscal Year 2009, LIHEAP received a record level of funding at \$5.1 billion and this level of funding was continued in Fiscal Year 2010; *and*

WHEREAS, The aggregate \$5.1 billion funding level in Fiscal Year 2010 has allowed assistance to go to an estimated 7.3 million households, an increase of 1.5 million households, as well as increase the average grant from \$332 to \$546; *and*

WHEREAS, The \$5.1 billion provided by Congress has been extremely important as the nation suffers through the worst recession and economic crisis in a generation; *and*

WHEREAS, Should Congress not maintain this level of LIHEAP funding it will undermine and threaten the continuation of a number of State initiatives that have relied on the LIHEAP program to be the foundation for providing a modest amount of energy security for low-income Americans; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., urges Congress to maintain the current level of LIHEAP funding by appropriating for Fiscal Year 2011 no less than \$5.1 billion dollars, and to provide an advance LIHEAP appropriation for Fiscal Year 2012 of no less than \$5.1 billion.

Sponsored by the Committee on Consumer Affairs

Adopted by the NARUC Board of Directors February 17, 2010

CA-2 Resolution Applauding Establishment of an FCC Consumer Task Force

WHEREAS, Upon his election, NARUC President David Coen announced this is the year of consumers; and has often stated that “We are all in these jobs for one reason: to serve the public;” *and*

WHEREAS, On January 20, 2010, Federal Communications Commission (FCC) Chairman Julius Genachowski announced creation of a consumer task force within the FCC stating, “the Commission must be a vigilant watchdog for the consumer¹,” *and*

WHEREAS, The Government Accountability Office (GAO) issued a report in December 2009 (<http://www.gao.gov/new.items/d1034.pdf>) on consumer satisfaction and problems with wireless phone service and FCC actions to assist consumers with complaints and touting the benefits of coordinated federal and State action; *and*

WHEREAS, The GAO report states that 84 percent of subscribers are satisfied with their wireless service while an estimated nine to 14 percent are very or somewhat unsatisfied. The number of unsatisfied users represents approximately 24 million to 43 million customers; *and*

WHEREAS, The GAO report suggests that the FCC data significantly under-reports the problem, finding that most wireless consumers with problems would not complain to the FCC; and that many consumers do not know where they could complain; *and*

WHEREAS, That NARUC has called for consumer rights and protections, regardless of the communications technology utilized, for many years by providing testimony to governmental bodies, advocacy and policy resolutions; *and*

WHEREAS, As early as July 31, 2002, NARUC adopted a resolution indicating that “consumers of all telecommunications services” should “receive clear and complete information regarding rates, terms and conditions for services” so they can make informed decisions when purchasing communications services; *and*

WHEREAS, NARUC member commissions receive and capably resolve hundreds of thousands of consumer complaints in all utility sectors every year and can be a strong partner to the FCC in protecting consumers; *and*

WHEREAS, Consumers, as the economic engine driving industry successes, deserve fairness, access and full information; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Meetings in Washington, D.C., applauds FCC Chairman Julius Genachowski’s establishment of a Consumer Task Force within the FCC which recognizes that consumers interests must be part of the FCC decision making process; *and*

¹ See *FCC Launches Consumer Task Force*, David W. Gardner, *Information Week*, (January 22, 2010 12:30PM)

RESOLVED, That, in the spirit of President David Coen's consumer initiative, NARUC offers to partner with the FCC in providing effective oversight, to address consumer concerns and to assist in other ways to be determined; *and, be it finally*

RESOLVED, That NARUC staff be directed to file this Resolution with the Federal Communications Commission.

