

**Western Governors' Association
Policy Resolution 09-1**

Energy Policy, Renewable Energy and Transmission for the West

A. BACKGROUND

1. In June 2006 the Western Governors adopted Resolution 06-10, *Clean and Diversified Energy for the West*.
2. This resolution included a series of recommendations to meet the objectives of adding 30,000 megawatts of clean energy to the West by 2015, increasing energy efficiency by 20% by 2020, and providing 25 years of secure, reliable transmission.
3. Since the adoption of the resolution, the Western Governors have been working on implementing plans and programs to achieve the objectives, especially in the areas of renewable energy and transmission development.

Energy Policy

4. The governors have previously adopted resolution 07-16 *Transitioning the West to Clean Energy and Energy Security*. This resolution contains WGA policy with regard to adoption of a federal renewable portfolio standard.
5. The governors believe that the United States must:
 - a. Promote a more efficient use of energy throughout the economy;
 - b. Reduce greenhouse gas emissions on a scale necessary to contribute to climate stabilization;
 - c. Maximize the economic development opportunities offered by clean energy;
 - d. Ensure that energy costs are affordable for consumers and support a sustainable, growing economy;
 - e. Increase the proportion of our energy supplies that come from domestic resources and friendly trading partners;
 - f. Minimize any adverse environmental impacts associated with energy development and use.
6. The governors also believe:
 - a. Energy security is essential; both energy efficiency to reduce demand and a diversity of energy sources and technologies must be part of the solution.
 - b. Climate change is happening, so we must reduce our greenhouse gas emissions immediately and adapt to changes that cannot be avoided.
 - c. A clean energy economy should focus on economic prosperity, environmental sustainability and energy affordability.
 - d. A National Energy Policy must consider that global and domestic energy demand and prices are increasing.

- e. Energy delivery infrastructure development and expansion are needed to avoid supply interruptions and promote increased development of and accessibility to renewable and other clean energy sources.
 - f. Transportation energy and emissions should be addressed as a system, including vehicles, fuels and transportation demand.
 - g. Energy development must be done in an environmentally responsible manner.
 - h. A comprehensive national framework should include clear and measurable goals, an aggressive timeframe for implementation, and certainty in how solutions will be implemented.
 - i. Substantial, long-term national commitment to investment in energy technology and infrastructure is needed, in the same way our nation made a commitment to put a man on the moon.
7. In resolution 07-16, the Western Governors also recognized the significant role traditional and renewable resources such as oil, natural gas, coal, nuclear, hydropower, wind, solar, geothermal, and biomass have played and will continue to play in achieving future energy demand.
8. Nuclear energy currently provides 20 percent of the nation's electricity and 10 percent of the electricity within the WGA states. Nuclear energy is a baseload source of electricity and does not produce greenhouse gases, ozone, haze, or mercury. For new nuclear power facilities to be built, a range of issues associated with cost, safety, waste disposal, non-proliferation, and natural resource requirements must be taken into consideration and properly addressed.

Western Renewable Energy Zones, Electricity and Transmission

9. Many of the best renewable energy sources exist in areas where transmission is not available. Renewable energy experts agree that the greatest impediment to more rapid expansion of renewable energy is the availability of transmission.
10. Many of the Western states have renewable portfolio standards requiring that renewable energy constitute a certain portion of total electricity generation. Identifying the best renewable energy zones and determining how best to provide transmission will be a key element in meeting the renewable portfolio standards.
11. In April 2008, the Western Governors kicked off the Western Renewable Energy Zones Project to identify the richest and most developable renewable resource areas in the Western Interconnection, and to facilitate development of transmission lines from those areas to load centers.
12. The development and transmission of renewable generation in the West will require greater coordination among federal agencies in the timely processing of permit applications for development of renewable resources and transmission on federal land. Federal agencies should give priority to applications for rights-of-way for transmission and generation from areas with high-quality renewable resources.

13. The governors have previously stated in a letter to the Congress that transmission lines should be correctly sized to optimize the capacity of new electric transmission lines to areas with large amounts of location-constrained, low-carbon generation.

B. GOVERNORS' POLICY STATEMENT

Energy Policy

1. The governors agree that the principles outlined in Resolution 07-16 pertaining to the adoption of a federal renewable portfolio standard remain in effect.
2. The governors call on the federal government to establish an aggressive and achievable national greenhouse gas emissions reduction goal that will put the United States on a path to contribute to global climate stabilization.
3. The governors call on the federal government to propose a mandatory national system for reducing greenhouse gas emissions that makes maximum use of market-based mechanisms. Revenue raised should support the energy policy principles in this resolution and not be used as a means of sustaining or expanding general governmental operations.
4. The governors call on the federal government to aggressively pursue a national energy efficiency program to reduce existing and future energy demand and thereby reduce greenhouse gas emissions.
5. The governors call on the federal government to establish an oil import reduction goal that strengthens energy security and independence. Since nearly 90% of oil is used for transportation, propose a plan that:
 - a. Brings more fuel efficient and near-zero emission vehicles into the market;
 - b. Increases the supply of domestically produced, low-carbon fuels;
 - c. Minimizes the economic and technological uncertainties inherent in deploying high efficiency vehicles and developing and using nonpetroleum transportation fuels; and
 - d. Reduces vehicle miles travelled and increases mass movement of people and goods.
6. The governors call on the federal government to create a substantial, long-term national public investment on the scale of tens of billions of dollars annually, and encourage at least the same investment from the private sector, to support the kind of basic and applied research and deployment of clean energy technology and infrastructure that will result in:
 - a. Near-zero greenhouse gas emissions from new coal-fired electricity generation in 10 years and from existing generation no later than 2030;
 - b. Increased energy from wind, solar, geothermal, hydro, and biomass resources;
 - c. Expansion and upgrade of the electricity transmission grid and storage capabilities;
 - d. Advanced vehicle and battery technologies and alternative transportation fuels; and

