



WESTERN RESOURCE
ADVOCATES

Western Governors' Association Clean and Diversified Energy Initiative

Wind Powering America Summit
Midwest Regional Breakout Session
June 7, 2007

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Western Resource Advocates

- Regional non-profit working to protect the environment of the Interior West
- Founded in 1989
- Headquartered in Boulder, Colorado
- WRA'S Energy Program
 - Advocates for sustainable energy policies in the region
 - Active in six states – AZ, CO, NV, NM, UT, and WY
 - Works primarily in state and regional forums
 - Focus is electric power industry





Overview

- Background
- Findings and Policy Recommendations
- The Coal Controversy
- Lessons Learned



April 2004 North American Energy Summit

- Initiated by Governors Richardson and Schwarzenegger
- Western Governors make clean energy a priority issue for the first time
- 700 people attend – clean energy community well represented



June 2004 Governors' Clean Energy Resolution

- Sets objective to increase the contribution of renewable energy, energy efficiency, and clean energy technologies within the context of the overall energy needs of the West.
- **Establishes four important goals**
 1. Add 30,000 megawatts of clean energy by 2015
 2. Increase energy efficiency 20% by 2020
 3. Meet transmission needs over the next 25 years
 4. Better position the Western energy system to respond to new environmental challenges, including potential limitations on emissions.



Clean and Diversified Energy Advisory Committee

- Clean and Diversified Energy Advisory Committee (CDEAC) formed to:
 - Assess economic and technical feasibility of the goals
 - Recommend policies and actions needed to meet the goals
- Stakeholder group comprised of 31 individuals representing:
 - Business
 - Government (State and Federal)
 - Environmental Organizations
 - Academia
- Governors responsible for naming Advisory Committee members

