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August 3, 2006

The Honorable Joseph T. Kelliher, Chairman
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

RE: Dockets RM05-25 and RM05-17

Dear Chairman Kelliher:

The Commission's proposed reforms to its Open Access Transmission Tariff rules (RM05-25 and RM05-17), if codified, will help the West achieve its clean and diversified energy goals. As you know, at the Western Governors' Association's meeting in June, Western Governors accepted the extensive recommendations of our Clean and Diversified Energy Advisory Committee (CDEAC). The Commission's proposed reforms comport with several key CDEAC recommendations. The CDEAC process involved 250 stakeholders in the development of advice on how the West can build 30,000 MW of clean energy and improve energy efficiency by 20 percent.

Western Governors codified the CDEAC recommendations in the attached resolution, and we explicitly stated that we "...support reforms in the U.S. Federal Energy Regulatory Commission's Open Access Transmission Tariff to implement the recommendations of the CDEAC that promote (a) regional transmission planning expansion and (b) expanded use of the existing transmission grid by reforming imbalance penalties." We:

- "Encourage proactive, transparent, stakeholder-driven regional transmission expansion planning, defer to existing regional and sub-regional processes that meet such standards",
- Encourage reform of "imbalance penalties to allow for greater use of the existing transmission system" and
- "Encourage regulators, policymakers, utilities, transmission operators and other stakeholders to consider the recommendations identified within the CDEAC report in order to eliminate barriers to greater utilization of clean energy resources across the West."

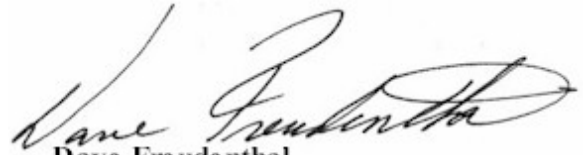
The Honorable Joseph T. Kelliher, Chairman
August 3, 2006
Page 2

The Commission should adopt the reforms it has proposed.

Sincerely,



M. Michael Rounds
Governor of South Dakota
Chairman



Dave Freudenthal
Governor of Wyoming
Vice Chairman

Attachment:

WGA Policy Resolution 06-10, *Clean and Diversified Energy for the West*, June 2006

References:

Final CDEAC report <http://www.westgov.org/wga/meetings/am2006/CDEAC06.pdf>

CDEAC Wind Task Force report <http://www.westgov.org/wga/initiatives/cdeac/Wind-full.pdf>

CDEAC Transmission Task Force report
<http://www.westgov.org/wga/initiatives/cdeac/TransmissionReport-final.pdf>