

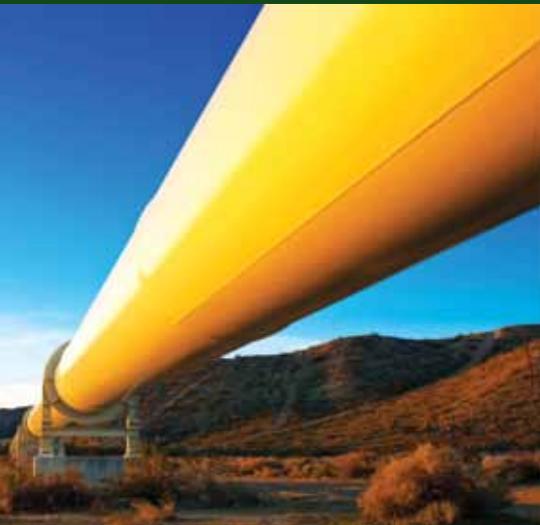


WESTERN GOVERNORS' ASSOCIATION

10-YEAR ENERGY VISION

GOALS & OBJECTIVES

JUNE 2013





WESTERN
GOVERNORS'
ASSOCIATION

10-YEAR ENERGY VISION

GOALS & OBJECTIVES

The views expressed herein do not reflect the views of any one Governor but rather the broad views of Western Governors.

The Western Governors' Association is an independent, nonprofit organization representing the Governors of 19 states and three US-Flag Pacific islands. Through their Association, the Governors identify and address key policy and governance issues that include natural resources, the environment, human services, economic development, intergovernmental relations and international relations.



GARY R. HERBERT
Utah Governor

WGA Chairman

Dear Friends of the West,

The Western United States plays a critical role in meeting our nation's energy needs. From conventional fuels to renewable energy, the West's resources provide the majority of the United States' energy supply. These resources are good news for the West and its residents. They also present a challenge: Can the Western states create an approach to development that delivers energy in a way that is secure, affordable and respects the environment?

In order to address that concern, my colleagues and I at the Western Governors' Association (WGA) created this *10-Year Energy Vision*, which articulates the overarching goals of Western energy policy and emphasizes the critical importance of having an effective federal-state partnership.

Many governors in the West have developed energy plans for their states. While sharing a number of common principles, these plans are distinct, reflecting differing values and conditions. This *10-Year Energy Vision* illustrates that despite diverse geography, resources and politics, the WGA has been able to coalesce around specific goals.

The *10-Year Energy Vision* is one of three projects Western Governors created with regard to our year-long focus on energy. We have also published *The State of Energy in the West*, a survey of the West's vast energy resources, and *Energy Perspectives*, a collection of essays by Western governors and Canadian premiers on their specific energy plans.

We hope that Congress and the Obama Administration are able to follow this example of bipartisan cooperation in order to address energy on a national scale. Western Governors consider the *10-Year Energy Vision* a first step toward a blueprint for the entire country to help create an energy policy that promotes economic growth while protecting our valued natural and environmental resources.

Sincerely,



PREAMBLE



The Western states, well known as the country's energy breadbasket, play a key role in keeping America's economic engine operating. That wealth of energy resources has moved many Western states to develop plans that guide future energy use and development.

The Western Governors believe that, in addition to the state plans, it is valuable to have a regional energy vision. This vision does not supplant the state plans, but recognizes there are many issues and concerns common to the states or regional in scope. The vision provides overarching goals and objectives that can guide the states as they consider individual energy policies and programs.

Western Governors recognize that not every state approaches energy use and development in the same way, but the governors remain committed to

seeing states develop policies and use their energy endowments to the greatest advantage.

The Western Governors' *10-Year Energy Vision* contains six energy goals on which the governors all agree: achieving energy security; generating clean, affordable and reliable energy from a diversified portfolio of energy sources; increasing energy efficiency; having sufficient and reliable infrastructure; protecting wildlife, the environment and natural resources, and making the West the leader in energy education and innovation.

