

July 24, 2019

The Honorable Alan Lowenthal Chairman Subcommittee on Energy and Mineral Resources Committee on Natural Resources **House of Representatives** 1522 Longworth House Office Building Washington, D.C. 20515

The Honorable Paul Gosar Ranking Member Subcommittee on Energy and Mineral Resources Committee on Natural Resources House of Representatives 1522 Longworth House Office Building Washington, D.C. 20515

Dear Chairman Lowenthal and Ranking Member Gosar:

The West is rich in wind, solar, and geothermal energy resources, including on federal lands, and accessing these resources is a critical part of our region's and the nation's energy future. Western Governors support clear and coordinated permitting processes to promote the responsible and efficient development of these resources. As with other forms of energy development, this development must be accompanied by the disposition of revenues to states and counties to compensate them for the effects of renewable energy projects within their borders.

Consequently, the Governors appreciate the Subcommittee holding a hearing on H.R. 3794, the Public Lands Renewable Energy Development Act of 2019. To inform the Subcommittee's July 25, 2019 hearing, I request that the following attachments be included in the permanent record of the hearing:

- WGA Policy Resolution 2018-04, Energy in the West, and the Governors' Energy Vision for the West:
- WGA Policy Resolution <u>2017-02</u>, States' Share of Royalties and Leasing Revenues from Federal Lands and Minerals and States' Role in Associated Federal Policy;
- May 11, 2017 letter to the House Committee on Natural Resources in support of the Public Lands Renewable Energy Development Act of 2017 (H.R. 825);
- <u>February 2, 2016 letter</u> to the Senate Committee on Energy and Natural Resources in support of the Public Land Renewable Energy Development Act of 2015 (S. 1407); and
- March 26, 2013 letter to Representative Gosar in support of the Public Lands Renewable Energy Development Act of 2013 (H.R. 596).

Thank you for your consideration of this request.

Respectfully,

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Attachments



## Western Governors' Association Policy Resolution 2018-04

## Energy in the West

## A. BACKGROUND

- 1. Energy policy and the development of sustainable energy resources are major priorities for every Western Governor.
- 2. Western Governors recognize that approaches to energy use and development vary among our states, territories, and flag islands. However, the Governors remain committed to the development of policies and utilization of state energy endowments that result in the maximum benefit for their citizens, the region, and the nation.
- 3. Western energy production is indispensable to meeting national energy demands. The West is the energy breadbasket of the United States:
  - a. Western states have all high-yield geothermal energy capacity in the continental United States.
  - b. Western states supply the majority of non-federal United States petroleum.
  - c. Western states are at the forefront of unconventional natural gas production.
  - d. The Pacific Northwest produces the largest output of hydropower in the nation.
  - e. Western states have the largest contiguous areas of wind power resources in the nation.
  - f. The Southwest has some of the highest-identified solar energy resource areas in the United States.
  - g. Western states produce the largest portion of coal in the United States, which is the fuel that constitutes the largest share of the national electricity generation mix.
  - h. The West has the largest contiguous areas of high-yield biomass energy resource potential in the nation.
  - i. Western states have nuclear power generation facilities and produce all domestic uranium.
- 4. Western states, Pacific territories, and flag islands have the resources to drive job creation and economic development through broad growth in the energy industry.

5. The Merchant Marine Act of 1920 has prevented certain noncontiguous states, territories, and flag islands from being supplied with domestically produced energy commodities.