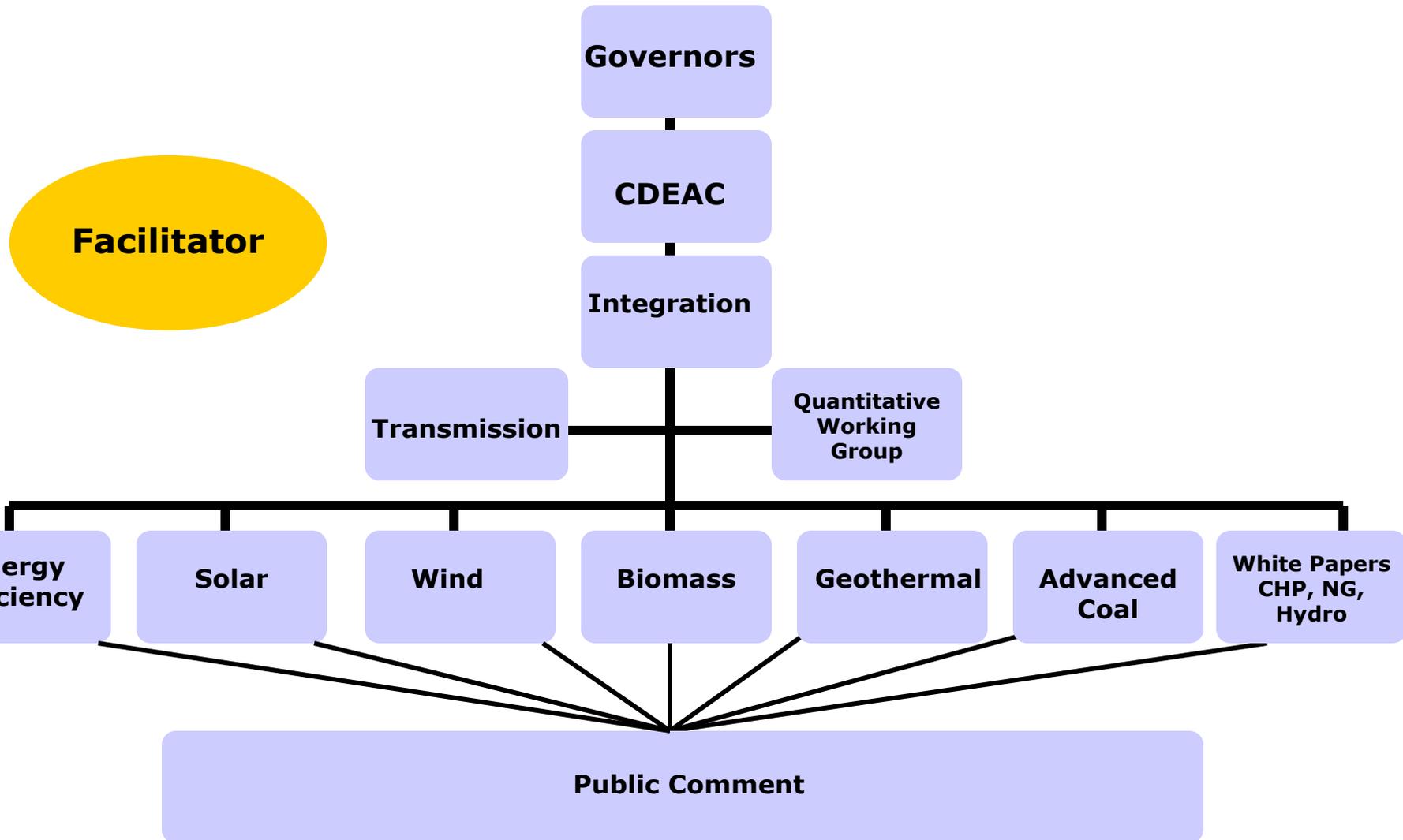


Technology Task Forces

- Created by CDEAC to provide information upon which to base recommendations
 - Energy Efficiency, Solar, Wind, Biomass, Geothermal, Advanced Coal
- Role
 - Document the technically and economically realistic potential of the resources
 - Provide policy recommendations to achieve the potential
 - Task Force reports are thorough and comprehensive and are excellent reference documents
 - www.westgov.org/wga/initiatives/cdeac/cdeac-reports.htm



Organizational Structure





Ultimately, 250 people from business, government, industry, academia & environmental groups participated in the process





CDEAC Findings

- It is feasible to cost-effectively reduce electricity use 20% from projected levels in 2020 without sacrificing economic growth
- The region can meet and even exceed the 30,000 MW clean energy goal by 2015. Under reasonable development scenarios, the region can deploy large amounts of clean energy by 2015
 - Solar: 8000 MW
 - Geothermal: 13,000 MW, with 5600 MW currently commercially viable
 - Biomass: 10,000 MW
 - Wind
 - 5000-9000 MW with minimal new transmission
 - 25,000 MW as transmission becomes available
- A combination of state, regional and federal action will be necessary to realize these levels



CDEAC Policy Recommendations

- Drawing from Task Force reports, CDEAC developed a consolidated suite of policy recommendations in five broad categories:
 - Market/Financial Incentives
 - Regulation/Planning
 - Transmission
 - Regional Cooperation
 - National Policy
- In general, Task Forces and CDEAC did not develop new policies. Instead developed a consensus around best existing policies and recommended these to the Governors.
- For full set of policy recommendations, see CDEAC report at www.westgov.org/wga/initiatives/cdeac/cdeac-reports.htm



Wind Energy Policy Recommendations

1. Long-term extension of the PTC
2. Conditional firm and related tariff reforms for transmission
3. Reform imbalance penalty policy
4. Policies to build transmission to wind resource areas
5. Transmission planning, regulatory findings, and siting issues
6. Support studies of integrating higher levels of wind penetration
7. Study federal power marketing administration opportunities to integrate wind into the system
8. Studies and R&D to develop storage and generation to complement intermittency of wind generation
9. Implement performance-based regulatory incentives for wind acquisitions
10. Use government procurement to support wind energy



The Coal Controversy

- For most part, process ran smoothly with little controversy over findings and policy recommendations.
- Exception was the debate over coal, which threatened to bring down the whole process.
- Issue – What kind of coal, if any, counts toward meeting the 30,000 MW clean energy goal and deserves policy support?
 - Coal/utility industry & coal states argued new supercritical coal plants meeting current best available control technologies should count.
 - Environmental community argued only coal that captures and sequesters GHG emissions should be considered “clean.”



Resolving the Coal Controversy

- Support continuing efforts to improve the efficiency and environmental performance of all advanced coal technologies examined by the advanced coal task force with the ultimate goal of achieving near zero emissions at a competitive cost:
 - Supercritical, ultra-supercritical, CFB, IGCC
- State-level financial incentives and other public policy support should go only to projects that:
 - Capture and sequester at least 60% of their carbon dioxide emissions, or
 - Can be shown to most cost-effectively and rapidly lead to zero emissions and carbon capture and sequestration.



Value of the CDEAC Process

- Governors' attention elevates awareness and importance of clean energy as an issue (initially a "man bites dog" story).
- Governors presented with a broad consensus around a policy agenda to encourage rapid development of clean energy resources.
- Coal consensus also significant:
 - First time western coal companies/utilities/western coal states support position that public policy toward new coal development should focus on developing projects capable of limiting carbon dioxide emissions to address global warming.



Lessons Learned / Things to remember

- Have well defined clean energy goals and definitions around what constitutes clean energy going into the process.
- It takes significant time and resources to obtain a successful outcome.
- This is consensus-based stakeholder process – early on, clearly establish definition of consensus.
- Strong state leadership is essential for process to work.
- In general, not a forum to develop new policy mechanisms. Focus should be on building broader support for policies you're already advocating.
- Resist tendency to make this a regional “integrated resource plan.” Keep the focus on the policy recommendations.
- For the most part, policies will need to be adopted and implemented at the state level – so use process and its results to support and amplify work there.



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