The *10-Year Energy Vision* represents an important step toward securing a clean, affordable and reliable energy future in the West and the entire country. The individual efforts of the states combined with the leadership and commitment of Western Governors will continue to advance the West as the energy source of the country.

INTRODUCTION



Energy policy and the development of energy resources are major priorities for every governor in the Western Governors' Association.

The Western Governors recognize that the vastness of Western energy resources, from minerals to renewables, puts them in a unique position to develop broad, regional energy policies that do not impede the ability of individual states to develop energy portfolios that meet their respective needs. The Western states have the resources to drive job creation and economic development through broad energy industry growth. Western states have challenges and opportunities associated with energy production and consumption, the costs and benefits of which must be considered in policymaking. Western Governors are committed to developing energy policies that will promote both economic growth and environmental protection.

The extraction of conventional resources in states such as North Dakota, Colorado and Wyoming has created economic growth. The contribution of renewable energy sources such as solar, wind and geothermal in states including California, Arizona and Nevada has shown the potential for expanding that energy portfolio. Technological innovations continue to drive advances in resources such as hydropower and nuclear. It is clear that the region's vast energy wealth will remain critical to the country's economic growth.

The Western Governors recognize the potential of leveraging energy resources to promote economic growth. The governors believe the approach must be comprehensive, with energy choice and industry growth based on the different resource endowments across the states and individual state policies. As each state works to promote the utilization of its energy resources in a fashion best suited to its population, a well-diversified regional energy development portfolio will emerge. This process will lead to the creation of numerous jobs across a variety of skill sets and educational backgrounds. This employment growth will create everything from well-paying manufacturing jobs suited to the skills of workers displaced by globalization to technical and professional

careers for recent graduates struggling to find employment in a sluggish economy.

The *10-Year Energy Vision* recognizes that an “all-of-the-above” approach to planning our energy future for the West is most advantageous. Western Governors believe that resources should compete freely in the marketplace, but based on the policies and needs of its member states.

The Western Governors' Association *10-Year Energy Vision* has a number of important purposes. It lays out the overarching goals of Western energy policy: energy security, affordability and reliability, environmental protection, energy efficiency, and a robust energy delivery system, as well as educational and technological development. It also emphasizes the critical importance of having an effective and genuine federal-state partnership

The governors believe the 10-Year Energy Vision is a first step to developing detailed energy strategies for implementing the Vision's goals and objectives.

in energy development, lands management and environmental protection. Its companion document, *The State of Energy in the West*, provides detailed background on energy resources and consumption in the West and illustrates the importance of the region in achieving energy security for the United States.

Most importantly, the *10-Year Energy Vision* provides regional energy objectives the governors can adopt to ensure that future development is done responsibly and in the best interest of the West's citizens. The governors believe this regional vision can serve as a blueprint to guide a national energy policy that promotes economic growth while protecting our valued natural and environmental resources.



THE GOALS

Goal 1

Put the United States on a path to energy security

Goal 2

Ensure energy is clean, affordable and reliable by providing a balanced portfolio of renewable, non-traditional and traditional resources

Goal 3

Increase energy productivity associated with electricity and natural gas

Goal 4

Establish an energy distribution infrastructure (electricity transmission and pipelines) planning, siting and permitting system that facilitates the development of necessary infrastructure while maintaining wildlife, natural resource and environmental protection

