Over the years, we have watched California be the North American pioneer when it comes to the Renewable penetration and Carbon markets. As time passes many other regions have followed in their footsteps when it comes to integrating utility-scaled wind farms and solar panels into their power grids. If you look at both SPP and ERCOT, they have become the leader in wind capacity while California continues to stay in front of the curve from an utility-scaled and behind-the-meter solar capacity perspective. Each one of these renewal resources put pressure on the thermal (natural gas and/or coal facilities) fleets as they are needing to run to help balance the intraday volatility tied to wind or the later afternoon/evening ramp demand for power as the sun is setting.

This makes the California Carbon Market much more interesting as it is trying to reduce the emission footprint by levying a tax to each type of user. In essence, the rules are in place to send a price signal to any entity that is emitting carbon into the air as they strive to be as green as possible. Up in the Pacific Northwest, the ‘being green’ movement has been around for many years as hydro is the main resource of energy for many market participants. The Renewable penetration is down to the localized utility where the buildout is driven by some sort of state mandate. Nothing is as aggressive as California but we have seen the change occur over the years as Pacificorp, Puget Sound, Portland General and others all join in to incorporate both wind and solar into their portfolios.

When it comes to Carbon Markets in the region, Washington State had an initiative on the ballot a couple of years ago that had some traction but did not get over 50% allocated yes votes it needed to pass. Since that time, the groups that support a Carbon Market in the Pacific Northwest, specifically Washington, have put together another proposal that is known as Initiative 1631 and it is on the upcoming ballet on November 6th, 2018.

**Figure 1 | Washington State Initiative 1631 – Carbon Tax**

The EnergyGPS special report titled ‘Washington State Carbon Initiative 1631’ is a 12 page document that takes a look at initiative in its present state and details what the major components do, it’s impact on the energy markets and the likelihood of it passing. If you would like to purchase the report, please do so by clicking on the Purchase Article button below. If you sign up for our Newsletter Platinum Annual Package, we will send you the report directly as part of the purchase. Upon signing up for Platinum Package you will also get access to our Newsletter articles and monthly reports throughout the year.