## B. GOVERNORS' POLICY STATEMENT

- 1. Western Governors recognize the following as energy policy priorities for the West:
  - a. Secure the United States' energy supply and systems, and safeguard against risks to cybersecurity and physical security.
  - b. Ensure energy is clean, affordable, and reliable by providing a balanced portfolio of renewable, non-traditional, and traditional resources.
  - c. Increase energy efficiency associated with electricity, natural gas, and other energy sources and uses to enhance energy affordability and to effectively meet environmental goals.
  - d. Advance efficient environmental review, siting, and permitting processes that facilitate energy development and the improvement and construction of necessary electric grid (transmission and distribution) and pipeline infrastructure, while ensuring environmental and natural resource protection.
  - e. Improve the United States' electric grid's reliability and resiliency.
  - f. Protect western wildlife, natural resources, and the environment, including clean air and clean water, and strive to reduce greenhouse gas emissions.
  - g. Make the West a leader in energy education, technology development, research, and innovation.
  - h. Utilize an all-of-the-above approach to energy development and use in the West, while protecting the environment, wildlife, and natural resources.
- 2. Western Governors support increasing the development and use of energy storage, alternative transportation fuels, and alternative vehicles.
- 3. Western Governors call on the federal government to lift a barrier to domestic free trade between the contiguous United States and the noncontiguous states, territories and U.S. flag islands by the Merchant Marine Act of 1920 by allowing those jurisdictions to receive energy commodities produced in the mainland but transported by foreign vessels, should those jurisdictions, and the jurisdictions whose ports are being used to ship these materials, desire it.
- 4. Redundant federal regulation of energy development, transport, and use is not required where sufficient state, territorial, or flag island regulations exist. Existing state authority should not be replaced or impeded by Congress or federal agencies.

## C. GOVERNORS' MANAGEMENT DIRECTIVE

- 1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
- 2. The Governors also direct WGA staff to consult with the Western Interstate Energy Board to recommend updates to the 10-Year Energy Vision that provide detail on the Governors' energy policy objectives outlined in this resolution.
- 3. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

Western Governors enact new policy resolutions and amend existing resolutions on a biannual basis. Please consult <a href="www.westgov.org/policies">www.westgov.org/policies</a> for the most current copy of a resolution and a list of all current WGA policy resolutions.

# WESTERN GOVERNORS' ASSOCIATION

## **Energy Vision for the West**

#### Introduction

The resource-rich West supplies a majority of the country's energy resources and electric power. The United States is currently projected to become a net energy exporter within five years. The increase in natural gas developed in the West, coupled with increased investment in renewable and alternative energy sources, have positioned the region and its Governors to play a central role in the nation's economy and energy policy.

The West's vast energy resources and the Governors' role in the development of energy policy underscores the value of a regional energy policy, the *Energy Vision for the West*. This policy does not impede states or territories from approaching energy choice and industry growth based on their own resource endowments and policies. It illustrates that Western Governors have coalesced around common issues and specific goals, despite diverse geography, resources, and politics. The *Energy Vision for the West* elaborates on the Governors' objectives set forth in WGA Policy Resolution 2018-04, *Energy in the West*.

Western Governors support a comprehensive energy portfolio for the West to ensure that energy is clean, affordable, and reliable. They are also committed to energy policies that promote economic growth and protect the environment. This approach facilitates a strong economy and jobs across a variety of professions, skill sets, and educations.

This approach also recognizes that there are challenges and opportunities associated with every type of energy resource and use, the costs and benefits of which must be considered in policymaking. One such opportunity – and challenge – is creating an effective state-federal partnership in energy development, lands management, and environmental protection. This regional policy is a guide for realizing opportunities to advance the West as the nation's principal energy provider and a leader in energy innovation and effective policy.

# Goal 1: Secure the United States' energy supply and systems, and safeguard against risks to cybersecurity and physical security.

Addressing threats to the nation's energy systems and resources is a high priority of Western Governors. Coordination between states, the federal government, and the private sector on energy emergency planning and response is vital to addressing physical and cybersecurity impacts on the West's energy systems and resources. To this end, the Governors establish the following objectives:

- Work with the Department of Defense to meet its national security mission by ensuring safe and secure onsite and off-site electricity generation for key defense installations.
- Continue to reduce reliance on non-North American oil imports from unstable foreign sources through individualized state-by-state solutions, such as increasing North American production, improving fuel efficiency, and developing renewable and alternative fuels.

- Ensure there is sufficient domestic energy supply, including domestic renewable electric generation, to meet existing and new market demand.
- Identify security and other vulnerabilities of energy infrastructure and create programs and standards to defend infrastructure from cyber and physical attacks, as well as natural disasters.
- Encourage effective relationships between state agencies, federal agencies, public utilities, and the private sector to prevent and prepare for risks to the region's energy supply and systems, as well as to respond to and recover from disruptions.
- Partner with the federal government to ensure the provision of adequate funding and access to resources for state emergency planning, response, and recovery.
- Expand, upgrade, and secure transmission and pipeline infrastructure, as well as ensure that all federal pipeline safety measures are efficiently implemented.

