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South Dakota

Gov. Dennis Daugaard Chairman

Washington

Gov. Jay Inslee Vice Chairman December 31, 2014

The Honorable Barack Obama President of the United States The White House Washington, DC 20460

Dear Mr. President:

As the leaders of the Governors' Wind Energy Coalition, a bipartisan group of the nation's governors representing states from across the country, we agree that wind energy development is an important way to address many of the nation's most pressing needs: job creation, low-cost energy, and cost-effective emission reductions. Our member governors from coast to coast agree that one of the best ways to serve the nation's energy needs is to expand domestic wind energy production and harvest its economic, resiliency, and environmental benefits.

We write to you again today to suggest actions that your Administration can take to expand the nation's wind energy production and improve the resilience of our energy system. We appreciate your dedication to wind energy development and your willingness to work with us to implement many of our suggestions, such as improved siting collaboration with the Department of Interior on the Boardman to Hemingway and the Vantage-to-Pomona Heights transmission lines through the pilot Pacific Northwest Regional Infrastructure Team. The Coalition's collaboration with your Administration can bring even more value if you support the following actions to advance our states' and the nation's wind resources:

• Support prompt passage of a multi-year extension of the renewable energy production and investment tax credits. These incentives have made possible the robust growth of the American wind industry and clean energy jobs, with substantial economic return to our states and the nation. However, ongoing policy uncertainty continues to hamper the further development of the industry. The passage this month of a retroactive extension of the tax credit through the end of this month will do little to spur any substantial economic development activity.

Thank you for your support in the past; and we ask for your ongoing support for a multi-year extension of the PTC and ITC as soon as Congress convenes in January.

• Publicize and support findings from the U.S. Department of Energy's (DOE) 2014 Wind Vision Report. DOE is expected to release this document,

which is an update of an earlier DOE wind assessment, in the next few months. This new report includes thorough, authoritative projections of the benefits and costs associated with large shares of wind energy in the U.S. electricity network. Because these results will guide critical, ongoing discussions in the energy policy community, we ask your Administration to actively communicate them throughout the energy and environmental sectors and to the general public.

• Support FERC's collaboration with the Coalition's governors to expand national transmission development both off-shore and on-shore.
Expanding and modernizing the nation's domestic electrical transmission system, both onshore and offshore, are essential components in revitalizing the nation's economy and creating jobs. Today's transmission system is inadequate for the electrical demands of the states' modern information-based economies. Revitalization of the electrical transmission system must be accomplished on a multi-state basis with leadership from both you and the governors.

This is an extraordinary challenge that calls for extraordinary vision. The call for transmission action today is as important to our states' economic development as the nation's interstate highway system was 58 years ago when President Eisenhower acted with the governors' support. We encourage your support and engagement with the governors now to make transmission development a national priority.

- Encourage Prompt Review of Transmission Applications Under Section 1222 (b) of the Energy Policy Act of 2005. The Secretary of Energy currently has under review several transmission applications under Section 1222(b) of the Energy Policy Act of 2005. New high-voltage transmission lines can deliver significant new wind energy across different regions of the country. By using Section 1222(b) authority to approve eligible projects, policy makers can also send an important signal to the marketplace that the United States can successfully site and build innovative and major new high-voltage direct current (HVDC) transmission projects. Our recent letter to Secretary Moniz is enclosed.
- Continue to accelerate the development of off-shore wind energy projects. Off-shore wind is a vast energy source with significant and untapped economic development potential. We appreciate the Bureau of Ocean Energy Management's (BOEM) efforts to date. A key issue that BOEM must consider is the alignment between state power off-take mechanisms and BOEM's auctions for leases to ensure that these activities are sequenced so that projects can be successfully financed and built. This will require close collaboration with the states and we encourage BOEM to prioritize this collaboration.
- Increase investment for research into wind energy and wildlife interactions and mitigation options. The Department of Energy's investment in research and development for wind energy has helped accelerate widespread U.S. deployment of wind power and will be critical to further reducing costs and

barriers to project development. We urge you to increase the federal investment to test and validate options to minimize impacts to wildlife, including birds and bats.

We believe these steps will further advance the development of the nation's wind industry. We look forward to working with you and your Administration to further our states' and the nation's wind energy development.

Thank you.

Sincerely,

Dennis Daugaard

Chairman,

Governor of South Dakota

Denni Dangaarel

Jay Inslee

Vice Chairman,

Governor of Washington

Enc. Letter to Energy Secretary Moniz, November 3, 2014

Cc:

Member Governors

Members, Senate Energy and Natural Resources Committee

Members, House Energy and Commerce Committee

The Honorable Ernest Moniz, Secretary, U.S. Department of Energy

The Honorable Sally Jewell, Secretary, U.S. Department of the Interior

The Honorable Gina McCarthy, Administrator, U.S. Environmental Protection Agency

The Honorable Cheryl LeFleur, Chairman, Federal Energy Regulatory Commission

The Honorable John Podesta, Counselor to the President

The Honorable Michael Boots, Acting Chairman, White House Council on Environmental Quality