Sponsored by the Committee on Consumer Affairs

Adopted by the NARUC Board of Directors February 17, 2010

CI-1, EL-3, GS-5, and TC-2 Resolution Regarding Cybersecurity

WHEREAS, The National Infrastructure Protection Plan (NIPP) identifies Energy, Communications, and Water as interdependent national critical infrastructures; *and*

WHEREAS, Extended interruption to reliable utility service has cascading secondary impacts capable of causing significant harm to public health, public safety, and the economy; *and*

WHEREAS, Threats to critical utility infrastructure from all extraordinary events, natural or man-made, have the potential to interrupt reliable utility service; *and*

WHEREAS, Man-made threats can take the form of attacks on both physical and cyber assets; *and*

WHEREAS, Cyber attacks may be undertaken to infiltrate the control systems which operate and maintain our most critical utility infrastructure including Supervisory Control and Data Acquisition systems (SCADA) which regulate our water and wastewater treatment and distribution, transmission and distribution of electricity and natural gas, and communication networks for the very purpose of causing disruption or harm to public health, public safety, government, and the economy; *and*

WHEREAS, Threats to control-systems through breaches of cyber security may be initiated by any number of sources including but not limited to hackers, disgruntled current or former employees, criminal enterprises, terrorists, and foreign governments; *and*

WHEREAS, Threat of cyber attack against control systems cannot be eliminated but actions can be taken to reduce the likelihood of a successful attacks, to mitigate the harmful consequences of an attack, and to improve a utility's ability to improve system protection and restoration from future attacks, and thus enhance the resiliency of critical utility systems; *and*

WHEREAS, Measures to prevent an attack or mitigate its consequences come with costs which must be balanced against the likelihood of the threat and the significance of the potential harm; *and*

WHEREAS, Recognized industry-specific standards exist which identify protocols for protection from the threat of cyber attack on critical electric, gas, telecommunications, and water infrastructures; *and*

WHEREAS, Federal Energy Regulatory Commission (FERC) Order No. 706, Mandatory Reliability Standards for Critical Infrastructure Protection, issued on January 8, 2008, approves eight Critical Infrastructure Protection (CIP) Reliability Standards submitted to FERC by the North American Electric Reliability Corporation (NERC) which require certain users, owners, and operators of the Bulk-Power System to comply with specific requirements to safeguard critical cyber assets; *and*

WHEREAS, The U.S. Department of Energy (DOE) has designated NERC as the electricity sector coordinator for critical infrastructure protection; *and*

WHEREAS, NERC has constituted a Critical Infrastructure Protection Program to coordinate all NERC efforts to improve both physical and cyber security, including standards development, compliance enforcement, assessments of risk and preparedness, disseminating critical information via alerts to industry, and raising awareness of key issues; *and*

WHEREAS, the U.S. Department of Commerce and National Institute of Standards and Technology (NIST) have issued a report on Smart Grid Cyber Security Strategy and Requirements that provides the NIST Smart Grid Cyber Security Coordination Task Group's overall cyber security strategy for the Smart Grid; *and*

WHEREAS, The gas industry largely relies upon the Security Practices Guidelines developed by the U.S. Department of Transportation's Office of Pipeline Safety² and the U.S. Department of Homeland Security's Transportation Security Administration; *and*

WHEREAS, The Network Reliability and Interoperability Council (NRIC) in collaboration with the Federal Communication Commission (FCC) maintains a repository of Best Practices³ for the telecommunications industry; *and*

WHEREAS, The U.S. Environmental Protection Agency (EPA) oversees cyber protection efforts for the drinking water industry through mandated vulnerability assessments and support training for emergency response to threats from breaches of cyber security; *and*

WHEREAS, The threshold for measuring cyber security is unclear and industry compliance standards are constantly changing to meet the threats of cyber-attacks, making it increasingly difficult to ensure cyber-secure systems; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., recognizes the need for continued vigilance against all potential sources of cyber threat to be both prepared to prevent cyber attacks capable of disrupting utility services and to mitigate the harmful consequences of such attacks in order to protect public health, public safety, and the economy; *and be it further*

RESOLVED, That NARUC encourages commissions to make efforts to give the highest priority to ensure that cyber security will be consistently monitored and evaluated to remain effective to meet ongoing threats to the utility systems in collaboration with those agencies having expertise in cyber threat management and mitigation; *and be it further*

² "The Role of State Public Utility Commissions in Protecting the National Utility Infrastructure: Cost Recovery, Sensitive Information, and Security Guidelines," NRRI Briefing Paper (March 2005).

