



WESTERN
GOVERNORS'
ASSOCIATION

Western Governors' Association Policy Resolution 08-02

Transportation Fuels for the West: A Roadmap for Energy Security and Improving the Environment and the Economy

A. BACKGROUND

1. The Western Governors have placed a high priority on forming energy policies that can lead to the rational development of the Western region's full range of energy resources to support the nation's need for domestic energy. Transportation fuels are the major component of the Western region's energy consumption, and the region, like the nation, relies on petroleum for approximately 95 percent of that fuel.
2. While our demand for transportation fuels has grown unabated over the last 30 years, we have made little progress in alternative fuels (see list in paragraph A.7) or increasing vehicle fuel efficiency. At the same time, our domestic production has been unable to keep pace with the nation's increasing demand, doubling our dependency on imported petroleum from 30 percent in 1970 to over 60 percent today. Much of that supply is imported from nations that are fragile at best, and often hostile to the United States.
3. Our near-total dependence on petroleum for transportation fuels is of grave concern to consumers, businesses and government. This dependence makes Western states vulnerable to limited refinery capacity, supply shortages and price spikes, in addition to its overarching impacts on national security, the environment and the economy.
4. Western states exhibit attributes that an alternative transportation fuel policy must take into account. Some present opportunities; others, challenges:
 - The Western states are in position to become key producers and beneficiaries in the emerging alternative-fuels economy. We have abundant resources that have great potential as domestic sources for transportation fuels.
 - Our transportation issues are unique. The vast distances that exist between our metropolitan and rural areas – as opposed to more densely populated areas of the country – make it imperative that we have an ample and affordable supply of fuels to maintain our economies.
 - Similarly, water availability and quality, air quality, land use including habitat protection, and feedstock supplies are of great concern to all Western states, and careful consideration of these issues is critical as we transition to clean, alternative fuels and more fuel-efficient vehicles.
5. By working together and leading this transition, Western states can achieve ambitious goals more rapidly than through individual efforts.

6. Recognizing the risks to our energy security, environment and economy posed by near total dependence on petroleum for conventional transportation fuel, Western Governors launched the “Transportation Fuels for the Future” initiative through a resolution in 2006. Representatives of the lead Governors from California, Montana, Oklahoma, South Dakota, Utah, and Washington served as a steering committee overseeing the initiative.
7. The Western Governors’ Association (WGA) formed an Advisory Committee comprising Governors’ representatives, transportation experts and stakeholders. Technical teams examined the opportunities and challenges to increasing vehicle fuel efficiency and developing and expanding the use of alternative fuels, including: biofuels (ethanol, biomethane/biogas, etc), biodiesel and renewable diesel, electric propulsion, coal-to-liquids fuel, hydrogen, natural gas and propane. The Advisory Committee reviewed each team’s report and produced an overarching policy roadmap, the *Transportation Fuels for the Future: A Roadmap for the West*. The policy roadmap and detailed team reports identify what is technically and economically feasible and what is needed to increase the usage of alternative fuels to significantly reduce our dependence on petroleum and to develop and deploy efficient vehicle technologies as rapidly as feasible.

B. GOVERNORS’ POLICY STATEMENT

1. Western Governors accept the Transportation Fuels for the Future report with commendation to the many individuals, organizations and staff that have made it a successful endeavor. The effort has been productive, collaborative and promises to be influential.
2. Western Governors agree to draw from the Transportation Fuels for the Future report’s recommendations those recommendations that fit the unique aspects of their individual states and advocate for energy policy changes at the federal and regional levels and in their respective states, as appropriate.
3. The Governors understand their role in promoting an alternative transportation fuel sector in the West and will consider the effectiveness of adopting the following programs within each of their states:
 - Promoting fuel and transportation system efficiency and encouraging the public to value fuel efficiency by emphasizing it in themes and messages and by setting a positive example with their own choices and the state fleets.
 - Procuring alternative fuel vehicles for state fleets and ensuring that the vehicles use alternative fuels.
 - Creating partnerships for alternative fuel vehicles and alternative fuel use between public and private fleets.
 - Identifying critical research needs and seeking funding to turn universities into centers of excellence on alternative fuels technologies, vehicle fuel efficiency and transportation-related climate change and environmental improvement.
 - Supporting and coordinating feedstock research to include higher yielding and new production opportunities, conversion and transportation.

