



## WESTERN GOVERNORS' ASSOCIATION

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November 28, 2006

The Honorable Joseph T. Kelliher, Chairman  
The Honorable Suede G. Kelly, Commissioner  
The Honorable Philip D. Moeller, Commissioner  
The Honorable Jon Wellinghoff, Commissioner  
The Honorable Marc Spitzer, Commissioner  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

RE: Conditional Firm Transmission Service and Re-Dispatch, Docket  
RM05-25

Dear Chairman Kelliher and Commissioners:

We commend you on your efforts to reform transmission service to make more efficient use of the electric grid and to promote grid expansion through regional planning. In the context of that proceeding (Docket No. RM05-25), Western Governors want to ensure you are apprised of our position on conditional firm transmission service and re-dispatch. We understand the Commission held a technical conference on October 12, 2006, and recently solicited additional comments on conditional firm and re-dispatch service in a notice issued November 15, 2006.

We believe conditional firm and re-dispatch are important services to fully utilize the existing transmission grid and to enable new intermittent generation resources to reach markets. Conditional firm transmission service and re-dispatch are important recommendations in the Western Governors' Association's (WGA) Clean and Diversified Energy Initiative. For the benefit of the three new Commissioners, we have included with this letter the WGA policy resolution adopted in June endorsing the final report of the WGA Clean and Diversified Energy Advisory Committee (CDEAC) which recommends implementing conditional firm transmission service and re-dispatch. Also included is the CDEAC report (see wind recommendation at page 14 "Recommendation 2" and transmission recommendation at page 20 "Recommendation 1.a.").

Greater use of the existing transmission system is a necessary complement to the concerted effort of Western Governors to expand the western transmission system. To build the case for transmission expansion, it is important to demonstrate that the existing grid is being effectively utilized. FERC's approval of conditional firm transmission service and re-dispatch will help make this necessary demonstration.


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We look forward to the Commission's final action implementing these important reforms.

Sincerely,



M. Michael Rounds  
Governor of South Dakota  
Chairman



Dave Freudenthal  
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Vice Chairman

Enclosures

WGA Policy Resolution 06-10, *Clean and Diversified Energy for the West*, June 2006  
"Clean Energy, a Strong Economy and a Healthy Environment," Report of the Clean and  
Diversified Energy Advisory Committee