## Goal 2: Ensure energy is clean, affordable and reliable by providing a balanced portfolio of renewable, non-traditional and traditional resources.

Western Governors believe that a balanced energy portfolio should consist of energy sources that are clean, affordable and reliable, that maintain system reliability, and limit rapid rate increases. These resources also require the maintenance and expansion of transmission and distribution infrastructure. To this end, the Governors establish the following objectives:

- Recognize the importance of western renewable (wind, solar, biomass, biofuels, geothermal, hydropower), nuclear, coal and natural gas resources, and the generation facilities that utilize those resources.
- Adapt utility regulation to changing markets, technologies, and resources.
- Encourage the addition of renewable, low-carbon, and clean generation, including utility-scale and distributed generation.
- Promote, advance and fund the evolution of new technologies, including carbon capture and advancements in renewable energy.
- Maintain the Rural Energy for America (REAP) program, which has benefited farmers, ranchers and rural businesses that are often underserved by other federal energy efforts.

# Goal 3: Increase energy efficiency associated with electricity, natural gas, and other energy sources and use to enhance energy affordability and to effectively meet environmental goals.

Eliminating waste and using resources wisely are cornerstones of a sound energy strategy. State and local governments, utilities, households, and businesses are currently realizing the economic and other benefits of energy efficiency, but there are still substantial gains to be made. To this end, the Governors establish the following objectives:

• Prioritize energy efficiency associated with electricity, natural gas, and vehicle transportation.

- Enhance utility rate designs, including time-varying rates, and cost-effective utility energy efficiency programs that deliver electricity and natural gas savings to consumers.
- Support energy efficiency programs that provide incentives and rebates to lower the incremental up-front costs of energy efficiency technologies; Energy Service Company (ESCO) programs; and where successful, utility ratepayer-funded energy efficiency programs, including the use of rate decoupling.
- Encourage the retrofit of residential and commercial buildings and improve the energy efficiency of new buildings, such as through building energy codes and programs that stimulate energy efficient construction.
- Decrease energy intensity using tools such as combined heat and power and waste heat to power systems.
- Incorporate systems strategies to improve efficiency throughout the building lifecycle and to improve grid connectivity, including energy systems that enable two-way, automated utility-to-customer communications to facilitate demand response programs.
- Maintain funding and support long-term authorization for the State Energy Program (SEP), Weatherization Assistance Program (WAP), and Low-Income Home Energy Assistance Program (LIHEAP).

Goal 4: Advance efficient environmental review, siting and permitting processes that facilitate energy development and the improvement and construction of necessary electric grid (transmission and distribution) and pipeline infrastructure, while ensuring environmental and natural resource protection.

Responsible energy development and a robust, well maintained energy delivery system are vital to the economy and quality of life in the West. To this end, the Governors establish the following objectives:

- Encourage responsible leasing and development of energy resources and infrastructure.
- Create a clear and transparent process for regulation and permitting, coordinated among well-trained and adequately funded federal, state and local agencies.
- Streamline project-permitting reviews to minimize timelines, without compromising environmental and natural resource protection or states' roles in those processes.
- Maintain state and local decision-making authority over transmission line siting and permitting.
- Encourage regional transmission planning organizations to conduct interconnection-wide planning with the full participation of the states and with consideration of state energy policies.
- Create functional partnerships among states, federal agencies, tribal governments and local jurisdictions to solve conflicts that hinder energy infrastructure and resource development.

- Increase cooperation on interstate projects through interstate compacts and other tools.
- In the West-wide energy corridor process, ask federal agencies to guarantee: ongoing, substantive, and meaningful state consultation; consideration of state plans, processes, priorities, and policies; and integration of other streamlining efforts.