³ See <https://www.fcc.gov/nors/outage/bestpractice/ProcessBestPractice.cfm?RequestTimeout=500>

RESOLVED, That NARUC encourages commissions to open a dialogue with their regulated utilities to ensure that these organizations are in compliance with standards, and where applicable, ensure that cost-effective protection and preparedness measures are employed to deter, detect, and respond to cyber attacks, and to mitigate and recover from their effects; *and be it further*

RESOLVED, That NARUC supports member commissions in becoming and remaining knowledgeable about these threats, and ensuring that their own staffs have the capability, training, and access to resources to adequately review and understand cyber security issues that enhances expertise in the review of cyber security aspects of filings by their jurisdictional utilities; *and be it further*

RESOLVED, That NARUC encourages commissions to regularly revisit their own cyber security policies and procedures to ensure that they are in compliance with applicable standards and best practices, such as those of the National Institute of Standards and Technology (NIST) and Certification for Information System Security Professionals (CISSP).

*Sponsored by the Committees on Critical Infrastructure,
Electricity, Telecommunications, and Gas
Adopted by the NARUC Board of Directors, February 17, 2010*

***EL-1 ERE-5 Resolution on National Policy for Management and Disposal of Spent Fuel from
Commercial Nuclear Power Plants***

WHEREAS, The Nuclear Waste Policy Act (NWPA) of 1982 sets national policy that the federal government is responsible for safe, permanent disposal of all government and commercial high-level radioactive waste, including spent nuclear fuel, in a geologic repository beginning in 1998; *and*

WHEREAS, Those who have benefitted from nuclear-generated electricity—reactor owners and ratepayers—under the NWPA were to pay for the commercial share of disposal costs through fees paid to the Nuclear Waste Fund; *and*

WHEREAS, Reactor owners and ratepayers made fee payments since 1983 totaling over \$16 billion to the Fund, which earned another \$13.5 billion in interest, to more than meet the needs of the repository development program, which encountered numerous managerial, financial, legal and political difficulties resulting in failure to meet the 1998 date set in statute and contracts with the reactor owners; *and*

WHEREAS, When the Department of Energy, as disposal program manager, failed to begin waste acceptance in 1998, the reactor owners sued for partial breach of contract for which the Federal Court of Appeals found the government liable; *and*

WHEREAS, DOE and the Justice Department estimate the liability for court-awarded damages and settlements could be as much as \$12.3 billion—if the waste were to be accepted for disposal by 2020; *and*

WHEREAS, The Obama Administration declared its intent to terminate the Yucca Mountain repository development program and instead has appointed the Blue Ribbon Commission on America’s Nuclear Future to evaluate alternative disposal strategies and recommend a new direction that does not involve Yucca Mountain; *and*

WHEREAS, NARUC believes current law regarding Yucca Mountain development must be followed, however the Association must prepare itself for the possibility that the Administration may succeed in canceling the repository project; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., expresses its disappointment at having the federal government take 25 years and expend over \$10 billion on Yucca Mountain as the repository site only to have the repository project be proposed to be cancelled before the Nuclear Regulatory Commission made a safety and technical decision on the license application submitted in 2008; *and be it further*

RESOLVED, That NARUC call upon the Secretary of Energy not to withdraw the Yucca Mountain license application from the review process underway at the NRC; *and be it further*

RESOLVED, That NARUC and State utility commissions as stakeholders in the disposal policy on behalf of ratepayers—who continue to bear the ultimate cost of the fee payments to the Fund—should play an active role in representing their views to the Blue Ribbon Commission, drawing upon the multiple NARUC nuclear waste policy resolutions adopted over the past 25 years; *and be it further*

RESOLVED, That NARUC convey to the Commission that any alternative that leaves the spent nuclear fuel at present storage sites indefinitely, whether managed by the owners or by the government, is inconsistent with the NWPA findings of 1982 and would break faith with the communities which host those reactors with the understanding that the spent fuel would be removed by the government; *and be it further*

RESOLVED, That the Commission should seek to determine if there is something about a geological repository generally or Yucca Mountain specifically that makes either a poor choice, suggesting a search should begin for a new repository site; *and be it further*

