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# Regulatory Tools to Advance Decarbonization

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**Decarbonizing the  
Northwest**

# State Scorecard Offers a Snapshot of Northwest Progress on Climate

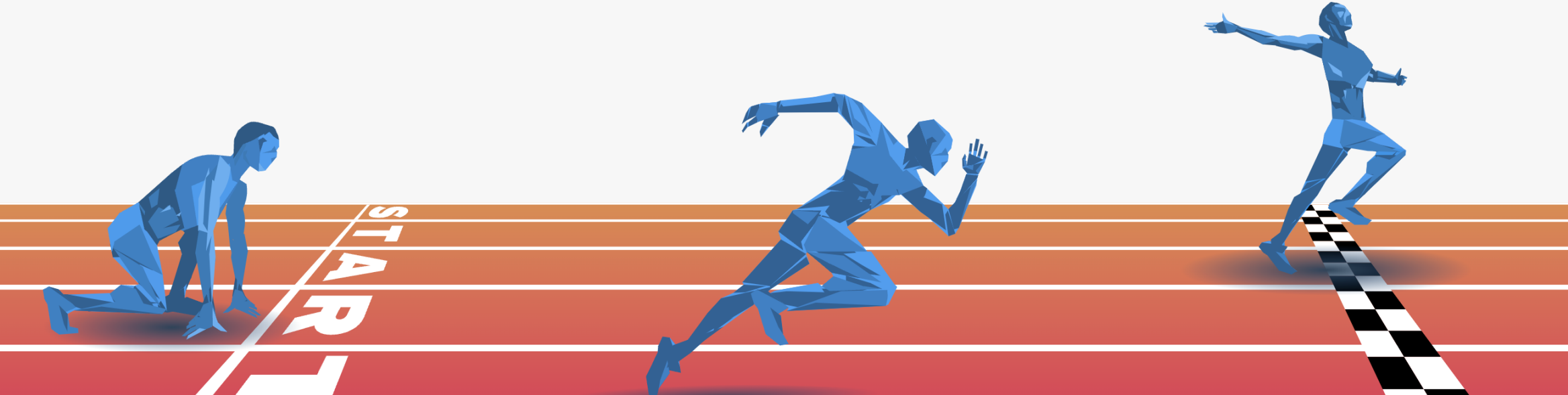


Generally, electricity and transportation policy are more mature, while buildings and industry policy need greater support in the region.

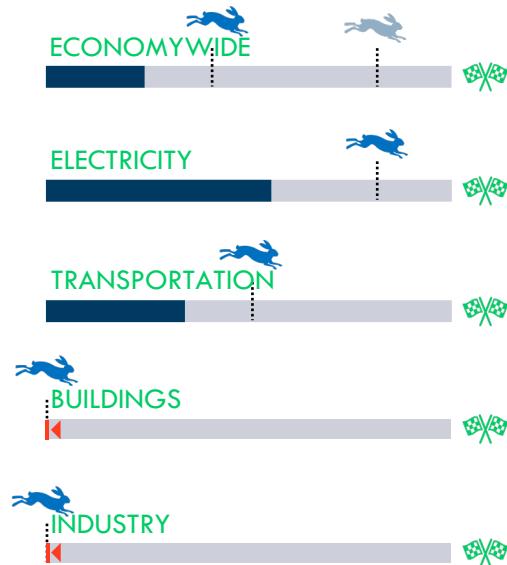
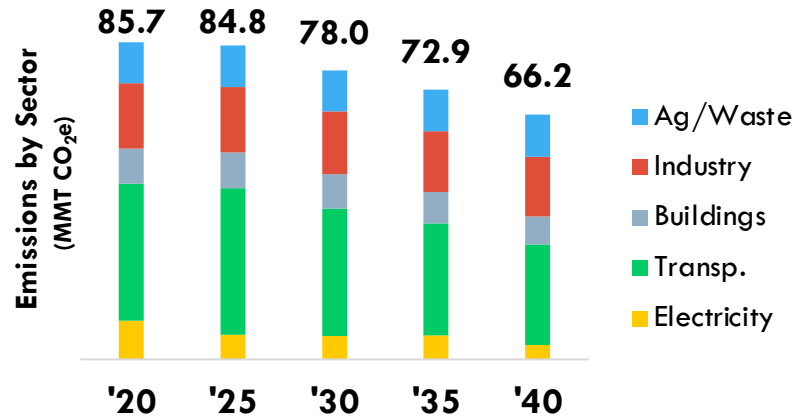


These are intended as a high-level comparison. No model is perfect and results may vary from other state analyses, based on modeling assumptions.