Goal 5

Protect Western wildlife, natural resources and the environment

Goal 6

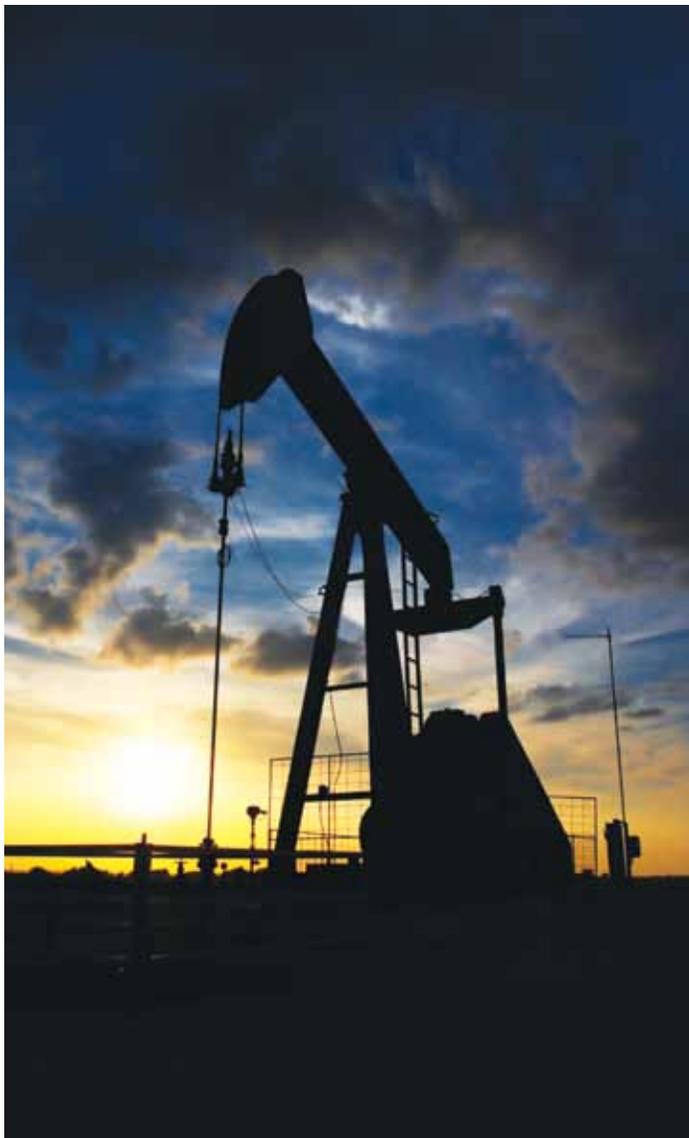
Make the West an international leader in energy education and the development of new energy technologies

Put the United States on a path to energy security

Energy security means being able to meet all domestic energy needs from clean, affordable and reliable North American sources. Given the vastness of the West's traditional, non-traditional and renewable resources, reaching energy security is fully achievable. Western Governors believe there are actions that will put the West, and ultimately the nation, on a path to energy security.

In order to accomplish this goal, the Western Governors agree to encourage policies that ensure a clean, affordable, reliable energy supply for citizens, business and industry, power generation, transportation and the military. Toward that end, the Governors support the following objectives:

- **Reduce non-North American oil** imports by increasing North American production, fuel efficiency, and alternative fuels and related infrastructure sufficient to displace oil from unstable foreign sources.
- **Prioritize energy efficiency** and conservation investments.
- **Ensure there is sufficient** domestic natural gas to meet existing and new market demand.
- **Recognize the continued importance** of Western renewable (wind, solar, biomass, biofuels, geothermal, hydropower), nuclear, coal and natural gas resources, and the power generation facilities that utilize those resources.
- **Modernize and upgrade** transmission and pipeline infrastructure.
- **Work with the Department of Defense** to meet their national security mission by ensuring safe and secure on-site and/or off-site energy generation for key defense installations.
- **Encourage responsible development** of energy resources and infrastructure on our nation's vast public lands.



Ensure energy is clean, affordable and reliable by providing a balanced portfolio of renewable, non-traditional and traditional resources

The Western Governors believe that the marketplace should drive the portfolio of traditional, unconventional and renewable energy sources that maintain system reliability, limit rapid rate increases and avoid system outages. At the same time, the Governors believe that competition in the marketplace should be fair for all resources and based on the idea that development should be environmentally sound. Toward that end, the Governors support the following objectives:

- **Create a clear and transparent** process for regulation and permitting on federal lands, coordinated among well-trained and adequately funded federal, state and local agencies, with the permitting and review time for projects cut to three years without sacrificing wildlife, natural resources or environmental values.
- **Increase the efficiency** of existing hydropower systems and increase the amount of hydropower generated from new hydroelectric facilities (including small, irrigation and flood control dams).
- **Restore financing** for the geothermal exploration program financed by the Department of Energy, along with a sustained research program designed to achieve enhanced geothermal systems production.
- **Encourage the federal government** to identify and approve permanent solutions for the long-term storage of spent nuclear fuel and nuclear waste.
- **Find ways to accelerate** the introduction of small modular reactors into the marketplace.
- **Encourage the addition** of renewable, low-carbon and clean electricity generation, including utility-scale and distributed generation.



