

- Good morning, and thank you all for being here. We look forward to a day filled with dynamic discussion of issues facing our industry, and opportunities to learn about the new technologies that will impact the way we deliver electricity in the 21<sup>st</sup> Century.
- Before looking ahead, let's reflect on what we accomplished in the 20<sup>th</sup> Century. A hundred years ago, large parts of the Northwest had no electricity. Our great-grandparents set to work, building the electricity infrastructure that still drives our nation's economy today. The 20<sup>th</sup> Century was focused on providing universal service, raising the standard of living and simplifying people's lives.
- Electricity created more change in the way human beings live than any other development in the 20<sup>th</sup> century. It was and still is an amazing product.
- While we can be proud of what we've accomplished, we face new and different priorities in the 21<sup>st</sup> Century. The biggest challenge we face is to meet the energy demands of our growing population while reducing our industry's impact on the environment.
- We know that some forms of electricity generation contribute to climate change. We are not the only source, but we are part of the problem. And we need to be a major part of the solution.
- This is not to say that utilities are just waking up to the need to protect the environment. Most utilities are making significant investments in environmental technologies. We are increasing renewable power production. We are restoring fish habitat. We are retrofitting existing thermal plants with emissions controls. We are committed to helping all our customers find new ways to get more work out of less electricity through even stronger conservation and energy efficiency programs.
- Action is happening at the state policy level as well. California has adopted several bold initiatives, including a campaign to encourage conservation and increase energy efficiency. States throughout the West are adopting Renewable Portfolio Standards. We believe it is time for Oregon to take similar action, and we will work in the next legislative session to ensure that Oregon adopts a successful RPS.
- PGE has actively participated in Oregon's efforts to develop state tools for greenhouse gas reductions. We have done so with the understanding that a preference for a national standard is also Oregon's goal, and is explicitly described in State policies.

- An issue as broad as global climate change, by definition, cannot be addressed on a utility-by-utility or state-by-state basis. New national policies are needed to push us even further toward a sustainable future.
- This week, PGE is launching an effort to advocate adoption of a national policy to reduce climate change, including the enactment of mandatory federal limits on global warming pollution and market-based mechanisms to minimize the cost of achieving these goals.
- We have contacted our Congressional delegation, the Oregon Public Utility Commission, the Governor's office and our national trade association to urge support for adoption of federal climate change legislation.
- Specifically, we support the recommendations of the bipartisan National Commission on Energy Policy, most recently embodied in legislation sponsored by Sen. Jeff Bingaman of New Mexico.
- This approach would phase in requirements to slow, stop and reverse the growth of emissions, while placing regulation upstream on carbon-based fuel sources, rather than downstream at the consumer level. It distributes costs equitably to all emission sources, and it links emissions targets to the economy. It applies to stationary sources as well as mobile sources. It sets a maximum price for emission allowances, and provides credit for early, voluntary mitigation action. It also provides for investment in effective climate change technologies and adaptation strategies.
- While different approaches to reducing climate change can be debated, a national policy must be able to garner broad support from business, policy makers and environmental groups. This is too important an issue to get deadlocked in politics.
- We intend to reach out to other utilities, and to PGE's customers, to build support for a cost-effective approach that begins to address climate change in a rational manner that can be broadly supported. We hope many of you here will join us in this effort.
- Doing nothing is not an option. The longer we do nothing, the more it will cost our region and the nation, both environmentally and economically. Protecting the environment is essential for our economy and our future.
- We look forward to hearing more today about what all of us can do to further these goals. Now, I'd like to introduce Mike Graine from the Oregon Department of Energy, who will discuss the Energy Needs of the Northwest in 2025.