**The *Sprint '24 State Scorecard* is a free resource to clarify each state's progress on climate.**



# Climate Snapshot: Washington



## POLICY MILESTONES

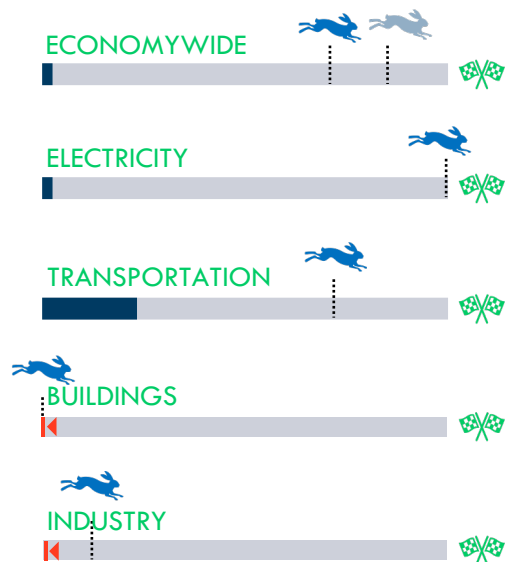
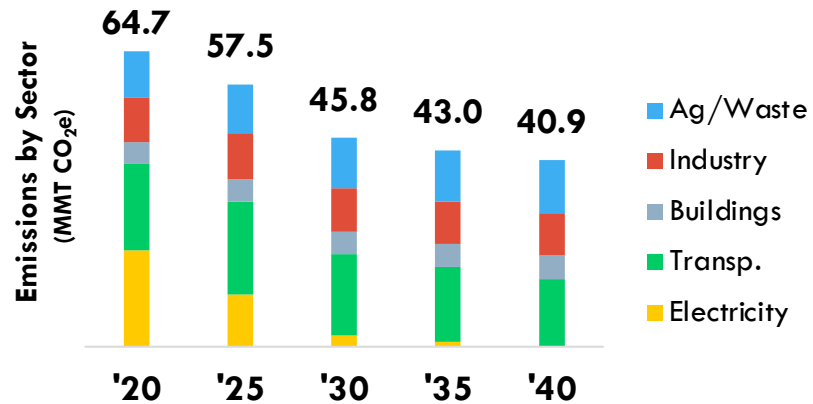
- **Economywide.** Cap-and-invest through the Climate Commitment Act requires the state to reduce direct emissions 45 percent below 1990 levels by 2030.
- **Electricity.** Clean Energy Transformation Act requires 100% GHG neutral by 2030.
- **Transportation.** ZEV and Advanced Clean Truck rules will drive electrification of vehicles. Move Ahead Washington investments will support charging infrastructure and VMT reduction targets.
- **Buildings.** Building code updates in 2022 target electrification of new construction commercial buildings.
- **Industry.** Washington is targeting F-gases through more stringent policies than the federal standard (RMI assumes 100% HFC substitution by 2024).

How to read the snapshots:

- Blue bar = 2021 progress to 2030 alignment
- Blue rabbit = 2030 progress under current policy

- Pink rabbit = 2030 progress assuming full alignment with cap-and-trade
- Green flag = 2030 climate-aligned target
- Red arrow = 2021 emissions are above 2005

# Climate Snapshot: Oregon



## POLICY MILESTONES

- **Economywide.** Oregon has a non-binding target of 45% below 1990 emissions by 2035. Transformational Integrated Greenhouse Gas Emissions Reduction (TIGHGER) Project ongoing to support new Roadmap to 2035.
- **Electricity.** Oregon is on track to reduce emissions by 80% relative to 2010-2012 average emissions (HB 2021)
- **Transportation.** ZEV and Advanced Clean Truck rules will drive electrification of vehicles.
- **Buildings.** 2021 legislation updated appliance efficiency standards. Requirements in place to reduce building energy consumption by 60% relative to 2006 codes.

How to read the snapshots:

- Blue bar = 2021 progress to 2030
- Grey bar = 2030 progress assuming full alignment
- 🐇 2030 progress under current policy
- 🐢 2030 progress assuming full alignment with cap-and-trade
- 🏆 2030 climate-aligned target
- ⏪ 2021 emissions are above 2005