Increase energy productivity associated with electricity and natural gas

Stopping waste and using resources wisely is the cornerstone of any energy strategy. While a great deal is being done by state and local governments, utilities, households and businesses to realize the economic, comfort and other benefits offered by improved efficiency, there are still substantial gains to be made. Toward that end, the Governors support the following objectives:

- **Support and enhance** cost-effective utility energy efficiency programs to deliver electricity and natural gas savings, including rate decoupling.
- **Encourage jurisdictions** to retrofit part of the current inventory of homes and commercial buildings in the West with state-of-the-art energy efficiency technology.
- **Improve the energy efficiency** of new residential and commercial buildings by encouraging adoption and implementation of state-of-the-art building energy codes and programs that stimulate new construction that exceeds minimum energy codes.
- **Reduce industrial energy intensity** using tools such as demand-side management, variable pricing and combined heat and power.
- **Establish annual WGA awards** for businesses and industries that show exceptional leadership on energy efficiency.



Establish an energy distribution infrastructure (electricity transmission and pipelines) planning, siting and permitting system that facilitates the development of necessary infrastructure while maintaining wildlife, natural resource and environmental protection

The presence of a robust and reliable system that delivers low-cost energy is vital. Maintenance and expansion of this infrastructure is a key to the economic well-being of the West and quality of life for its citizens. Upgrading and building new transmission and pipeline infrastructure is critical to enabling the development of remote energy sources throughout the West and for ensuring a reliable source of electricity and natural gas. Toward that end, the Governors support the following objectives:

- **Ensure that interconnection-wide transmission planning** is done publicly, at an interconnection-wide level, with the full participation of the states and with consideration of state energy policies.
- **Identify ways of increasing cooperation** on interstate projects and evaluate tools that can facilitate cooperation such as interstate compacts.
- **Reduce the time it takes to process** completed applications for project permits on public land to no more than three years, without compromising on natural resource, wildlife or environmental values.
- **Modernize and improve grid reliability** by working with regional reliability organizations, utilities, developers and public utility commissions.
- **Maintain state and local decision-making authority** over transmission line siting and permitting.
- **Strongly encourage**, in the absence of private property owners willing to grant easements, federal agencies to allow the placement of electrical transmission lines on public land to the greatest extent possible.
- **Create functional partnerships** between states, federal agencies and local jurisdictions to address conflicts and recommend respective solutions across all land agencies and regions, regardless of infrastructure type.
- **Ensure that all federal pipeline safety measures** are implemented quickly and efficiently.



Protect Western wildlife, natural resources and the environment

Western states have long assumed a stewardship role for the natural environment, developing model regulations while working across state lines to protect air, land, wildlife and water. Governors recognize it is critical to strike a balance in all activities and adapt regulation according to changing markets and technologies. Western Governors are committed to ensuring that energy development is done in an environmentally responsible manner. Toward that end, the Governors support the following objectives:

- **Strive to reduce emissions of greenhouse gases**, which could include promoting an increase in energy technologies and sources that lower greenhouse emissions, with the long-term objective of making all energy technologies affordable and operating on an equal playing field regarding regulations, tax incentives and other factors.
 - **Continue advancing air and water quality improvements** and plans in each state and across state lines.
 - **Foster environmental cooperation** that protects the state-federal partnership, provides for sustainable environmental protection, is nimble, acknowledges the environmental gains supported by economic progress, and ensures that state governments play a key role in regulation.
- 
- A photograph of two mountain quails standing in a lush green field. The quails have brown and white plumage with distinctive dark, spiky tail feathers. The background is a soft-focus landscape with rolling hills under a clear sky.
- **Encourage technologies** that reduce water consumption and achieve a balance between water consumption for traditional activities (drinking water, agriculture, habitat conservation/restoration) and development of new energy resources.
 - **Achieve a balance** between the responsible development of energy projects and wildlife conservation.

