



Western Governors' Association Policy Resolution 11-13

Fueling the Future of the West: A Roadmap for Energy Security and Environmental Stewardship

A. BACKGROUND

1. The Western Governors have placed a high priority on forming energy policies that can lead to the rational development of the Western region's full range of energy resources to support the nation's need for domestic energy. Transportation fuels are the major component of the Western region's energy consumption, and the region, like the nation, relies on petroleum for approximately 94 percent of that fuel.
2. Petroleum will continue to be the dominant transportation fuel in the near term, requiring us to maintain economically viable production and refining sectors, but we also must increase our efforts to hasten the development of alternative fuels and to deploy far more efficient vehicles and means to move goods and services.
3. Our near-total dependence on petroleum for transportation fuels is of concern to consumers, businesses and government. This dependence makes Western states vulnerable to limited refinery capacity, supply shortages and price spikes, in addition to its overarching impacts on national security, the environment and the economy. In the West, where driving distances can be much greater than other parts of the country, these impacts can be magnified.
4. While our demand for transportation fuels has grown unabated over the last 40 years, domestic production has been unable to keep pace, doubling our dependency on imported petroleum from 30 percent in 1970 to 60 percent today. Some of that supply is imported from nations that are fragile at best, and often hostile towards the United States.
5. The Western states are in position to become key producers and beneficiaries in the emerging alternative-fuels economy. We have abundant resources that have great potential as domestic sources for transportation fuels. By working together and leading this transition, Western states can achieve ambitious goals more rapidly than through individual efforts. Similarly, water availability and quality, air quality, land use, habitat protection, and feedstock supplies are of great concern to all Western states, and careful consideration of these issues is critical as we transition to clean, alternative fuels and more fuel-efficient vehicles.
6. In 2009, according to the U.S. Energy Information Administration, conventional light-duty vehicles accounted for 85% of the nation's market share, followed by flex fuel (11%), hybrid electric (3%), and diesel vehicles (2%). Heavy-duty trucks were largely driven by diesel (91%) and gasoline (7%). Rail transport derives about 96% of its energy from diesel fuel, and the air and marine sector are completely driven by petroleum-based

energy.

7. In 2006, Western Governors launched the “Transportation Fuels for the Future” initiative through a resolution in 2006. The Western Governors’ Association (WGA) formed an Advisory Committee comprising Governors’ representatives, transportation experts and stakeholders. The Advisory Committee produced an overarching policy, the *Transportation Fuels for the Future: A Roadmap for the West*. The policy roadmap and detailed team reports identify what is technically and economically feasible and what is needed to increase the usage of alternative fuels to diversify our fuel sources and to develop and deploy efficient vehicle technologies as rapidly as feasible.
8. In 2008, Western Governors formed a Transportation Fuels Council, which consisted of appointed designees to identify strategies to implement the policies in this roadmap. In 2009, the Council released a report updating the Governors on progress made to date. The report also outlined several key issues for future consideration by the Governors, including the conversion of existing fleets, developing regional alternative fuel corridors, streamlining regulatory standards to promote fungibility, and examining issues related to the impact of energy production on water availability.
9. The U.S. Department of Energy Clean Cities Program was established in 1993 to develop local partnerships to facilitate, among other things, the use of alternative fuels. In April 2011, the President announced establishment of the Clean Fleets Program. The program is designed to leverage a public/private partnership to promote alternative fuels and fuel-saving measures into daily operations and will work in conjunction with Clean Cities.
10. Data from the Energy Information Administration suggests that the domestic supply of economically recoverable natural gas has grown more than 40 percent since 2004. Western Governors are very interested in seeing this natural gas become a greater part of the transportation sector. For example, in November 2011 Colorado, Oklahoma, Wyoming, Utah and Pennsylvania signed a Memorandum of Understanding to encourage automobile manufacturers in the U.S. to develop a functional and affordable fleet natural gas vehicle. The signers left the MOU open for other states to sign and it is expected that the number of states joining in this MOU will increase.

B. GOVERNORS’ POLICY STATEMENT

1. Western Governors recognize the significant economic, energy security and environmental opportunities that are gained by emerging as national and international leaders in the development of alternative fuels and advanced vehicle technologies. The Governors also agree on the costs of inaction to consumers, future economic development and national security.
2. Western Governors agree that a mix of domestic and alternative fuel sources and increased vehicle fuel efficiency is needed to reduce our dependence on foreign oil, increase local economic development and promote environmental stewardship.

