



WESTERN GOVERNORS' ASSOCIATION

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January 6, 2009

Timothy J. Meeks, Administrator
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213

Dear Mr. Meeks,

This past spring, Western Governors began a dialogue with a number of Western utility CEO's on the challenges the region faces in meeting the region's electricity and environmental needs. This led to a very productive dialogue on the challenges and solutions at the Western Governors' Association meeting held in June in Jackson Hole, Wyoming. We also appreciate the participation of several utility CEO's at the June meeting of the Western Conference of Public Service Commissioners and the October meeting of the Committee on Regional Electric Power Cooperation. From these discussions, we have identified priority areas of agreement.

With this foundation in place, we believe now is the time to take the next steps on the priority issues Westerners can act upon without federal government participation. To this end, we request load-serving companies:

- Use the WGA's Western Renewable Energy Zones (WREZ) model to identify preferred zones and indicate the desired number of megawatts of generation from those zones in 10 years and in the longer term.
- Participate in Phase 3 of the WREZ project, which is the coordinated procurement of renewable energy from renewable energy zones.
- Work with the states and provinces in the Western Interconnection and the Western Electricity Coordinating Council (WECC) to create, by February 2009 a forum for load-serving entities, PUC's, and state-provincial energy agencies to share information on resource options and to address questions the Governors, WECC and CEO's may pose.

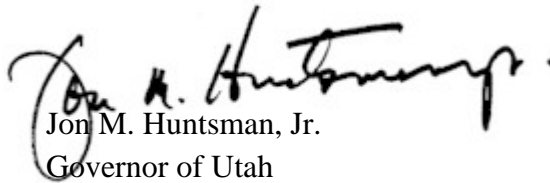
- Provide technical and financial resources to test the validity of 10-year transmission expansion studies in the Western Interconnection throughout the long term (e.g., 25 to 50 plus years) under different public policy (e.g., carbon emission limits) and technology (e.g., photovoltaic cost or carbon capture and storage breakthroughs) assumptions.
- Participate in an evaluation of “supersizing” transmission lines to renewable resource rich areas.
- Work to lower the cost of integrating renewable generation into the grid.

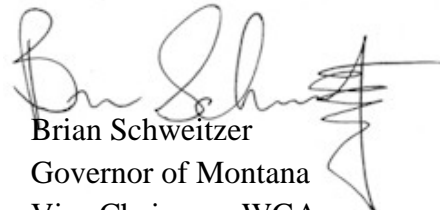
Doug Larson, Executive Director of the Western Interstate Energy Board, is our staff contact on these next steps.

In addition to the actions we, as Westerners, can take on our own, we are interested in collaborating with you on actions the federal government needs to take in order to enable the West to meet its energy and environmental goals. Attached is our letter to President-elect Obama recommending actions the federal government should take in the near term. We need to collaborate to secure helpful actions from the federal government. Please have your staff contact Pam Inmann, WGA Executive Director, to discuss next steps in strengthening our efforts with the new Administration and Congress.

A collaborative effort among Western electricity load-serving entities, Western Governors and public utility commissions is needed in order to put the West on a track to meet our energy and environmental goals. We look forward to working with you on immediate next steps.

Sincerely,


Jon M. Huntsman, Jr.
Governor of Utah
Chairman, WGA


Brian Schweitzer
Governor of Montana
Vice Chairman, WGA

Attachment: WGA letter to President-elect Obama