# Regulatory Tools: Recent Business Model Reform

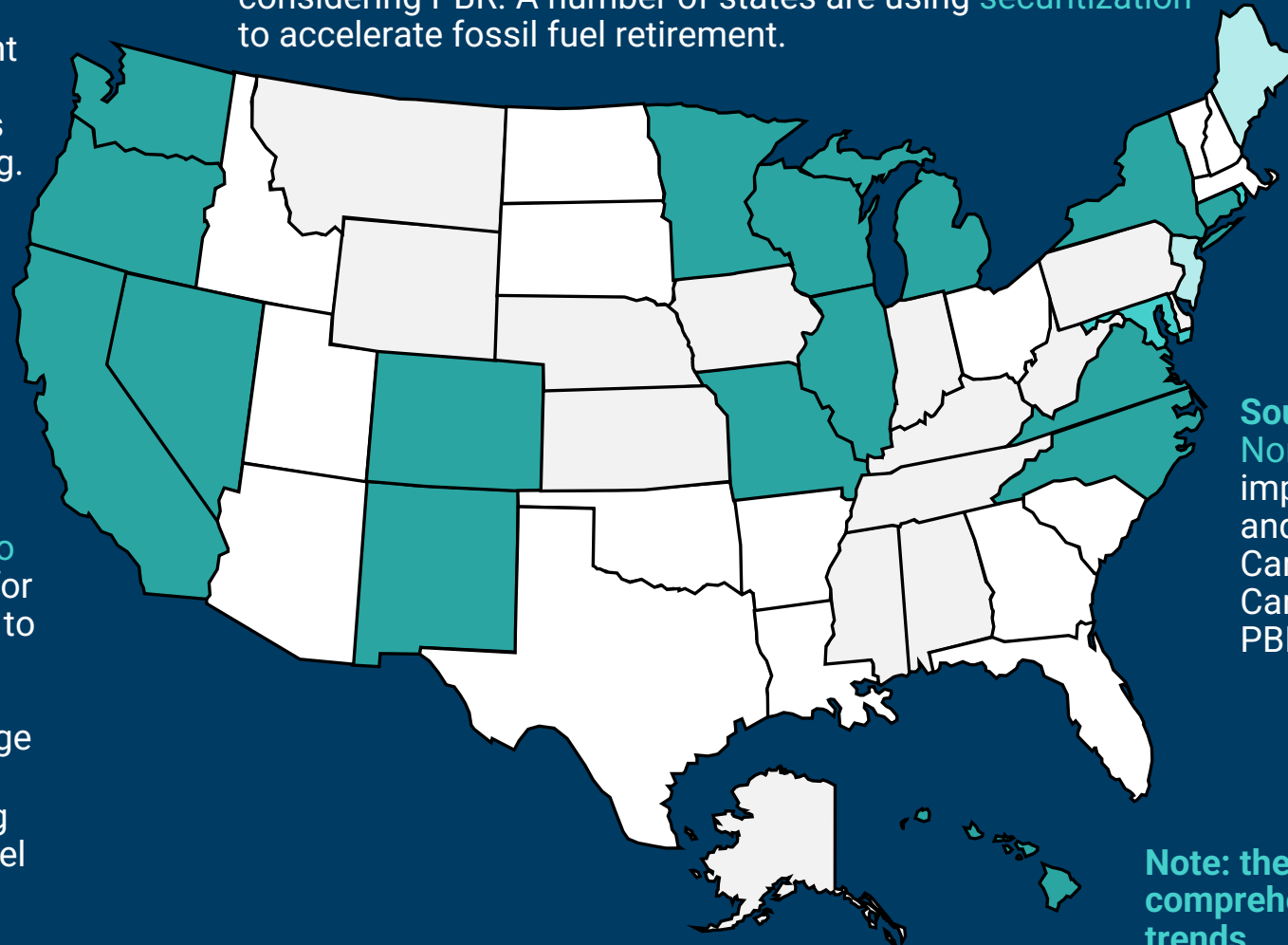
**West:** Washington and Oregon are grappling with equitable clean energy planning as they implement the Clean Energy Transformation Act (CETA) and HB 2021. WA has initiated a broader PBR rulemaking. Hawaii has implemented comprehensive PBR, and is developing PIMs to address reliability and cost control challenges.

**Southwest:** Following on a busy 2021 legislative session, Colorado is implementing GHG standards for gas utilities and considering how to bring equity into regulation. In Nevada, the PUC is finalizing guidance for PBR; setting the stage for utilities to propose alternative ratemaking. New Mexico is using securitization to support fossil fuel retirement and just transition for communities.

**Midwest:** Minnesota and Illinois are focusing on implementation of recent laws, the IL Climate and Equitable Jobs Act (CEJA) and the ECO Act and Natural Gas Innovation Act. Michigan's MIPowerGrid process ongoing, Wisconsin considering PBR. A number of states are using securitization to accelerate fossil fuel retirement.

**Northeast:** Connecticut recently issued a framework for regulatory sandboxes to push utility innovation, and is in the early stages of a PBR proceeding. In Maine, a broader rulemaking on PBR is likely forthcoming.

**Southeast:** Both Virginia and North Carolina are busy implementing recent clean energy and climate legislation. In North Carolina, regulators are tackling a Carbon Plan, securitization, and PBR rules this year.



**Note:** these regional spotlights are not comprehensive, but representative of key trends.

# RMI Resources

- **State Climate Scorecards:** <https://statescorecard.rmi.org>
- **Resources on Regulatory Tools:**
  - PUC Modernization series (Purpose, People, and Process): <https://rmi.org/insight/puc-modernization-issue-briefs/>
  - Making the Clean Energy Transition Affordable: How Totex Ratemaking Could Address Utility Capex Bias in the United States <https://rmi.org/totex-ratemaking/>
  - PIMs for Progress: Using Performance Incentive Mechanisms to Accelerate Progress on Energy Policy Goals <https://rmi.org/insight/pims-for-progress/>
  - Navigating Utility Business Model Reform <https://rmi.org/insight/navigating-utility-business-model-reform>