## Goal 5: Improve the United States electric grid's reliability and resiliency.

Changes in energy generation, distribution, and management are transforming the nation's electric grid. But these advancements also highlight the need for grid level investment, along with associated updates for electricity regulation and policy. To this end, the Governors establish the following objectives:

- Protect state authority to determine the type and amount of new generation facilities and the programs used to procure new generation, recognizing that each state has their own priorities and portfolios.
- Protect state authority to encourage continued operation of existing generation facilities through long-term contracts, retail utility contracting, or other incentives.
- Encourage regional reliability organizations, utilities, state agencies and public utility commissions to assess the provision of essential reliability services under future scenarios that include a changing resource mix in the West.
- Support grid operator situational awareness of distributed energy resources by promoting coordination between utilities and distributed energy resource developers.
- Preserve areas of exclusive state authority regarding distributed energy resources, including storage, and improve utility distribution systems planning for distributed energy resources to enhance grid reliability and resilience.
- Improve understanding of grid resources and services and the need for new power production facilities and transmission/distribution infrastructure through data, analysis, and coordination.
- Prepare for potential disruptions to the grid from wildfires, flooding, earthquakes, tornadoes, cyberattacks and other disturbances and emergencies, as well as increase the grid's ability to withstand and reduce the magnitude of such events.
- Enable utilities to take necessary actions to enhance grid reliability and reduce the threat of wildfires to and from electric transmission and distribution rights-of-way.

Goal 6: Protect western wildlife, natural resources and the environment, including clean air and clean water, and strive to reduce greenhouse gas emissions.

Western states have long assumed a stewardship role for the natural environment and have worked across state lines to protect air, land, wildlife and water. Western Governors are committed to ensuring that energy development is done in an environmentally responsible manner. To this end, the Governors establish the following objectives:

- Promote energy technologies and sources that lower emissions.
- 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 and flexible; and ensures that state governments play a key role in regulation.
- Acknowledge that a productive economy and responsible development can support
  environmental protection by providing additional funding and opportunities for publicprivate partnership.
- Encourage technologies that reduce water consumption, prioritize water consumption for traditional activities (drinking water, agriculture, habitat conservation/restoration), and contribute to the responsible development of new energy resources.
- Achieve a balance between the responsible development of energy projects and wildlife conservation.
- Urge the federal government to identify and approve solutions for the long-term storage and permanent disposal of spent nuclear fuel and nuclear waste.
- Encourage the development and deployment of a full range of technologies that offer the potential for cost-effective reductions in greenhouse gas emissions from energy production and use, including carbon capture and storage, energy efficiency, zero emissions generation sources, and other emerging options.

## Goal 7: Make the West a leader in energy education, technology development, research, and innovation.

Effective energy policy is facilitated by an understanding of a common set of impartial facts and scientific evidence. Furthermore, the advancement of technology will play a critical role in realizing a clean energy future. To this end, the Governors establish the following objectives:

- Leverage the vast expertise in the West's industry, academic institutions, and national laboratories to make the region an international hub for new energy technology research and development, as well as energy education.
- Encourage Congress and the Department of Energy to support and fund research, development, demonstration, and deployment of advanced energy technologies.
- Create public-private research and development partnerships among industry, academia, the national labs, and federal agencies to identify promising new technologies, including energy efficiency technologies that advance clean energy with reduced environmental impacts.
- Encourage market operators, reliability organizations, and utilities to appropriately share electric system operational data with researchers, educators, and entrepreneurs to promote

- electric system innovation and technology development, while still safeguarding against risks to cybersecurity and physical security.
- Encourage training and education in energy-related fields and ensure there is an adequate workforce operating under the highest safety standards.
- Facilitate the creation of employment opportunities for displaced energy sector workers.
- Educate the public regarding: the role of energy in maintaining a high standard of living and quality of life; trade-offs and externalities associated with all types of energy development and consumption; the coexistence of a healthy environment and a thriving economy; and how federal policy on public lands impacts energy and infrastructure development.

# Goal 8: Utilize an all-of-the-above approach to energy development and use in the West, while protecting the environment, wildlife and natural resources.