RESOLVED, That if a new repository program is to be recommended, then a new, more transparent site selection process should be considered, a new organization might be better suited for managing it and a reformed financing means be established that more reliably supports the new disposal strategy instead of subsidizing unrelated government activities; *and be it further*

RESOLVED, That NARUC pro-actively inform the Commission, DOE and the Congress that there are benefits in taking an initial near-term action to provide government or industry-run central interim storage of used nuclear fuel from the nine shutdown reactor sites, since it seems that whatever new disposal or reprocessing strategy is pursued, it will be unlikely to be in operation for another twenty or more years; *and be it further*

RESOLVED, That the federal government and owners of spent nuclear fuel should be encouraged to simplify and make equitable settlements over the ongoing litigation that provides payment for past expenses that the owners should not have to have incurred had DOE provided the “disposal services” agreed in the Standard Contracts; and to develop a regime for forecasting future payments without court-ordered judgments including suspension of Nuclear Waste Fund fee payments unless and until a revised program is agreed upon or the Yucca Mountain Project is fully restarted.

*Sponsored by the Committees on Electricity and Energy Resources and the Environment
Adopted by the NARUC Board of Directors February 17, 2010*

GS-1 Resolution on Financial Reform Legislation Affecting Over-the-Counter Risk Management Products and Its Impacts on Consumers

WHEREAS, There is a diverse group of end-users, consisting of electric and natural gas utilities, suppliers, customers, and other commercial entities who rely on over-the-counter (“OTC”) derivative products and markets to manage electricity and natural gas price risks for legitimate business purposes, thereby helping to keep rates stable and affordable for retail consumers; *and*

WHEREAS, The United States Congress is considering financial reform legislation with the goal of ensuring that gaps in regulation, oversight of markets and systemic risk do not lead to economic instability; *and*

WHEREAS, Previous NARUC resolutions support federal legislative and regulatory actions that fully accommodate legitimate hedging activities by electric and natural gas utilities; *and*

WHEREAS, The proposed legislation would, among other things, provide the Commodity Futures Trading Commission (CFTC) with oversight of OTC risk management products, including mandatory centralized clearing and exchange trading of all OTC products; *and*

WHEREAS, Mandatory centralized clearing of all OTC contracts will increase expenses associated with hedging activity, and ultimately end-user prices, due to increased margin requirements; *and*

WHEREAS, A report by the Joint Association of Energy End-Users stated that the effect of margin requirements resulting from mandatory clearing for electric utilities would have the unintended effect of reducing or eliminating legitimate hedging practices and could jeopardize or reduce investments in Smart Grid technology; and for natural gas utilities and production companies could reduce capital devoted to infrastructure and natural gas exploration; *and*

WHEREAS, The laudable goals of reform that ensure market transparency and adequate regulatory oversight can be accomplished by means other than mandatory clearing of OTC risk management contracts and the anticipated extra expense. For example, a requirement that natural gas and electric market participants engaging in legitimate hedging report all OTC derivative transactions to a centralized data repository, like the CFTC, provides sufficient market transparency without the costs associated with mandatory clearing; *and*

WHEREAS, Proposed reforms would cause regulatory uncertainty with regard to the oversight of Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs), where such uncertainty and/or overlapping jurisdiction can lead to negative impacts on liquidity, market confidence and reliability; *and*

WHEREAS, The Federal Energy Regulatory Commission (FERC), and the Public Utility Commission of Texas (PUCT) for Texas/ERCOT, as the regulators with the necessary expertise and statutory mandates to oversee electricity and natural gas markets to protect the public interest and consumers, should not be preempted by the financial reform legislation from being able to continue exercising their authority to ensure reliable, just and reasonable service and protect consumers; *and*

