

The Western Climate Initiative

Summary of the Major Findings of an Independent Analysis of the WCI

February 2009

- The WCI plan could impose significant new costs on consumers and retard job creation in the Western U.S. over the coming decade while delivering no scientifically measurable benefit in terms of reduced global climate temperatures as far out as the year 2100. This “benefit” calculation is based entirely on the scientific findings, assumptions and formulas of the United Nations’ Intergovernmental Panel on Climate Change.
- The WCI plan is based on an economic model which uses assumptions that, if implemented as policy, would largely preclude the installation of virtually all new electric generation capacity in the region except for highly intermittent wind and solar resources.
- The WCI plan’s economic model does not take into account the fact that additional hydropower, nuclear and advanced fossil baseload power plants could be deployed, almost immediately and prior to 2020, that can meet expected growth in electricity demand while dramatically reducing GHG emissions.
- If the WCI economic model’s assumptions reflect actual policy recommendations by Western governors, it sends a signal to industry and the investment community that will almost certainly chill the very investment in low-carbon generation and carbon capture and sequestration (CCS) technologies that nearly all Western governors desire.
- If the WCI economic model’s assumptions are implemented as policy, the plan could further weaken the West’s already over-burdened high-voltage transmission grid. Reserve capacity margins in the Western Electricity Coordinating Council (WECC) are already expected to drop below the minimum recommended levels as early as the winter of 2009. Rapid introduction of massive amounts of highly intermittent generation from large wind farms, as envisioned by the WCI plan, could easily destabilize the West’s grid if appropriate technology upgrades are not made quickly enough.
- The WCI plan could increase energy costs to consumers and, thus, disproportionately harm low-income and minority families. In essence, it may unintentionally have the effect of a discriminatory tax based on economic status and race.
- The WCI’s plan to establish and monitor emissions caps would require the establishment of a large and powerful new government bureaucracy. This could trigger the type of influence-peddling and system “gaming” that has plagued European GHG mitigation regimes.
- The laws, regulations, mandates and bureaucracy the WCI is proposing go so far as to give WCI climate officials authority over even private companies’ organization and reorganization functions.