



## Western Governors' Association Report on Western Renewable Energy Zones

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The Western Governors' Association 2009 annual meeting in Park City, Utah concluded on June 16, 2009. One of the products of the meeting was the release of the Western Renewable Energy Zones Phase I report. The first of a four-part release by the Western Renewable Energy Initiative, this report details the steps in establishing Western Renewable Energy Zones ("WREZs"). The report identifies potential WREZ's, evaluates transmission strategies for those zones, and discusses the breadth of energy potential across the Western Connection.

Potential WREZs are identified as either primary or secondary zones of renewable resources based on geographical and statutory criteria. Primary zones are identified as those areas with large renewable resource potential near major load centers. Primary renewable resources are limited to high potential sources of solar, wind, or geothermal. Secondary zones are identified as those areas whose renewable resource potential is not great enough to justify WREZ designation alone, but may be included in a WREZ if subsequent study identifies greater potential. The report includes a map of the 11 western States, 2 Canadian provinces and 1 Mexican state within in the WREZ Initiative that shows the location and relative potential of these sites. The full report, including the map, can be found at <http://www.westgov.org/wga/publicat/WREZ09.pdf>.

Now that Phase I has identified potential renewable energy zones, the next issue to address is high voltage transmission from the WREZ's to load centers. In Phase II, the WREZ's Generation and Transmission Modeling working group will refine and finalize a modeling tool to estimate the economic costs and potential strategies for developing high voltage transmission infrastructure. Fortunately, the validity of this tool will not be affected by the recent legal

challenge to the West-wide Energy Corridors identified pursuant to Section 368 of the Energy Policy Act of 2005. Doug Larson, Executive Director of the Western Interstate Energy Board, the energy affiliate of the Western Governors' Association said: "The litigation on the EIS for Section 368 corridors should not affect the validity of results from the WREZ model to estimate the delivered cost of power from renewable energy areas. The WREZ model is a screening-level tool which estimates the distance between renewable energy areas and load areas using predominately existing transmission corridors."

Securing rights-of-way for transmission across miles of Federal land throughout the West will be one of the primary challenges facing developers of renewable energy. Certainty in costs and timelines in acquiring or preserving those rights will be key factors in decisions for investors in this industry. As the WREZ process moves forward, close attention will need to be paid to the shifting landscape of legislation, regulation and litigation to ensure successful and timely development of renewable energy resources.



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