WHEREAS, Energy markets currently regulated by FERC or the PUCT (for Texas/ERCOT) under accepted tariffs or rate schedules should continue to be subject to FERC's and the PUCT's (for Texas/ERCOT) exclusive Federal jurisdiction, including jurisdiction over physical and financial transmission rights, and market oversight; and should themselves not be subject to CFTC jurisdiction as a clearinghouse due to the financial and other settlement services they provide those transacting in regional electricity markets; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., supports passage of financial reform legislation ensuring that electric and natural gas market participants continue to have access to OTC risk management products as tools in their legitimate hedging practices to provide more predictable and less volatile energy costs to consumers; *and be it further*

RESOLVED, That new financial legislation being considered by Congress should weigh the costs of potential end-user utility rate increases versus the benefits of new standards for the clearing of OTC risk management contracts used by natural gas and electric utilities for legitimate hedging purposes; *and be it further*

RESOLVED, That any federal legislation addressing OTC risk management products should provide for an exemption from mandatory clearing requirements for legitimate hedging activity in natural gas and electricity markets; *and be it further*

RESOLVED, That any exemption to the mandatory clearing requirement for OTC derivatives be narrowly tailored as to not allow excessive speculation in natural gas and electricity markets; *and be it further*

RESOLVED, That the FERC, and the PUCT for Texas/ERCOT, charged with the statutory obligation to protect the public interest and consumers, should continue to be the exclusive Federal regulators with authority to oversee any agreement, contract, transaction, product, market mechanism or service offered or provided pursuant to a tariff or rate schedule filed and accepted by the FERC, or the PUCT for Texas/ERCOT; *and be it further*

RESOLVED, That NARUC authorizes and directs the staff and General Counsel to promote with the Congress, the Commodity Futures Trading Commission and other policymakers at the federal level, policies consistent with this statement.

*Sponsored by the Committee on Gas, Consumer Affairs, and Electricity
Adopted by the NARUC Board of Directors February 17, 2010*

GS-2 Resolution Acknowledging Successful Completion of NARUC's July 18, 2007 Resolution Task Authorizing Development of, "Reliable Research Regarding the Social, Economic and Environmental Effects of Maintaining Domestic Energy Exploration and Production Moratoria On and Beneath Federal Lands"

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) adopted a Committee on Gas sponsored resolution on July 18, 2007, entitled, "*Developing Reliable Research Regarding the Social, Economic and Environmental Effects of Maintaining Domestic Energy Exploration and Production Moratoria On and Beneath Federal Lands;*" *and*

WHEREAS, The Interstate Oil and Gas Compact Commission (IOGCC) adopted Resolution 07.095 supporting NARUC's moratoria research resolution; *and*

WHEREAS, NARUC's resolution ordered: "That NARUC designates reasonable staff support and up to \$50,000—together with whatever funds might be committed by its regional associations and other government, consumer, public policy, business and industry organizations—to be made available to a NARUC or other coordinating study group, as determined appropriate and responsive to the spirit of this Resolution by NARUC's President;" *and*

WHEREAS, NARUC's President recruited the Chairman of the Committee on Gas to serve as Chairman of a Moratoria Study Group and authorized staff support and funding pursuant to the resolution; *and*

WHEREAS, The Study Group proceeded, under NARUC leadership, to recruit a wide array of "Official Observer" economists from federal agencies, universities and the private sector; NARUC and IOGCC commissioners and commissioners emeritus; along with financial supporters and representatives of non-governmental organizations; *and*

WHEREAS, The Study Group created and issued a request for proposals (RFP) and chose Science Applications International Corporation (SAIC) to perform the independent research project using the National Energy Modeling System methodology (NEMS-NARUC) in response to the guidelines set forth in NARUC's resolution; *and*

WHEREAS, SAIC assigned the Gas Technology Institute as a subcontractor to assist with performing the research required by the RFP; *and*

WHEREAS, The Study Group convened over FIFTY teleconference and personal coordinating meetings with Study Group participants over the term of the project and accepted SAIC's final draft by early February 2010 and provided regular status reports to NARUC's Committee on Gas; *and*

WHEREAS, The Study Group is providing the general public along with NARUC's Board of Directors and Committee on Gas with copies of the final research product findings on February 15, 2010, in conjunction with NARUC's Winter Meetings in Washington D.C.; now, *therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., upon

recommendation of the Committee on Gas, accepts the research product in response to the July 18, 2007, Resolution; *and be it further*

RESOLVED, That the Board of Directors commends the Moratoria Study Group, NARUC Staff, SAIC and GTI for their combined efforts to fulfill the task set forth by the July 18, 2007, Resolution; *and be it further*

RESOLVED, That the Board of Directors encourages broad distribution of the study results as specified in our original July 18, 2007 Resolution.