A diverse energy portfolio is essential to the provision of clean, affordable, secure, and reliable energy. Western Governors support a comprehensive energy portfolio, including: oil, gas, coal, nuclear, biomass, geothermal, hydropower, solar, wind, and conservation and energy efficiency. To this end, the Governors establish the following objectives:

- Reduce costs and risks for the environmentally sound development of all energy resources.
- Ensure competition in the market for all resources.
- Recognize the growing importance of consumer choice in driving energy policy.
- Support consumer choice of distributed energy resources to achieve affordability, environmental, and other objectives.
- Increase the development and use of alternative transportation fuels and vehicles, including the necessary infrastructure for those vehicles.
- Encourage innovation and application of energy storage, including pumped hydro storage, battery storage, and compressed air energy storage where cost-effective.
- Support the responsible and efficient development and use of traditional and renewable resources.
- Increase the amount of electricity generated from new, retrofitted, or relicensed hydroelectric facilities, including small, irrigation, and flood control hydropower projects.
- Restore financing for the geothermal exploration program financed by the Department of Energy.
- Accelerate the introduction of small modular reactors into the marketplace.



## Western Governors' Association Policy Resolution 2017-02

## States' Share of Royalties and Leasing Revenues from Federal Lands and Minerals and States' Role in Associated Federal Policy

## A. <u>BACKGROUND</u>

- 1. The settlement of the Western United States was very different from the earlier settlement of the Eastern half of the country. As a result, land ownership in the West consists of a patchwork of federal, state, tribal and privately owned and managed lands and minerals. Over 591 million acres of federally-owned land and over 659 million acres of federally-owned mineral estate are within the boundaries of the Western states. Many of these federal lands in Western states have significant value.
- 2. The federal government sells or leases a variety of resources (minerals, gravel, oil and gas, coal, geothermal, renewable energy generating sites, timber, grazing rights, etc.) found on these federal lands to the private sector and collects substantial fees, taxes, royalties and lease payments for these rights.
- 3. Recognizing the costs to states and counties from the presence of tax exempt federal lands within their borders, Congress created a number of agreements and programs to compensate the states and local governments for the loss of tax revenue, the costs of providing infrastructure and services, and the costs of protecting wildlife and natural resources in communities adjacent to federal lands.
- 4. Historic agreements and programs, codified in federal law, include but are not limited to:
  - Twenty Five Percent Fund Act of 1908.
  - Bankhead Jones Tenant Act.
  - Mineral Leasing Act of 1920.
  - Taylor Grazing Act.
  - Geothermal Steam Leasing Act.
  - Renewable energy leasing revenues from development on Forest Service lands, Bureau of Land Management lands, and waters off the coasts of the Western states.
  - Federal Oil and Gas Royalty Management Act of 1982.

- Abandoned Mine Lands grants to states consistent with 2006 Amendments to the Surface Mining Control and Reclamation Act.
- 5. As a result of federal efforts to address the federal budget deficit, state funding for these historic federal agreements and programs have been targets of cutbacks during the annual appropriation process and sequestration.
- 6. These agreements and programs are not proper subjects for cutbacks and sequestration. For example, royalty payments owed to states are not federal expenditures. Federal land management agencies simply administer the distribution of those revenues to states. The federal government has no discretion over this money. Payment to the states is the only authorized use for these revenues.
- 7. In addition, federal processes and regulations can create uncertainty regarding sales and leases of these federal resources or slow the pace of sales and leases of these federal resources, adversely affecting states' receipt of their share of these essential revenues.
- 8. The Department of the Interior (DOI) and other federal agencies are currently examining and revising regulations and policies governing federal management of land and minerals. In particular, DOI is undertaking an effort to modify mineral lease regulations for coal, oil and gas. This effort has impacted the pace of mineral leasing on federal lands, delayed mineral leasing efforts that were ongoing, and created uncertainty about future leasing efforts.
- 9. Despite the states' substantial interest in the revenues associated with these programs and agreements, the federal government has often limited the states from participating in the decisions affecting these revenues. For example, in rulemaking related to oil and gas and in the federal coal program, previous avenues for state involvement were eliminated and prospective state involvement has been limited to participation as a general stakeholder.