- e. Next generation energy efficiency technologies and practices.
- 7. The governors call on the federal government to ensure affordability for lower income energy consumers through energy efficiency and cost assistance programs.
- 8. The governors call on the federal government to provide for workforce development and clean energy jobs, adaptation to climate change impacts, reduced consumer impacts, particularly for low-income consumers, and transition assistance to industries.
- 9. Nuclear energy is a baseload source of electricity and does not produce greenhouse gases, ozone, haze, or mercury. For new nuclear power facilities to be built, a range of issues associated with cost, safety, waste disposal, non-proliferation, and natural resource requirements must be taken into consideration and properly addressed.
- 10. The Western Governors acknowledge individual state efforts to develop new-generation nuclear energy and renewable energy facilities in the West.
- 11. The Western Governors support the development of a safe, reliable long-term solution to the management of used fuel. Until a long-term solution is achieved, the used fuel should continue to be safely and securely stored onsite at the existing nuclear power generation facilities.
- 12. The Western Governors also support the expansion of the federal loan guarantee program to allow future private-sector investment and high-quality jobs for new nuclear projects.

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- 13. The governors agree to accept the Western Renewable Energy Zones Phase 1 Report and look forward to the continuation and completion of the project.
- 14. The governors agree that renewable development should be supported in those areas that have the least impact on wildlife, the environment, and cultural and historical sites. Ongoing research on interactions between renewable energy transmission development and wildlife should be supported.
- 15. The governors agree that the West needs a robust public process for developing alternative scenarios for the future of the Western electric power system and that the Western Interconnection needs more comprehensive analysis by the Western Electricity Coordinating Council of the transmission needs associated with those scenarios. The governors agree that the WGA should work with the WECC to study the transmission additions needed to accommodate a variety of potential future scenarios (e.g., large penetration of plug-in vehicles, major cost reductions for renewable generation, major advancements for electricity storage technology, carbon pricing schemes). The states would approve transmission plans associated with this scenario analysis.
- 16. The governors call for the federal government to pay for the differential cost of correctly sizing viable transmission projects to areas with large amounts of renewable resources. In exchange for financing the incremental cost of a new line, the federal government would receive the increased transfer capacity, which it could then sell as demand increases.

17. The governors call for the federal government to refocus the designation of energy corridors on federal lands (Section 368 of EPAct) to those transmission corridors that will allow us to tap areas with large amounts of geographically constrained, low-carbon resources. The governors' further call for the federal government to revise the Section 368 energy corridors based on the outcomes of the Western Renewable Energy Zones project.
18. The governors call for federal agencies to coordinate among themselves, prioritize any analysis necessary to obtain permits on federal lands for renewable projects and transmission development, and to complete those analyses as quickly as possible under federal law for all areas identified as renewable energy zones by the WGA WREZ project, and those transmission corridors identified as critical to moving electricity from those zones to load centers. All reviews should be conducted in coordination with similar state reviews.
19. The governors call for FERC, DOE, and the federal land management agencies to use the plans approved by the governors when:
 - FERC grants incentive rates of return for proposed transmission lines.
 - DOE and FERC exercise responsibility for backstop siting of lines to high quality REZs.
 - Federal land management agencies redo the designation of corridors on federal lands under Section 368 of EPAct to reflect the results of the WREZ project.
 - Federal land management agencies prioritize action of right-of-way permits.
 - DOE through BPA and WAPA allocates stimulus funds for transmission.
 - New federal funds are made available for transmission development
20. The governors agree that the use of federal backstop siting authority should only be used for large lines that go to high quality renewable energy zones and should not include "feeder lines."
21. The governors agree to study options for providing equitable cost recovery mechanisms for regionally generated renewable power throughout the West.
22. The governors agree that renewable development should be supported in those areas that have the least impact on wildlife and the environment. Ongoing research on interactions between renewable energy transmission development and wildlife should be supported.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Western Governors direct WGA staff to work with Congress, the Administration, and other appropriate entities to implement the policies contained in this resolution.
2. The Western Governors direct the WGA staff to continue to implement the Western Renewable Energy Zones initiative and to report on the progress of the initiative at the next scheduled meeting.

3. The Western Governors direct the WGA staff to work with the federal government as necessary to create and implement a long-term, comprehensive-energy policy that ensures we move toward affordable and environmentally responsible energy security and independence.
4. The Western Governors direct the WGA staff to work with the WECC to establish future transmission scenarios.
5. The Western Governors direct the WGA staff to work with Congress to extend the duration and amount of the U.S. Department of Energy's (DOE) existing federal loan guarantee program and to expedite the issuance of loan guarantees in all energy sectors.