Sponsored by the Committee on Gas

Adopted by the NARUC Board of Directors February 17, 2010

GS-3 Resolution Supporting Pipeline Quality Biomethane Development as a Renewable Gas Resource in the Clean Energy Economy

WHEREAS, Critical legislation is under consideration in the U.S. House of Representatives and the U.S. Senate that seeks to create clean energy jobs, achieve energy independence, mitigate the effects of climate change, and transition to a clean energy economy; *and*

WHEREAS, The transformation to a clean energy economy and sustainable American economic and international policy leadership will require properly designed market incentives, as well as increased investment in human and technological capital; *and*

WHEREAS, Transitioning to a clean energy economy will require a robust portfolio of cost-effective and environmentally benign renewable energy resources that achieve greenhouse gas reductions and provide safe, affordable, and reliable energy to consumers; *and*

WHEREAS, According to the Energy Information Administration, natural gas consumption accounted for 23.9 percent⁴ of total primary energy consumption (99.4 quads) in the United States in 2008, and will continue to be a strategic resource that delivers significant greenhouse gas reductions, enables the development of intermittent renewable resources such as wind and solar, and provides a foundational fuel for residential, commercial and industrial end-use; *and*

WHEREAS, Emerging renewable sources of natural gas have great potential to complement the critical role of traditional natural gas supplies in the clean energy economy; *and*

WHEREAS, Biogas is derived from the decay of organic materials through anaerobic digestion and thermal gasification, and varies in chemical composition but is primarily comprised of methane, a greenhouse gas which is at least 20 times more potent than carbon dioxide when directly released to the atmosphere;⁵ *and*

WHEREAS, Methane from renewable gas can be captured, cleaned, and converted into biomethane through the use of proven gas conditioning technologies, transported by the existing gas pipeline system, stored and/or delivered for productive use in renewable electricity generation, clean transportation, or commercial, industrial and residential end use; *and*

WHEREAS, Biogas from manure, agricultural and food waste, landfills, wastewater treatment facilities, sustainable biomass, and other viable sources could provide a significant renewable gas resource, which, when conditioned into pipeline quality biomethane, is interchangeable with conventional natural gas,⁶ efficient in the use of existing natural gas storage, transmission, and distribution infrastructure, and is a suitable renewable fuel for use in the transportation sector and in today's most efficient combined-cycle natural gas-powered electric generation facilities; *and*

⁴ *Electric Power Monthly*. United States Energy Information Administration, 15 Oct. 2009. Web. 3 Nov. 2009. <http://www.eia.doe.gov/emeu/mer/pdf/pages/sec1_7.pdf>

⁵ Eaves, Michael, Clean Energy. "Biomethane Renewable Natural Gas: California Energy Commission Workshop on Natural Gas and Propane Vehicles." September 18, 2009.

⁶ Renewable Energy Institute, "EPA Moves Closer to Regulating Greenhouse Gas Emissions." 18 April 2009.

WHEREAS, Federal incentives are available for renewable electricity from solar, wind, biomass, and geothermal resources, but are not available for the development or production of renewable pipeline quality biomethane; *and*

WHEREAS, The current Renewable Electricity Production Tax Credit provides a per-kilowatt-hour production tax credit for wind and geothermal projects, and a per-kilowatt-hour production tax credit for on-site generation from biomass and landfill gas projects;⁷ *and*

WHEREAS, The current Business Energy Investment Tax Credit⁸ provides a 30 percent federal investment tax credit or grant for solar, wind and fuel cell facilities, and a 10 percent investment tax credit or grant for geothermal, microturbines, and combined heat and power energy facilities; *and*