Make the West an international leader in energy education and the development of new energy technologies

Creating broad public acceptance of a common set of impartial facts and scientific evidence will make it easier to create effective energy policy. We must also realize that the advancement of technology will play a critical role in realizing a clean energy future. Toward that end, the Governors support the following objectives:

- **Tap into the vast expertise** housed in the West's industry, academic institutions and national laboratories to make the West an international hub for new energy technology research and development, as well as energy education.
 - **Encourage the Department of Energy** to support research, development, demonstration and deployment of advanced energy technologies.
 - **Create public-private research and development partnerships** among industry, academia, the national labs, Department of Energy, Environmental Protection Agency and the Department of Defense to identify promising new technologies, including innovative energy efficiency technologies, and especially those that can advance clean energy with a smaller footprint.
 - **Encourage increased support** of training in energy-related fields, while ensuring there is an adequate workforce operating under the highest safety standards.
- 
- **Ensure the public is educated** on how energy is the basis of a high standard of living and quality of life, that there are trade-offs for all types of energy development and consumption, that we need not choose between a healthy environment and a thriving economy, and that federal policy on public lands impacts energy and infrastructure development. Recognize that an informed and educated consumer drives attainment of energy policy objectives in the marketplace.

THE GOVERNORS

Alaska

Gov. Sean Parnell

American Samoa

Gov. Lolo Matalasi Moliga

Arizona

Gov. Jan Brewer

California

Gov. Edmund G. Brown Jr.

Colorado

Gov. John Hickenlooper
WGA Vice Chairman

Guam

Gov. Eddie Calvo

Hawaii

Gov. Neil Abercrombie

Idaho

Gov. C. L. "Butch" Otter

Kansas

Gov. Sam Brownback

Montana

Gov. Steve Bullock

Nebraska

Gov. Dave Heineman

Nevada

Gov. Brian Sandoval

New Mexico

Gov. Susana Martinez

North Dakota

Gov. Jack Dalrymple

Northern Mariana Islands

Gov. Eloy Inos

Oklahoma

Gov. Mary Fallin

Oregon

Gov. John Kitzhaber

South Dakota

Gov. Dennis Daugaard

Texas

Gov. Rick Perry

Utah

Gov. Gary R. Herbert
WGA Chairman

Washington

Gov. Jay Inslee

Wyoming

Gov. Matt Mead

ACKNOWLEDGEMENTS

WGA Energy Program Director Rich Halvey, along with Energy Intern Andrew McAfee, worked closely with Western Governors and the WGA Staff Council to create the *10-Year Energy Vision*. The Staff Council is comprised of the chief of staff or top policy advisor for each governor. The council includes:

Alaska

Mark Robbins

American Samoa

Joseph Pereira

Arizona

Kevin Kinsall

California

Wade Crowfoot

Colorado

Doug Young
SAC Vice Chair

Guam

Rick Perez

Hawaii

Kendra Oishi

Idaho

John Chatburn

Kansas

Landon Fulmer

Montana

Tim Baker

Nebraska

Lauren Kintner

Nevada

Ryan McGinness

New Mexico

Janel Anderson

North Dakota

Jason Nisbet

Northern Mariana Islands

Angel A. Demapan

Oklahoma

Denise Northrup

Oregon

Richard Whitman

South Dakota

Jim Soyer

Texas

Dan Wilmot

Utah

Alan Matheson, Jr.
SAC Chair

Washington

Sam Ricketts

Wyoming

Shawn Reese

10-Year Energy Vision Layout and Design

Brian Clark



WESTERN
GOVERNORS'
ASSOCIATION

1600 Broadway • Suite 1700
Denver, CO 80202
303.623.9378

www.westgov.org