3. Western Governors seek to lead by example and recognize the need to increase the utilization of alternative fuels and vehicles in state vehicle fleets. State vehicle fleets present a tremendous opportunity for states to tackle the issues regarding manufacture of alternative fuel vehicles and development of infrastructure through a common sense approach that can be leveraged through regional cooperation.
4. In addition to the above, the Governors may consider adopting the following programs within each of their states:
 - a. Promoting fuel and transportation-system efficiency, encouraging the public to value fuel efficiency that can lead to reduced fuel consumption and motor vehicle emissions by emphasizing it in themes and messages, promoting alternative and advanced fuels and vehicle technologies, and by setting a positive example with their own choices and state fleets.
 - b. Identifying critical research needs and seeking funding to turn universities into centers of excellence on alternative fuels technologies, vehicle fuel efficiency, motor vehicle emissions, and environmental considerations.
 - c. Supporting and coordinating feedstock research to include new production opportunities, higher yields, carbon capture and storage opportunities, conversions technologies and transportation logistics.
 - d. Providing information and undertaking alternative fuels demonstrations to gain experience, generate data and evaluate options.
 - e. Reducing fuel use by encouraging urban and community planners to consider mass transit transportation and other beneficial planning options that can reduce our dependency on foreign fuels sources.
5. In order to promote consumer confidence in alternative fuel vehicles, Western Governors pledge to work in concert to support the deployment of consistent, reliable, and widely available fueling infrastructure. This may include regional, multi-state alternative fueling corridors as well as coordination of codes, standards, and other policies governing fueling and electric charging stations. These corridors and common standards should be implemented through a partnership among local, state and federal officials and the private sector.
6. Federal programs that seek to promote the use of alternative fuels and advanced vehicle technologies should provide an opportunity for coordination with state and local officials to ensure that our citizens' needs are being met efficiently and effectively.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. Western Governors will appoint or reaffirm their membership in the WGA Transportation Fuels Council. Within 45 days of the enactment of this resolution, the Council should amend its charter to support the policy objectives outlined above and to fulfill the following management directives. The Council may seek the assistance of the U.S. Department of Agriculture and the U.S. Department of Energy and its national laboratories in analyzing and implementing the policy objectives in this resolution.

2. Western States, as appropriately determined by each individual State, will seek to work together to leverage their efforts through joint vehicle solicitations such as the 2011 multi-state MOU that promotes the purchase of natural gas vehicles. WGA and its Western State members will work with private industries and the federal government, including the U.S. Department of Energy's Clean Fleets and Clean Cities Program, to leverage existing efforts and encourage the use of alternative fuels by federal, state and private fleets.
3. Western Governors direct the WGA staff to assemble a workshop to explore opportunities for public and private sector coordination on regional infrastructure corridors and fleet conversions. The workshop will identify priorities for developing or otherwise making available alternative fuel infrastructure and make recommendations to the governors on a goal for alternative fuel fleet conversions.
4. Western Governors direct WGA staff to pursue mechanisms to assist the Governors in enacting policies including:
 - a. convening stakeholders to work through issues, as necessary;
 - b. collaborating with the states as they develop plans to increase alternative fuels production and use and to improve vehicle fuel efficiency;
 - c. assisting, facilitating and coordinating fuel resource identification and development through regional efforts;
 - d. collaborating regularly with existing regional policy organizations to develop and implement regional transportation fuels policies and actions. Such organizations could include: WGA affiliates -- the Western Interstate Energy Board, Western Regional Air Partnership and Western States Water Council; Western Climate Initiative; NGV America; American Natural Gas Alliance; Governors' Biofuels Coalition; National Biodiesel Board; and the DOE Clean Cities and Clean Fleets.
5. This policy resolution shall be conveyed to the President of the United States; the Secretaries of Agriculture, Energy and Transportation; the Administrator of the Environmental Protection Agency (EPA); and the appropriate members and committees of Congress.
6. The Western Governors' Association shall post this resolution to its Web site to be referenced and transmitted as necessary.