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The Honorable Spencer Abraham  
Secretary  
U.S. Department of Energy  
1000 Independence Ave., SW  
Washington, D.C. 20585

Dear Secretary Abraham:

We appreciate receiving the Department's February 28, 2002 letter outlining the Administration's position on the electricity provisions of Amendment No. 2917 to S 517.

Specifically, we appreciate the Administration's agreement that granting eminent domain authority to the Federal Energy Regulatory Commission for electric transmission is "off the table" for now. We are also particularly encouraged that the Administration endorses the language supported by the North American Electric Reliability Council and by Western governors on electric system reliability (Section 207).

Western governors do not support provisions that would pre-empt historic state authorities over electric power decisions. We believe that savings clauses, such as that included in the bill regarding real-time pricing (Section 241), are excellent elements of the bill, and that similar language should appear wherever state powers may be pre-empted, for example, with respect to interconnection standards (Section 205), treatment of intermittent generators (Section 209) and net metering (Section 245). Furthermore, we support consumer protection and providing consumers with information, but we are concerned that the provisions of the bill could be used to find effective state programs "inconsistent" with Federal Trade Commission rules (Section 256). The examples of pre-emption provided here are not exhaustive, and we encourage you to continue to help us identify and correct such incursions into traditional state authorities.

We would also like to clarify our views on information to enable electricity markets to work efficiently. Western governors support efforts to ensure the timely availability of information on power flows, loads, transmission, and generation where necessary for ensuring the adequacy, efficiency and reliability of the grid.

