

WESTERN GOVERNORS' ASSOCIATION
WESTERN RENEWABLE ENERGY ZONES
CHARTER

PURPOSE: This charter delineates the mission, objectives, responsibilities and operation of the collaborative process convened by the Western Governors' Association, hereinafter referred to as the WESTERN RENEWABLE ENERGY ZONES PROJECT (the "WREZ").

A. MISSION

Consistent with WGA Policy Resolutions 06-10, "Clean and Diversified Energy for the West," and 07-16, "Transitioning the West to Clean Energy and Energy Security," the Steering Committee of the WREZ is to complete reports that will identify Renewable Energy Zones (REZ) in the Western Interconnection based on developable potential, development timeframes, common transmission needs, and cost of development. Included will be identification of developable resources that are not suited for aggregation into Renewable Energy Zones. The project will then seek to develop transmission plans of service to priority zones to facilitate the environmentally sensitive development of the most cost-effective renewable resources located in the Western Interconnection. The project will evaluate all feasible renewable resource technologies that are likely to contribute to the realization of the goal in WGA policy resolution 6-10 for the development of 30,000 megawatts of clean and diversified energy by 2015, but may not include all such resources in the WREZ. The WREZ is intended to complement all the efforts related to implementing WGA policy, including development of a mix of clean and diverse energy resources and having a secure, reliable interstate transmission network that can move all generated electricity to markets. The project is organized into four phases:

- 1) Identification of the REZs in the Western Interconnection
 - a. Technical resource assessment and economic analysis
 - b. Stakeholder evaluation and feedback
- 2) Developing conceptual transmission plans to REZs through existing WECC-sponsored transmission planning processes
- 3) Coordinating load serving entity renewable procurement to support development of a regional market for renewable energy
- 4) Building interstate cooperation to facilitate permitting and address multi-state cost allocation issues

It is the responsibility of the Steering Committee to ensure, to the maximum extent possible, that the views from all concerned segments of the public are considered.

B. WREZ GOALS

The goals of the WREZ project are to:

- 1) Develop a framework for consensus among the 11 major states, the area of Mexico, and the two Canadian provinces in the Western Interconnection on how best to develop and deliver energy from renewable resource areas to load centers.
- 2) Generate reliable information for use by decision makers that supports the cost-effective and environmentally sensitive development of a specified amount of renewable energy in certain identified renewable energy zones as well as the conceptual transmission plans needed to deliver the renewable energy to load centers.
- 3) Provide a foundation for interstate collaboration on commercial delivery of renewable energy to meet growing demand throughout the Western Interconnection.
- 4) Provide for the development of cost-effective renewable resources in order to promote the clean and diversified energy goals of the Western Governors.

C. COMMITTEE AND WORK GROUP CONSENSUS AND COLLABORATION OBLIGATIONS

- 1) All Committee and Work Group members in the WREZ effort commit to consider the public interest as a whole, with an open mind to the opinions of all concerned parties.
- 2) All Committees and Work Groups in the WREZ effort will be informed and guided by the Enlibra Principles adopted by the WGA.¹
- 3) All Committees and Work Groups in the WREZ effort will operate on principles of

¹ See WGA Policy Resolution 02-27, Principles for Environmental Management. The Enlibra Principles call for balanced and inclusive processes to determine the most effective environmental and natural resources policy. The eight principles are:

- 1) National Standards, Neighborhood Solutions - Assign Responsibilities at the Right Level
- 2) Collaboration, Not Polarization - Use Collaborative Processes to Break Down Barriers and Find Solutions
- 3) Reward Results, not Programs - Move to a Performance-Based System
- 4) Science For Facts, Process for Priorities - Separate Subjective Choices from Objective Data Gathering
- 5) Markets Before Mandates - Pursue Economic Incentives Whenever Appropriate
- 6) Change a Heart, Change a Nation - Environmental Understanding is Crucial
- 7) Recognition of Benefits and Costs - Make Sure All Decisions Affecting Infrastructure, Development and Environment are Fully Informed
- 8) Solutions Transcend Political Boundaries - Use Appropriate Geographic Boundaries for Environmental Problems

consensus.

- 4) Committee and Work Group members may not use their participation in the WREZ effort as a forum for engaging in practices or communications that violate antitrust laws.

D. STEERING COMMITTEE

- 1) Membership in the Steering Committee will consist of the Governors, or their designees, in the 11 primary Western Interconnection States, the Premiers, or their designees, of the two Canadian provinces in the Western Interconnection, one representative from Mexico, and one representative from each of the regulatory utility commissions in the 11 primary Western Interconnection states.
- 2) Only Steering Committee members or designees may participate in the formal business of the Steering Committee.
- 3) The Steering Committee is responsible for approval of all reports and analyses completed by the Technical Committee and its respective Work Groups.
- 4) The Steering Committee is responsible for approving the overall project budget, work plan and schedule.
- 5) The Steering Committee will appoint the members of the Technical Committee. The Steering Committee will also be responsible for appointing the chair and vice chair of the Technical Committee.
- 6) The Steering Committee will meet as often as necessary to execute its responsibilities.
- 7) *Ex officio* members of the Steering Committee will include Assistant Secretaries from the United States Department of Agriculture, the Assistant Secretaries of the offices of Energy Efficiency and Renewable Energy and Electricity Delivery and Energy Reliability in the United States Department of Energy, a FERC Commissioner, and any other *ex officio* members deemed appropriate by the Steering Committee. *Ex officio* members shall have all the responsibilities of regular Steering Committee members, but will not have authority to appoint members to any committee or approve or disapprove work of the WREZ effort.