WHEREAS, Renewable pipeline biomethane facilities do not qualify for investment tax credit incentives under the Business Energy Investment Tax Credit, and renewable pipeline biomethane production does not qualify for production tax credit incentives under the current Renewable Electricity Production Tax Credit; *and*

WHEREAS, There are current legislative proposals under consideration in the U.S. House of Representatives and the U.S. Senate that would support the development of renewable pipeline quality biomethane by providing incentives that are comparable to existing incentives for the development of other forms of renewable electricity; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., supports the role and development of biogas, and in particular, pipeline quality biomethane, as a feasible renewable fuel in an effort to capture methane greenhouse gas emissions and simultaneously provide an alternative source of renewable energy; *and be it further*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners supports federal incentives for the development of pipeline quality biomethane that are *en par* with incentives currently afforded to other resources for the production of renewable electricity; *and be it further*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners urges the U.S. Senate and the U.S. House of Representatives to approve legislation as a means to provide unequivocal support for pipeline quality biomethane development in order to achieve significant greenhouse gas reductions in the transition to a clean energy economy.

Sponsored by the Committee on Gas

Adopted by the NARUC Board of Directors February 17, 2010

⁷ The American Jobs Creation Act of 2004 (H.R. 4520) expanded the Production Tax Credit (PTC) to include additional eligible resources: geothermal energy, open-loop biomass, solar energy, small irrigation power, landfill gas and municipal solid waste combustion -- in addition to the formerly eligible wind energy, closed-loop biomass, and poultry-waste energy resources. However, while this includes anaerobic digestion for landfill gas, it does not apply specifically to biomethane production for pipeline use. See http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US13F&re=1&ee=1 for more information.

⁸ The federal business energy investment tax credit available under 26 USC § 48 was expanded significantly by the [Energy Improvement and Extension Act of 2008](#) (H.R. 1424), enacted in October 2008. However, this does not apply specifically to facilities for biomethane pipeline facilities. See http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US02F&re=1&ee=1.

SER-1 Resolution on State Commission Involvement in Utility Workforce Preparations

WHEREAS, In January 2010, the National Regulatory Research Institute published “Are Utility Workforces Prepared for New Demands? Recommendations for State Commission Inquiries;” *and*

WHEREAS, This report examines the various roles and processes State commissions can undertake in examining utility industry preparation for expected workforce retirement and changing skill sets; *and*

WHEREAS, The July 2008 *Resolution Promoting Partnership to Train a Future Electric Industry Workforce* asked the Subcommittee on Education & Research to work with NARUC’s educational affiliates to examine the evolving workforce needs in the electric industry; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., endorses the NRRI report and its emphasis on cooperative approaches that regulators and utilities can take in addressing future changes in the industry workforce.

Sponsored by the Subcommittee on Education & Research

Adopted by the NARUC Board of Directors February 17, 2010

TC-1 Resolution on Open Access to the Internet

WHEREAS, Broadband Internet is profoundly affecting the lives of Americans, through education, communications, health services, and numerous other applications; *and*

WHEREAS, Broadband Internet deployment and investment remains significant even though deployment is a capital-intensive process, which has led to barriers to access, particularly in rural America; *and*

WHEREAS, Over time, limiting, or otherwise degrading broadband access for users of the Internet, such as by blocking VoIP applications, denying access to political content, or implementing technical measures that degrade the performance of peer-to-peer software distributing lawful content has become widely agreed upon as an unfair practice and may reduce the Internet's value to consumers; *and*

WHEREAS, In a Resolution adopted at its 2002 Annual Convention in Chicago, Illinois, NARUC found that providers of broadband services or facilities have the technical capability to restrict Internet access to particular sites or content, which could prevent or limit consumers' ability to reach content of their choosing, thereby presenting significant concerns that free and open information exchange in the marketplace of ideas could be hindered; *and*

WHEREAS, NARUC concluded that the restriction of user access to the Internet and its effect on an informed public is an issue of real significance to Americans; *and*

WHEREAS, In the 2002 Resolution, NARUC endorsed the right of all Internet users, including broadband wireline and cable modem users to:

