



WESTERN GOVERNORS' ASSOCIATION

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Chairman

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Vice Chairman

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May 2, 2007

The Honorable Byron Dorgan, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
U.S. Senate
186 Dirksen SOB
Washington, DC 20510

The Honorable Pete Domenici, Ranking Member
Subcommittee on Energy and Water Development
Committee on Appropriations
U.S. Senate
186 Dirksen SOB
Washington, DC 20510

Dear Chairman Dorgan and Senator Domenici:

As the Subcommittee considers the fiscal year 2008 Energy and Water Development appropriations bill, the Western Governors' Association urges you to continue your past support for the following key energy programs that are of vital importance to citizens in western states.

We ask you to continue your past support for both the State Energy Program and the Weatherization Program. We believe that these two programs in particular, which leverage state, local and private funding to promote efficient energy use are critically important. Energy efficiency and conservation programs should form the foundation of a national energy policy, particularly in times like these with many Western states facing significant growth in electricity demand in the near and long-term. Reducing electricity demand will also buy us time to commercially perfect advanced electricity generation and carbon capture and sequestration technologies, avoiding any rush to construct less environmentally friendly facilities. The Administration has proposed to cut funding for both of these critical programs. We urge you to increase funding for these two programs instead.

We also strongly urge you to increase funding to federal clean and renewable energy, distributed energy, and other energy efficiency programs. As you may be aware, over the past three years the Western Governors' Association has engaged over 250 stakeholders from throughout the West in an effort to identify ways to add an additional 30,000 M/W of clean and renewable energy generation in the West by 2015 and to increase our energy efficiency 20 percent by 2020. The WGA

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efforts clearly demonstrate the vast potential of renewable energy to play an important role in meeting future energy demand, but we must invest in the kind of research that will make renewable resources fully cost competitive with traditional resources. We believe that with assistance from the federal government these goals are achievable and will greatly benefit our region.


Specifically, we support significantly increased funding for a variety of renewable energy technologies. We must remove the barriers so that biomass, wind, solar, and geothermal can become an elevated part of our energy future. The potential for each of these resources to play a major part in energy production mandates that we make future investments. The historical availability of reasonable federal funding has moved us to a place where renewable resources no longer have to be marginal contributors. Pulling back funding now will impede our ability to demonstrate our national commitment to energy independence. We have grave concerns about the proposed cuts to the geothermal and hydro programs and we strongly urge you to at least maintain level funding for those programs. Both geothermal and hydro are proven reliable, domestic baseload resources that can provide power at highly competitive rates.


We also support greatly increased funding for clean coal programs. We support the Presidents' Budget Request for the Innovative Technology Loan Guarantee Program as well as the proposed funding for the Clean Coal Power Initiative. We are perplexed, however, by the continued lack of funding for the IGCC pilot project authorized in Section 413 of EPAct and a failure to fund continuing tax credits for advanced coal technologies. We strongly believe that a demonstration of coal gasification technology at high elevation using a variety of coal types is important to our nation's future energy supply. We urge you to fund this project.

Our support for clean coal programs also includes providing incentives for carbon capture and sequestration (CCS) and adequate funding for large scale testing to begin as quickly as possible. The Massachusetts Institute of Technology in its recent report on the future of coal noted that CCS is "the critical enabling technology" for reducing CO2 emissions and meeting our country's and the world's energy needs. There is much that remains to be understood about this technology and we concur with MIT that we need to proceed with a great sense of urgency in finding the answers.

In closing, we hope the Committee will continue to invest in these clean and distributed energy and energy efficiency priorities that provide so much benefit to the West.

Sincerely,


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The Honorable Peter Visclosky, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
U.S. House of Representatives
2362B Rayburn HOB
Washington, DC 20515

The Honorable David Hobson, Ranking Member
Subcommittee on Energy and Water Development
Committee on Appropriations
U.S. House of Representatives
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Washington, DC 20515

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