

Remarks of Washington Governor Jay Inslee  
To the Northwest Power and Conservation Council  
Seattle, July 9, 2013

This is really an exciting group to get to address, and I appreciate your vision of this group. I know that when you announced the Sixth Power Plan a lot of people thought, well, they're just a little too ambitious. And it turns out you were right. Your aggressive five-year targets were impressive and because of them you met 500 megawatts of energy efficiency. And I think you all ought to be proud of that. That was a really Herculean achievement, and it started with a vision. You know, the Good Book says that without a vision the people shall perish. Well, you provided the vision, and the region came through. But you provided the vision first. That efficiency was enough to power 300,000 homes. You think about that -- all using 'negawatts,' Amory Lovins' energy efficiency term, all powered by 'negawatts.' And that's because of your leadership. I want to thank you all individually for that and as a group.

With 30 major hydropower projects, coupled with Washington being one of the top-10 wind states, nearly one-fifth of all the renewable electricity produced in the United States comes from Washington state, as well as that efficiency. We produce more renewable energy than any other state, and we have good partners in the region as well. We can't stop there, with what we've done. We know we've got a lot more work to do.

We recently finalized our latest inventory of greenhouse gas emissions for our state of Washington, where we compared our emissions from 1990 to 2010. Over that period our emissions increased 4 percent. The contribution from some sectors, such as industrial processes, was down. Some sources, such as agriculture and building heating were mostly unchanged. But transportation, the sector with the largest share of the emissions spike, was up 20 percent in 2007 than were pushed back by the recession to a net increase of 7 percent by 2010.

Electricity has been a different pattern altogether; it stood out amongst the sectors. From 1990 to 2010 we saw a steady rise of over 22 percent higher emissions from our state's electrical usage. And you know the cause better than most, obviously, because of your expertise. When the water in the river is up we're one of the cleanest electrical systems in the country, relying on hydropower. When the water in the river is down we buy coal power and our emissions go up.

Now, why is that important? It's important because of one of the biggest challenges we've ever faced while we've been around, and that's climate change and ocean acidification. A May 2013 journal article reported on a study of 4,000 scientific abstracts -- peer-reviewed abstracts -- published from 1991 to 2011. They found that 97 percent of the abstracts basically concluded that climate change is being caused in a significant part by human activity. Three percent had a different opinion. I wish this was just an academic argument. It's not an argument; it's a scientific fact, and it's one we're living with today in my state.

It's already affecting some of the key industries in my state. Our shellfish growers are moving some of their operations because of ocean acidification. As you know, carbon is going out of our smokestacks where the coal generates our electricity and it is setting up in Puget Sound where it is changing the pH and making it difficult for little baby oysters to grow. Our farmers in eastern

Washington are seeing reduced water supplies due to reduced snowpack. We're spending more time each year fighting more intense forest fires.

The potential cost of climate change to Washington families, businesses, and communities is projected to reach nearly \$10 billion by 2020. When people talk about the costs of dealing with climate change, the costs of inaction, the costs of doing nothing, exceed \$10 billion just for my one state. The most costly approach to climate change is to ignore it and let it swallow your major industries, which is going to happen if we do not act.

So this is a big deal. It's a big deal to our grandkids. If we're going to have salmon and oysters and snowpack to ski on at Snoqualmie Pass, whether that's going to happen in no small part is in your hands. This is a pretty powerful group of people. Because the ability of our grandkids to enjoy my state and the Northwest can be rescued in significant part due to your individual and collective activities. And that's why I've come today to talk with you about the way forward.

Now, I believe we can and will step up to this challenge. I believe it, one, because I'm an optimist, and two, I know that we are a can-do group of people in the Northwest. We solved a lot of technological and industrial challenges in the last several decades, and we've led the world in many, many technologies. And I believe we are going to do exactly that again in clean energy. The solutions are at hand, and we know what needs to be done, actually. The interesting thing about this challenge is that we actually know what the tools are and we know how to work them.

Shrinking our dependence on imported energy and boosting home-grown clean energy will strengthen and expand our economy. Now, that's a strong statement, and I want to say it again: It will strengthen and expand our economy. This is a growth-oriented vision that I ask you to continue, and you've taken the first step with your tremendous work on energy efficiency in your Sixth Plan.

In fact, job-creation rates in Washington's clean-energy economy are well above the other sectors in the economy. And clean-energy jobs pay better than the average. A 2011 report produced by our employment security department identified 120,000 green jobs in my state, about 4.3 percent of total employment. Of those 120,000 jobs one-third were primarily associated with increased energy efficiency and 14 percent were in the production of renewable energy.