## B. GOVERNORS' POLICY STATEMENT

- 1. The federal government must honor its statutory obligations to share royalty and lease payments with states and counties in the West to compensate them from the impacts associated with federal land use and nontaxable lands within their borders.
- 2. Shared revenues and payments to states and counties under these programs should not be treated as federal expenditures or income, subject to sequestration. The federal government has no option except to transfer these pass-through funds to qualifying states. The federal government may not make payment of these funds to any other program or entity.

- 3. Governors support legislation that clarifies the unique nature of these programs and that assures states will receive full payment of statutorily-guaranteed shares of receipts, even under circumstances where federal budgets are sequestered.
- 4. Governors support legislation, regulatory changes, and agency practices that provide transparency and certainty, ensure fair value for the American public, and more efficiently administer the sales and leases of the resources on these federal lands.
- 5. Governors support early, meaningful and substantial state involvement in the development, prioritization, and implementation of federal environmental statutes, policies, rules, programs, reviews, budget proposals, budget processes and strategic planning. The U.S. Congress and appropriate federal agencies should provide expanded opportunities for such involvement.
- 6. States should be provided meaningful opportunities to cooperate on decisions related to these historic programs and agreements in a manner commensurate with their special status as recipients of the resulting revenues. In particular, Governors support efforts to provide the states with a forum to advise DOI on federal mineral leasing royalty policy. This includes reestablishment of the Royalty Policy Committee.

## C. GOVERNORS' MANAGEMENT DIRECTIVE

- 1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
- 2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

Western Governors enact new policy resolutions and amend existing resolutions on a bi-annual basis. Please consult <a href="www.westgov.org/policies">www.westgov.org/policies</a> for the most current copy of a resolution and a list of all current WGA policy resolutions.



Steve Bullock Governor of Montana Chair

Dennis Daugaard Governor of South Dakota Vice Chair

James D. Ogsbury Executive Director

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202-624-5402 Fax 202-624-7707 May 11, 2017

Honorable Rob Bishop Chairman Committee on Natural Resources U.S. House of Representatives 1324 Longworth House Office Building Washington, D.C. 20515

Honorable Raul Grijalva Ranking Member Committee on Natural Resources U.S. House of Representatives 1329 Longworth House Office Building Washington, D.C. 20515

Dear Chairman Bishop and Ranking Member Grijalva:

We are writing to reiterate Western Governors' longstanding support for the sharing of revenues derived from renewable energy leasing on federal lands with impacted states and counties. We are pleased to see legislation has again been introduced in the House – the Public Lands Renewable Energy Development Act of 2017 (<u>H.R. 825</u>), sponsored by Representative Paul Gosar – to enact such revenue-sharing.

States and counties incur costs associated with the development and operation of renewable energy projects located on federal lands. Congress recognized this burden in the Energy Policy Act of 2005 (42 U.S.C. 15873(a)) when it created a program for the sharing of revenues from geothermal energy production on federal lands. As a result, state and local governments in affected areas have been able to deliver critical governmental services and make needed capital improvements to accommodate development of geothermal energy resources.

Western Governors support deployment of renewable energy projects (and the associated growth in clean energy jobs) in western states. Governors seek to minimize the impacts of energy infrastructure. Shared lease revenues from renewable energy development can be used by state and local agencies to offset impacts in affected areas.

Honorable Rob Bishop Honorable Raul Grijalva May 11, 2017 Page 2

Western states look forward to helping meet the current and future energy needs of the United States while protecting natural resources. We urge the Committee to pass this renewable energy revenue-sharing bill during the 115<sup>th</sup> Congress. Please do not hesitate to call upon us if Western Governors can be of assistance as the legislative process proceeds.