- Providing information and undertaking alternative fuels demonstrations to gain experience, generate data, and evaluate options.
 - Reducing fuel use by encouraging urban and community planners to consider mass transit transportation and other beneficial planning options that can reduce petroleum usage.
 - Promoting alternative fuels and vehicle technologies, many of which have petroleum reduction, reduced criteria pollutant, and GHG emissions benefits.
4. Western Governors will consider the following actions within each of their states and will look for opportunities to gain synergies and efficiencies by working regionally to:
- Develop an alternative fuels sector workforce to meet the needs and opportunities in the future.
 - Create opportunities for alternative fuel feedstocks by using biomass waste streams including forest and agricultural residues, urban wood and green waste, manure, sewage sludge, landfill gas, and other appropriate sources.
 - Support the development of infrastructure needed for an alternative fuels future including feedstock transportation, fuel storage and distribution, and fueling facilities.
 - Encourage research and adoption of policies that promote sustainability of the environment, land, water, air and natural resources in the transition to an alternative fuel based economy.
 - Work with industry to bring to market vehicles that are affordable, fuel efficient and capable of using alternative fuels.
 - Support a dedicated funding stream for demonstration and deployment of alternative fuels.
5. The Western Governors recognize the value of setting measurable goals to chart a state or region's progress in integrating alternative fuels into the transportation fuel pool. Accordingly, each state will consider establishing state-specific goals optimizing benefits to the state based on the unique aspects of the state, and measure accomplishments for the following:
- Total research and development spending on alternative fuel options.
 - Number of pilot and demonstration scale projects being developed in the state by a specific future year.
 - Percent of conventional fuels consumed within the state that will be displaced by alternative fuels by a specific future date. (This can include the amount and type of blends deemed most appropriate for a state.)
 - Percent of state fleet vehicles with increased vehicle fuel efficiency and use of alternative fuels.
 - Quantifiable improvements in vehicle fuel and transportation system efficiency within the state.
 - Quantifiable goals for transportation fuel that will be produced from alternative sources within the state by a specific future date.

- Amount of reduction in criteria and greenhouse gas emissions attributed to alternative fuel use and vehicle fuel efficiencies.
6. Recognizing the critical role of the federal government in stimulating technological change, Western Governors encourage:
- Funding federal research development and demonstrations in feedstocks; biofuel conversion technologies; electric vehicle battery technology; gaseous fuel storage technology; hydrogen production, distribution, and storage; and carbon capture and sequestration.
 - Continuing and extending federal alternative fuel and efficient vehicle tax credits.
 - Continuing assistance programs for feedstock and alternative fuel production such as low interest loans and other fiscal and economic incentive mechanisms.
7. Western Governors will work with the federal government as they pursue the above and implement the new vehicle fuel economy standards, alternative fuel utilization goals, the federal Renewable Fuels Standard and the development of biofuels standards. The Governors will work with EPA to ensure the states are not preempted from developing more stringent state and regional programs that can be state and regionally specific.
8. Because of the environmental benefits of production and utilization of alternative fuels, Western Governors will work together regionally to:
- Promote a common fuel life cycle analytic methodology to evaluate greenhouse gases and land, air, and water impacts.
 - Develop a regional framework for a performance-based greenhouse gas standard for transportation fuels such as a low-carbon fuel standard. Recognizing the states' diverse needs, circumstances and views on greenhouse gas emissions, states will need to have the flexibility to calculate the life-cycle emission metrics for fuels produced in their region and decide whether to adopt a state or regional standard.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. Western Governors direct the WGA staff to encourage and assist the states and work toward federal adoption of the policies supported in this resolution. Increasing the development, production and use of alternative fuels and improving vehicle fuel efficiency remain a high priority for the Western states.
2. The Western Governors will assist, as available and appropriate, with the development of regional or interstate policies and projects that are consistent with this resolution.
3. Western Governors direct the WGA to pursue mechanisms to assist the Governors in enacting policies that achieve transportation fuels' goals and report back to the Governors not later than the summer 2009 meeting. These mechanisms should include:
 - Convening stakeholders to work through issues, as necessary;

- Accessing a clearinghouse of information on adopted policies, programs and practices;
 - Collaborating with the states as they develop plans to increase alternative fuels production and use and to improve vehicle fuel efficiency;
 - Measuring and reporting of progress in developing and using alternative fuels and reducing greenhouse gas emissions;
 - Assisting, facilitating and coordinating feedstock resource identification and development through regional efforts;
 - Regularly collaborating with existing regional policy organizations including WGA affiliates such as the Western Interstate Energy Board, Western Regional Air Partnership, and Western States Water Council; Western Climate Initiative; Governors' Ethanol Coalition; National Biodiesel Board; and other entities to develop and implement regional transportation fuels policies and actions.
4. The Western Governors direct the WGA staff to work with the Western states, private sector, and federal agencies such as the Environmental Protection Agency, U.S. Departments of Energy, Agriculture, Interior and Defense to identify opportunities to pursue the Advisory Committee's recommendations for vehicle fuel efficiency, biofuels, electricity, hydrogen, natural gas and propane, in addition to the alternative recommendations on coal-to-liquid fuels. WGA staff will work with WGA Staff Council in considering opportunities.
 5. Western Governors will establish a Council of their representatives to oversee the implementation of this resolution. Additionally, they direct WGA to seek funding to help pay the costs of implementing the Advisory Committee regional recommendations.
 6. WGA is directed to post this resolution on its Web site to be referred to and transmitted to the Chairmen and Ranking Members of the Senate Energy and Water, and Related Agencies Appropriations Subcommittee and the House Energy and Water Development, and Related Agencies Appropriations Subcommittee. The resolution should also be transmitted to the Administrator of the Environmental Protection Agency and Secretaries of Energy, Agriculture and Defense, and other agencies as appropriate.