E. TECHNICAL COMMITTEE

- 1) Technical Committee members will be appointed by the Steering Committee.
- 2) Members of the Technical Committee are expected to represent, without bias, the concerns of their constituent members, and actively communicate and consult with the

members of their constituency on issues of concern to the Technical Committee.

- 3) The Technical Committee will create Work Groups as needed, assign chairs and co-chairs to the Work Groups, and proactively recruit the appropriate parties to Work Groups to inform the work of the Technical Committee.
- 4) The Technical Committee will coordinate the work of the stakeholder Work Groups, and assist in achieving consensus recommendations internal to and among Work Groups on all WREZ issues.
- 5) The Technical Committee shall provide reports for each phase of the project to the Steering Committee.
- 6) The Technical Committee will be comprised of not fewer than three to four state and one provincial government representatives and any other members approved by the Steering Committee.
- 7) The Technical Committee will ensure that the Work Groups provide the information required by WREZ consultants to prepare the reports required by the WREZ effort.

F. WORK GROUPS

- 1) Work Groups will be comprised of technical experts and will be inclusive of the range of stakeholders from every part of the Western Region.
- 2) Work Groups may be formed by the Technical Committee for any purpose, and along any lines, that advance the purposes of the WREZ effort. Work Groups may represent certain classes of similar interests, or may be formed to address specific issues, and then dissolved when no longer needed.
- 3) At a minimum, the following Work Groups will be created by the Technical Committee:
 - **Resource Zone Identification and Technical Analysis.** This work group will establish the criteria and process for identifying zones. This group will also monitor the contractor and NREL in the development of supply curves for each technology and the delivered cost of power from REZ.
 - **Outreach support.** This work group will be responsible for ensuring public and other stakeholder understanding of the Technical Committee products.
 - **Environment, land use and permitting work group.** This work group will be responsible for categorizing the development potential of areas based on environmental, land use, and wildlife criteria. This group would also identify mitigation strategies to support development in sensitive areas and recommend

criteria for siting generation and routing transmission to the zones.

- **Modeling options for generation and transmission.** This work group would coordinate stakeholder input to the development of a model that would quickly evaluate costs and benefits of generation and transmission development.
- 4) The Work Groups will support data collection, solicit and consolidate stakeholder input, and produce all work needed in each phase as directed by the Technical Committee. The Work Groups will also coordinate with any WREZ consultants and representatives of DOE.
 - 5) Among other things, the Work Groups will develop the base case assumptions for the resource assessment and criteria for evaluating and characterizing WREZs, and will recommend priority REZs to the Technical Committee based upon the information generated in the resource assessment. When appropriate, the Work Groups will also consult with the Western Electricity Coordinating Council and its sub-regional planning groups to assist in the development and review of conceptual transmission plans to access priority WREZ.
 - 6) The Environment and Lands Work Group will ensure that environmental and permitting constraints are appropriately considered in the development of conceptual transmission plans and plans of service, and assist in the modification of any previously-proposed transmission projects to accommodate WREZ objectives.
 - 7) In Phase 3, the Work Groups will consider how procurement can be coordinated across state lines to synchronize renewable generation development with large-scale transmission development, and to create a framework for a regional market for renewable energy.
 - 8) In Phase 4, the Work Groups will develop proposals for coordinating permitting of interstate transmission projects across state lines and for resolving cost allocation issues of the commercial projects that emerge in response to the earlier phases of WREZ work. Work on phases 3 and 4 may proceed in parallel with the conceptual transmission planning work of Phase 2.

F. FACILITATION AND MEETINGS

- 1) All Committees and Work Groups will be facilitated by WGA, and WGA may retain an independent third party facilitator to assist with this responsibility.
- 2) At least two, and no more than four, face-to-face meetings of the Steering Committee will be held over the course of the project.
- 3) Whenever possible, all meetings and electronic consultations will be scheduled well in advance.

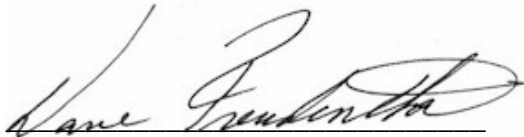
- 4) All Committee and Work Group meetings and electronic consultations may be held at the discretion of their chairs.

G. CHARTER REVISIONS

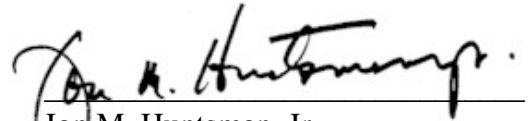
Charter revisions may be made by consensus of the Steering Committee.

H. APPROVAL

The WGA Western Renewable Energy Zone project Charter was approved on May 28, 2008.



Dave Fruedenthal
Governor of Wyoming
Chairman



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