Now those jobs were there in part because of your vision, and I want to thank you for that, for providing the vision that created those energy-efficiency jobs. Looking ahead, a study conducted by the West Coast states concluded with the continued strong focus on clean energy, jobs in these industries could see 200-percent growth in the period from 2010 to 2020.

I've seen the kind of innovation that is possible when we decide that we can defeat carbon pollution. In Seattle we now have the most energy-efficient commercial office building in the world, the Bullitt Center. It's a six-story building in downtown that is energy-neutral, getting all the energy it needs from rooftop solar panels. And it's a beautiful building. I got to go to the dedication; it's a wonderful place to be. In May I attended the opening of a zero-energy house built on the campus of Clover Park Technical College by students themselves, who themselves

came up with the way to build a house with net-zero energy. And they wanted to both demonstrate that it was possible and that students could do it, and they did it.

So we took a couple of good steps in the right direction during our state legislative session here in Washington that I just want to share with you as well. As part of my Work In Washington jobs agenda we established a Washington Clean Energy Fund. And we're going to invest \$40 million in clean energy technologies that save energy, cut energy costs, reduce harmful air emissions, increase energy independence, and help create jobs in our state. Now, this fund is going to help finance the use of proven energy-efficiency and renewable-energy technologies including energy efficiency and solar installations, on buildings, anaerobic digesters that treat dairy waste to produce electricity and renewable fuels, and combined heat and power projects that use woody biomass. The fund will help our electrical utilities -- and I think this is going to be important in your work -- develop and use new technologies that cut the cost of integrating renewable energy into the electrical grid.

And this is happening with jobs all over the state of Washington. I was in the Palouse, in Whitman County, yesterday and I saw a company, SEL, down in Pullman helping integrate the use of energy efficiency into large users. I saw two researchers from Washington State University that are developing a new lithium-ion battery application that could blow people's socks off if we can scale it up. I went to the Palouse Wind Farm, 58.18 megawatts of wind turbines, facing southwest. The most energy-efficient wind turbines in the world are now in the Palouse. And all these things are going on within 25 miles of each other in the Southeast corner of Washington state.

This isn't something just under the shadow of the Space Needle. So this fund is going to support research and development of new energy storage and solar technologies at our public research institutions as well. In addition, I'm pleased to report that we succeeded in extending our sales tax incentives for producing renewable energy to support wind, solar, and other renewable sources. And we've extended our tax incentives for solar manufacturing. We've enacted policy improvements for businesses that produce energy from geothermal sources and from organic waste. And these measures underscore our commitment to a clean-energy future.

We're going to fund the creation of a clean-energy institute at the University of Washington, and this center is going to focus on research and development of technologies that advance storage of electricity and solar power. One of the first bills I signed, my first executive-request bills that I signed, sets up a legislative work group that will recommend a state action plan to reduce our greenhouse gas emissions to our target levels, and I'm chairing this bipartisan effort to determine how our state is going to tackle carbon pollution.

Now the reason I mention these things to you is that you have been great leaders in the Northwest. And I want you to know you've got a partner in the state of Washington. And we're going to be asking you to step up to the plate again as you have in the past. And I want you to know you're not going to be alone. You are going to have the state of Washington with you; we're going to support your bold action, and your necessarily aggressive vision, and we're going to be there as a team, because that's how we're going to tackle this problem. And I want to thank you for being here in Seattle to talk about that. We're going to meet and beat our statutory

greenhouse gas emission limits, and we're going to do it in a manner that sustains and strengthens our economy.

So how do we get there?

First, we've got to squarely face the true cost of carbon pollution and implement a comprehensive program to reduce emissions across all sectors through regulatory and market means. This should be done at national and international scales, of course, but we know we need to lead in our states, in our regions, first. We have led the world for many decades, in many challenges, in many technologies. This is just another step in the progress of the Pacific Northwest. And I'm going to work closely with climate legislative and executive work groups to ensure we do our part in our state.

And while we work on an economy-wide solution, we also need to take big steps in individual sectors, especially those that have a larger impact on emissions. In the transportation sector we need to advance cleaner, low-carbon fuels and more efficient cars. We know our electricity can effectively power our passenger and light-weight vehicles. We're fortunate to have very affordable and reliable, clean electricity to put in those cars. Our investment in the electric vehicle charging network is timely. In 2012 the Nissan dealer in Bellevue, Washington, sold more electric cars than any other dealer in the United States. For heavier vehicles, natural gas is a likely bridge fuel to reduce carbon pollution. Compressed natural gas is being deployed for mid-size vehicles that return on a daily basis for refueling. And liquid natural gas is a ready and promising technology for larger trucks.

