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November 20, 2008

The Honorable Barack Obama
Obama for America
P.O. Box 8102
Chicago, IL 60680

Dear President-elect Obama:

Western Governors are very concerned that during our nation's deepening energy crisis, the United States lacks an effective long-term energy policy. As you prepare to take office, we urge you not to delay in exercising the leadership necessary to ensure swift adoption and implementation of an energy plan that will provide affordable and clean energy to sustain our economy, stimulate greater energy efficiency, strengthen our energy security and independence, and reduce greenhouse gas emissions.

We believe that the United States has the ability to be the world leader in developing and implementing the innovative technologies that will be necessary to meet our energy challenge. However, the scale of the effort that will be required is enormous. Unless we make substantial investments in energy efficiency and other systemic changes, the Energy Information Administration projects that by 2030 U.S. demand for petroleum and other liquid fuels will increase by 10% while global demand will increase by 30%. In the same time period, U.S. demand for electricity is expected to increase by 20% while global demand would nearly double.

An enormous national commitment is necessary to transform our energy infrastructure and our economy as we shift to low-carbon-emission energy sources that include wind, solar, geothermal, biomass, hydro and other renewables, as well as fossil fuels with carbon capture and storage. We recognize that nuclear may be a part of the discussion of a national energy strategy. This letter does not speak to nuclear energy as WGA does not have relevant existing policy.

Transforming our energy infrastructure and economy will require new policies, incentives, market mechanisms and private-public partnerships. Most important, it will require a bipartisan partnership that achieves a broad consensus among political leaders and with the American people.

As a first step, we must promote more efficient use of energy in all of its forms. This includes: (1) manufacturing more fuel-efficient vehicles and enhancing our public transportation systems, (2) wide-scale adoption

of regulatory structures that reward those utilities achieving reduced energy usage among their customers, and (3) the design and manufacture of more energy efficient consumer goods.

The United States faces a very serious policy and technological challenge in increasing energy security, while simultaneously reducing greenhouse gas emissions and maintaining energy expenditures at a reasonable fraction of national GDP. The challenge must be met decisively with policies that represent the best environmental and economic interests of our nation.

Western Governors recommend the following goals, principles and immediate actions as the foundation for a National Energy Policy:

Energy Policy Goals

- Promote a more efficient use of energy throughout the economy.
- Reduce greenhouse gas emissions on a scale necessary to contribute to climate stabilization.
- Maximize the economic development opportunities offered by clean energy.
- Ensure that energy costs are affordable for consumers and support a sustainable, growing economy.
- Increase the proportion of our energy supplies that come from domestic resources and friendly trading partners.
- Minimize adverse environmental impacts.

Energy Policy Principles

- Energy security is essential; both energy efficiency to reduce demand and a diversity of energy sources and technologies must be part of the solution.
- Climate change is happening, so we must reduce our greenhouse gas emissions immediately and adapt to changes that cannot be avoided.
- A clean energy economy should focus on economic prosperity, environmental sustainability and energy affordability.
- A National Energy Policy must consider that global and domestic energy demand and prices are increasing.
- 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.
- Transportation energy and emissions should be addressed as a system, including vehicles, fuels and transportation demand.
- Energy development must be done in an environmentally responsible manner.
- A comprehensive national framework should include clear and measurable goals, an aggressive timeframe for implementation, and certainty in how solutions will be implemented.
- 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.

- Stable long-term policies are necessary to enable public and private investment in environmentally responsible energy research, development and immediate deployment.

While the solutions to our energy dilemma will take time to fully develop and implement, we believe that, with your leadership, our nation can set a course of action within the first 100 days of your new administration. We urge you to promptly:

1. 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.
2. 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 letter and not be used as a means of sustaining or expanding general governmental operations.
3. Aggressively pursue a national energy efficiency program to reduce existing and future energy demand and thereby reduce greenhouse gas emissions.
4. 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:
 - Brings more fuel efficient and near-zero emission vehicles into the market;
 - Increases the supply of domestically produced, low-carbon fuels;
 - Minimizes the economic and technological uncertainties inherent in deploying high efficiency vehicles and developing and using non-petroleum transportation fuels; and
 - Reduces vehicle miles travelled and increases mass movement of people and goods.
5. 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:
 - Near-zero greenhouse gas emissions from new coal-fired electricity generation in 10 years and from existing generation no later than 2030;
 - Dramatically increased energy from wind, solar, geothermal, hydro and biomass resources;
 - Expansion and upgrade of the electricity transmission grid and storage capabilities;
 - Advanced vehicle and battery technologies and alternative transportation fuels; and
 - Next generation energy efficiency technologies and practices.

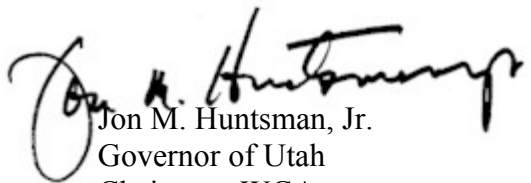
6. Ensure affordability for lower income energy consumers through energy efficiency and cost assistance programs.
7. Provide for workforce development and clean energy jobs, adaptation to climate change impacts, reduced consumer impacts, particularly for low-income consumers, and transition assistance to industries.

While the first 100 days are critical, these actions only represent the first steps. Within the next year, a comprehensive energy plan must be enacted that will set the direction of this nation for the next 50 years. This plan, though adjustable over time, must establish measurable goals, strategies, milestones and funding to ensure that we are moving towards affordable and environmentally responsible energy security and independence.

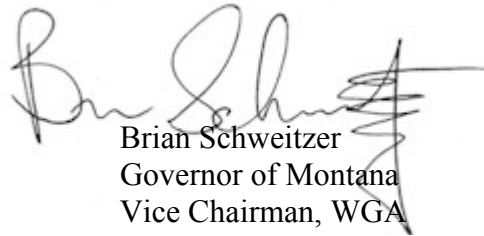
We must not repeat the mistakes of the past. We must have the collective political will and resolve to create and implement a long-term comprehensive energy policy despite short-term political and market fluctuations. The future of our nation depends upon it.

The Western Governors stand united and ready to work with your administration to develop and implement a strong National Energy Policy.

Sincerely,



Jon M. Huntsman, Jr.
Governor of Utah
Chairman, WGA



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