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**U.S. SENATE
COMMITTEE ON ENERGY AND
NATURAL RESOURCES**

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WASHINGTON, D.C.**

Testimony of

**DIANNE R. NIELSON, PH.D.
ENERGY ADVISOR**

to

**GOVERNOR JON M. HUNTSMAN, JR.
STATE OF UTAH**

On Behalf of the

WESTERN GOVERNORS' ASSOCIATION

Chairman Bingaman, Senator Murkowski, and Members of the Committee:

My name is Dianne Nielson. I am the Energy Advisor to Utah Governor Jon M. Huntsman, Jr., who serves as the Chairman of the Western Governors' Association. Thank you for the invitation to testify today on behalf of Western Governors' Association concerning current energy security challenges.

Western Governors are concerned that the United States lacks an effective long-term energy policy. Energy security is a critical component of that policy and essential to our Nation. Both energy efficiency, to reduce demand, and a diversity of energy sources and technologies must be part of the solution. Western Governors have worked in their individual states and together regionally to meet these challenges.

With the publication of the Clean and Diversified Energy Initiative Report in June 2006, <http://www.westgov.org/wga/publicat/CDEAC06.pdf>, the Western Governors' Association announced its commitment to developing energy policies and programs that will provide affordable and clean energy to sustain our economy, stimulate greater energy efficiency, strengthen our energy security and independence, and reduce greenhouse gas emissions.

In the last two years, the WGA has published important reports on achieving greater energy efficiency in buildings, <http://www.westgov.org/wga/publicat/EnergyEfficiency07.pdf>, deploying near-zero technologies for power plants fueled by coal resources, <http://www.westgov.org/wga/publicat/zero-coal08.pdf>, and developing transportation fuels for the future, <http://www.westgov.org/wga/publicat/TransFuels08.pdf>. All of these reports are being used as resource documents by western states as we work to develop a new energy economy.

For the past eight months, the WGA has been managing the Western Renewable Energy Zones Project, <http://www.westgov.org/wga/initiatives/wrez/index.htm>. WGA and the U.S. Department of Energy (DOE) launched this joint initiative, which is funded by DOE. By identifying the most developable renewable resource zones throughout the Western Interconnection, load-serving entities, transmission providers, and state regulators will be able to make more informed decisions about the costs of renewable power, the optimum transmission needed to move renewable power to consumers, and which entities might have the potential to form partnerships for developing transmission to access renewable energy. By promoting a regional perspective, we can blunt the potential balkanization of renewables markets, while respecting each state's primary jurisdiction in siting generation and transmission facilities. We can pave the way for interstate collaboration on the permitting of multi-state transmission lines and more equitably allocate and recover the costs of new transmission.

On November 20, 2008, the WGA sent President-elect Obama a letter outlining recommended goals, principles, and immediate actions necessary to form the foundation for a National Energy Policy, <http://www.westgov.org/wga/testim/obama-energy11-20-08.pdf>. As the Governors noted in the letter, transforming our energy infrastructure and economy will require new policies, incentives, market mechanisms, and public-private partnerships. Most important, it will require

a bipartisan partnership that achieves a broad consensus among political leaders and with the American people.

Western Governors' recognizes that while full transformation will take time, there are a number of steps we can take now. We must promote energy efficiency in all forms, including manufacturing more fuel-efficient vehicles, enhancing public transportation systems, adopting regulatory structures that reward utilities that achieve reduced energy usage among their customers, and manufacturing more energy efficient consumer goods.

With respect to greenhouse gas (GHG) emissions, we must quickly establish an aggressive and achievable national GHG reduction goal that will place the United States on a path to contribute to global climate stabilization. We must concurrently propose a mandatory market-based system that will induce reductions of greenhouse gas emissions.

To strengthen energy security and independence, we must establish an oil import reduction goal. To offset these reductions, we should bring more fuel efficient and near-zero emission vehicles into the market, increase the supply of domestically produced low carbon fuels, reduce vehicle miles travelled, and increase mass transit capabilities.

And finally, we must create a substantial, long-term national public investment on the scale of tens of billions of dollars annually, and encourage at least the same investment from the private sector. We must quickly perfect near-zero emissions technology from new coal-fired electricity and dramatically increase energy supply from wind, solar, geothermal, hydro, and biomass resources. It is of utmost importance that we expand and upgrade the electricity transmission grid. Finally, we must advance vehicle and battery technologies and those alternative transportation fuels that will move us toward achieving national energy goals.

We need to do all these things while ensuring affordability for lower income energy consumers, especially through proven weatherization and cost assistance programs. And we recognize the potential for all these actions to create good, domestic clean energy jobs and stimulate the economy.

As Western Governors noted in their letter, "we must not repeat the mistakes of the past. We must have the collective political will and resolve to create and implement a long-term comprehensive energy policy despite short-term political and market fluctuations. The future of our nation depends upon it."

WGA stands ready to work on developing a strong national energy policy. In fact, we look forward to it. Thank you for the opportunity to talk with you about energy policy and energy security.