

**RESOLUTION OF THE STATES OF THE OZONE TRANSPORT COMMISSION  
CONCERNING THE CREATION OF INCENTIVES FOR  
ADDITIONAL CLEAN DISTRIBUTED GENERATION OF ELECTRIC POWER**

WHEREAS the Ozone Transport Commission (OTC) has investigated clean power generation as a mechanism for attaining and maintaining the National Ambient Air Quality Standards for ozone and providing other environmental benefits such as reducing acid and nutrient deposition, fine particles, and visibility impairment; and

WHEREAS OTC has identified the growth of distributed generation of electric power as an opportunity to begin integrating clean technologies, renewable generation, electric system reliability, and energy conservation; and

WHEREAS OTC is concerned that increased use certain types of distributed generation of electric power could affect long-term attainment and maintenance of health-based air quality standards; and

WHEREAS OTC has communicated with State and Federal energy officials, and other interstate environmental and energy associations, about ways to encourage clean distributed power generation; and

WHEREAS there are several types of electric generation equipment, such as microturbines and fuel cells, and intermittent resources, such as photovoltaics, wind, and conservation/efficiency measures, that generally have lower emission characteristics than traditional fossil fuel burning electric generation sources, such as diesel engines;

WHEREAS the Ozone Transport Region (OTR) is experiencing a significant increase in proposed, electric generating diesel engines with relatively high emissions of nitrogen oxides (NOx) and other pollutants; and

WHEREAS it is important to permit clean power generation equipment in an expeditious manner;

THEREFORE BE IT RESOLVED that OTC believes that the expanded use of distributed generation of electric power should be taken into account when preparing and revising State Implementation Plans; and

FURTHERMORE that incentives for new cleaner technology for distributed generation should be provided through the permitting process whenever possible; and

FURTHERMORE that OTC States should consider incorporating provisions of the attached March 6, 2001, paper when permitting new distributed generation equipment, in order to provide such incentives; and

FURTHERMORE that OTC should work with Federal and State organizations that have an interest in clean distributed generation of electric power, including public utility

commissions and the U.S. Environmental Protection Agency, in order to encourage additional clean power generation.

Approved March 28, 2001