- Have access to the Internet that is unrestricted as to viewpoint and that is provided without unreasonable discrimination as to lawful choice of content (including software applications); and
- Receive meaningful information regarding the technical limitations of their broadband service; *and*

WHEREAS, In 2005, the Federal Communications Commission (FCC) issued a Policy Statement in which it announced as principles on Internet access, subject to reasonable network management, that consumers are entitled to (1) access the lawful Internet content of their choice; (2) run applications and use services of their choice, subject to the needs of law enforcement; (3) connect their choice of legal devices that do not harm the network; and (4) be able to choose among competing network providers, application and service providers, and content providers; *and*

WHEREAS, The FCC Chairman endorsed these principles in September 2009 and added the two following principles that he considers essential to the openness of the Internet: (5) broadband providers cannot discriminate against particular Internet content or applications and (6) providers of broadband Internet access must be transparent about their network management practices; *and*

WHEREAS, Members of Congress have expressed concerns over restricting consumers' open access to the Internet and Congress could act to protect such interests; *and*

WHEREAS, Providers of Internet services have raised concerns that limitations placed upon the manner in which they offer services could stifle legitimate business goals, harm their abilities to earn a reasonable return on investment, and chill their incentive to innovate; *now, therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners convened at its 2010 Winter Committee Meetings in Washington, D.C., continues to support the right of all Internet users, including broadband wireline, wireless, cable modem, and application-based users, to have access to and the use of the Internet that is unrestricted as to viewpoint and that is provided without unreasonable discrimination as to lawful choice of content; *and be it further*

RESOLVED, That NARUC supports the principles (1) through (4) and (6) and supports principle (5) as adjusted consistent with all the NARUC stated Resolves on Internet access set forth above and encourages the FCC and/or Congress to adopt such principles with deference to the following considerations; *and be it further*

RESOLVED, That NARUC recognizes that there are differences in markets, bandwidth, spectrum resources, and other factors between providers, whether cable, wireless, landline, application-based or otherwise; *and be it further*

RESOLVED, That notwithstanding these differences, NARUC encourages the FCC and/or Congress, when crafting rules and regulations in this area to define what constitutes unreasonable restrictions or unreasonable discrimination, strive to be as technologically neutral as possible, continue to give providers incentive for innovation and a fair return on their investment, without jeopardizing the goals of ensuring that all consumers have access to and use of affordable and reliable broadband services; *and be it further*

RESOLVED, That the NARUC General Counsel should include these principles in NARUC comments filed in all relevant FCC broadband proceedings.

Sponsored by the Committee on Telecommunications

Adopted by the NARUC Board of Directors February 17, 2010

WA-1 Resolution Supporting EPA's WaterSense "Fix-a-Leak Week" in March 2010

WHEREAS, The U.S. Environmental Protection Agency (EPA) has launched the WaterSense initiative to make it easy for American consumers and businesses to save water and protect the environment by establishing water efficiency standards; *and*

WHEREAS, NARUC passed a resolution in July 2008 directing NARUC to join EPA's WaterSense partnership and support appropriate EPA and Congressional efforts to encourage water efficiency; *and*

WHEREAS, State commissions are uniquely positioned to encourage the adoption of programs and offering of products that will promote water efficiency; *and*

WHEREAS, EPA's WaterSense program announced its second annual water efficiency initiative: "Fix-a-Leak Week," March 15 - 21, 2010; *and*

WHEREAS, EPA encourages NARUC as a WaterSense partner, to use this week to remind Americans to check their household fixtures and irrigation systems for leaks; *and*

WHEREAS, At the 2009 Winter Committee Meetings, NARUC adopted a resolution which urged its members to participate in the program by utilizing the online resources in order to raise consumer awareness about water conservation practices; *and*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., encourages its members to participate in EPA's "Fix-a-Leak Week" by utilizing any materials EPA provides and issuing an appropriate press release noting the EPA initiative and support for it; *and be it further*

RESOLVED, That NARUC send a letter to the chair of each State commission encouraging their participation in this initiative.

*Sponsored by the Committee on Water
Adopted by the Board of Directors February 17, 2010*