Sincerely,

Steve Bullock

Governor of Montana

Chair, WGA

Dennis Daugaard

Governor of South Dakota

Vice Chair, WGA



Matthew H. Mead Governor of Wyoming Chairman

Steve Bullock Governor of Montana Vice Chair

James D. Ogsbury Executive Director

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202-624-5402 Fax 202-624-7707 February 2, 2016

Honorable Lisa Murkowski Chairwoman U.S. Senate Committee on Energy and Natural Resources 304 Dirksen Senate Building Washington, D.C. 20510 Honorable Maria Cantwell Ranking Member U.S. Senate Committee on Energy and Natural Resources 304 Dirksen Senate Building Washington, D.C. 20510

Dear Senator Murkowski and Senator Cantwell:

The purpose of this letter is to communicate Western Governors' longstanding support for the sharing of revenues derived from renewable energy leasing on federal lands with impacted states and counties. Language contained in the Public Land Renewable Energy Development Act of 2015 (S. 1407), sponsored by Senator Heller, Senator Heinrich, Senator Risch, Senator Tester, Senator Gardner, Senator Daines, Senator Udall and Senator Wyden would enact such revenue sharing. Western Governors appreciate the Committee's consideration of this important legislation.

States and counties incur costs associated with the development and operation of renewable energy projects located on federal lands. Congress recognized this increased burden in the Energy Policy Act of 2005 (42 U.S.C. 15873(a)) when it created a program for the sharing of revenues from geothermal energy production on federal lands. As a result, state and local governments in affected areas have been able to deliver critical governmental services and make needed capital improvements to accommodate development of geothermal energy resources.

Western Governors support continued and accelerated deployment of renewable energy projects (and the associated growth in clean energy jobs) in western states. Shared lease revenues from renewable energy development can be used by state and local agencies to support land, water and wildlife conservation in affected areas. Western Governors also appreciate the legislation's call for state participation in a program to improve federal permit coordination for renewable energy projects on public lands.

Western states look forward to helping meet the current and future energy needs of the United States while ensuring protection of our precious natural resources. Please let me know if the Governors can be of further assistance Honorable Lisa Murkowski Honorable Maria Cantwell February 2, 2016 Page 2

in promoting the revenue-sharing initiative the Committee is currently considering. With appreciation for your leadership and best wishes for continued success, I am

Respectfully,

Executive Director

cc: Senator Dean Heller

Senator Martin Heinrich

Senator James Risch

Senator Jon Tester

Senator Cory Gardner

Senator Steve Daines

Senator Tom Udall

Senator Ron Wyden



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The Honorable Paul Gosar U.S. House of Representatives 504 Cannon House Office Building Washington, DC 20515

Dear Representative Gosar:

We are writing to express our support for sharing with states and counties renewable energy royalty revenues from federal lands. The language contained in the Public Lands Renewable Energy Development Act (HR 596) which you have introduced in the House would enact such revenue sharing.

We support the development of a leasing system for renewable energy that returns a portion of royalty revenues to the states and counties because they incur additional staff time and capital costs from permitting and siting this type of development. Congress recognized this increased burden in the Energy Policy Act of 2005 [42 U.S.C. 15873(a)] when it created a revenue sharing provision for geothermal energy generation on federal lands. As a result, state and local governments in affected areas have been able to deliver critical governmental services and make needed capital improvements to accommodate the development.

Western Governors support continued and accelerated deployment of renewable energy projects, and associated clean energy job growth, in our states. In siting renewable energy projects and transmission lines, we encourage areas be developed which will have the least impact on wildlife and other important land uses. Shared royalties from renewable energy development can be used by state agencies to support land, wildlife, and water conservation in affected areas.

Thank you for introducing this important legislation. We hope these concepts are federally codified. Our states look forward to helping meet the energy needs of the United States while ensuring that our state and local citizens are equipped to do so most effectively, and our prized land, wildlife and water resources are sustained.

Sincerely,

Gary R. Herbert

Governor, State of Utah

Chairman, WGA

John Hickenlooper

Governor, State of Colorado

Vice Chairman, WGA

The Honorable Paul Gosar March 26, 2013 Page 2

cc: The Honorable Mike Thompson

The Honorable Joe Heck

The Honorable Jared Polis

The Honorable Scott Tipton

The Honorable Diana DeGette

The Honorable Mike Coffman

The Honorable Jim Costa

The Honorable Jeff Denham

The Honorable Earl Blumenauer

The Honorable Mark Amodei

The Honorable Peter DeFazio

The Honorable Mike Simpson

The Honorable Ben Ray Lujan

The Honorable David Schweikert

The Honorable Ann Kirkpatrick