We've got also to improve our transportation system by focusing our investments on efficiency, moving goods and people for the lowest energy and the lowest emissions. This will require improving and applying a new toolkit including least-cost planning, transit-oriented land use, freight corridors, variable system controls, and pay-as-you-drive insurance and road financing.

Now, I want to note again that these efforts are not confined to the urban areas. Yesterday I was at a new grain facility in McCoy, Washington, about 25 miles northwest of Pullman. They have put in a new grain loading and unloading facility, and the reason they have been able to do it is that we've made an investment in a short-line rail line to get the grain to the ports on the river. But we're using a rail line, which produces 75 percent less carbon pollution than if we move the grain by trucks. And my state has made a smart investment that is creating jobs right there in McCoy with products made in Spokane. It's a smart investment in a low-carbon-emitting technology, which are trains -- freight trains.

In the construction sector we need to build and rebuild better buildings. You know that better than anyone. New buildings should be as energy-neutral as possible, with advanced envelopes, efficient appliances, on-site generation, and smart controls. For existing buildings we need to create a system where energy-efficiency retrofits is the norm, not the exception, with point-of-sale information, possibly, mortgage financing and a sector-of-business focus on those that work. We need our industries to continue to lead in energy efficiency and set the bar for the next international standard. Most importantly, we need to build public, corporate, and citizen demand for energy cost savings as a core value of our culture.

Then we have the electricity sector. We have one of the cleanest in the world, and we're proud of that. It means it's going to be easier for us to take the final step. But the fact that we have the cleanest in the world does not eliminate the need to take the final step. And that is by decarbonizing our power system. And I think we should start by replacing coal power with renewable and less carbon-intensive, polluting sources of energy. While only 14 percent of Washington's power comes from coal, it contributes about 80 percent of our greenhouse gasses from all of the electricity we consume. In my state, we know where that carbon pollution is coming from, and it's time to do something about it. About half of the coal power comes from one location and about half of the coal units at that location are owned by three utilities that do business in Washington. And I want to note those utilities themselves have been really effective leaders in the development of efficiency and wind power, where Avista yesterday was the purchaser of the wind power from the Palouse wind farm that I was at.

But we've got more to do. When the river levels drop, I'd rather we import wind or solar power produced anywhere in the West than to import coal power from anywhere else. With the President's plan to move forward on limiting carbon emissions from existing power plants, it's time to reassess the long-term viability of Northwest coal plants.

Yesterday when I was this most-efficient turbine platform I was really admiring the incredible beauty. This is up on a little hill facing to the southwest, and you look over the wheat fields and the pea fields of the Palouse. I mean this has got to be one of the favored places on the planet. And I'm convinced the people of my state want to keep it that way. They think taking some steps forward makes sense to keep this the Evergreen State. And so we're going to tackle climate change, and we're going to protect our state for future generations.

And yes, we also care about the cost of electricity. But prior work of this Council suggests that the rate impacts of moving away from coal are very affordable. I believe this relatively small investment is needed, and that the costs are not a meaningful obstacle. We just need the will, and my state's going to provide the will, and I'm looking forward to you providing a vision statement so we can bring that will to pass.

So that's where the Council is well-positioned to lead. You have the mandate, the expertise, and the resources to help figure this out. Your Sixth Power Plan took a good look at climate change and set a high bar for clean energy. I believe your Seventh Power Plan needs to go even further. I ask that the Seventh Power Plan fully address how the Northwest will reduce the carbon pollution for our electricity further, faster, in the most effective, efficient way possible. The plan should facilitate and accelerate the transition from coal power and identify the steepest reasonable glide path for making this final transition. It should specify how we will better manage the power whole during low-water years and overgeneration during high-water years. As a 20-year plan, it should lay out a clear and date-certain path to an electrical system that is 100-percent carbon-free and renewable through preserving and enhancing our hydropower base, accelerating energy efficiency, and deploying all renewable sources effectively and in an integrated manner across the region and the West. And as a start we will look for a date certain for completion of Washington state being coal-free in electricity. And that would be a great start.

Now I know you all have been dedicating your professional lives to this, and we really appreciate that. And we know this is a big step. It's the kind of step people get to celebrate for decades to come. And when you succeed in this task, it's going to be a great legacy for you individually. And I hope you all work to have something to celebrate in that regard. It will be a historic achievement not just for our state or our nation, but internationally, when our state, through your vision, is able to achieve this end. So let's go do some great things together. And I'm going to look for your suggestions about how to get this done.