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Western Municipal Association

News of the Big West

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Western Municipal Association Urges Leagues to Support Western Renewable Energy Zones (WREZ) Project

To date, the Arizona and Colorado Leagues have adopted resolutions supporting WREZ. The WMA's goal is to engage all Western state leagues in this project that is critical to the future of the West and our nation. **Your State League is welcome to adopt a resolution or a policy statement, and communicate your State League's actions to your members.** WMA will provide as much support as possible to help you.

In a nutshell, the WREZ Project is an effort to promote a cost effective western states regional approach to the development of renewable alternative energy sources, and the development of an adequate and flexible electric distribution grid. The process is highly inclusive and is bringing industry, government, consumer groups, and environmental interests together.

Cities are necessary to the success of the effort. Local governments can help citizens discuss the need to upgrade the West's inadequate patchwork electric grid, as well as support the development of all alternative energy resources. The lack of an adequate electric grid is the largest barrier to the development of our best alternative energy resources. Also, early and strong positive participation by communities is the best insurance against state or federal preemption of local planning and zoning powers.

See the following WREZ overview (page 6) and Draft Resolution (page 8). The Western Governors Association WREZ site is at: <http://www.westgov.org/wga/initiatives/wrez/index.htm>

If you need additional information, or a presentation, call or email Kevin Ritchie at: kbrit@gci.net, or (907) 957-1599.

As you know, the Western Municipal Association (WMA) was organized to represent the interests of state municipal leagues regarding regional issues in the West. Governors, state legislatures, counties, and many other government entities have highly successful western region associations. These associations, especially the Western Governors Association and the Conference of State Legislatures - West, have been extremely helpful to the WMA.

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Kevin Ritchie - WMA Coordinator, and Yvonne Taylor - Executive Director of the South Dakota Municipal League, are representing WMA as members of the technical implementation committee of the Western Renewable Energy Zones (WREZ) Project sponsored by the Western Governors Association.

WMA urges you to bring this issue into your state league policy process by either adopting a resolution (draft attached - page 8) or by developing a policy statement supporting the WREZ effort for the following reasons:

1. WREZ is the first regional effort to develop alternative renewable energy sources to **support our nation's efforts** to become energy independent, create the maximum number of jobs, and keep the cost of energy as low as possible.
2. WREZ is working toward the development of a regional entity to plan and **upgrade our woefully inadequate Western electric distribution grid**, without which many renewable energy projects cannot be developed.
3. Cities and towns must be involved with this important effort, especially in light of planning and zoning powers of municipalities. Additionally, early and strong participation by local governments will help **avoid potential efforts to override local authority.** ■

WMA Brainstorm Results From Meeting in Washington DC

Nearly 70 delegates attended the Western Municipal Association meeting March 16, 2009 in conjunction with the National League of Cities in Washington, DC. The delegates developed ideas for the WMA Board to consider in crafting next year's work plan.

The goal was to successfully "Speed Brainstorm" to get good ideas on the table quickly. The delegates broke into eight groups and were given ten minutes each to discuss the following questions. Each group reported its results. The product of the "Speed Brainstorm" is listed below.

"How should the WMA fit into the state municipal league policy process regarding western regional issues?"

- Annual meetings of state leagues can be used as a forum for issues - each state league can transmit issues to members through its individual state league policy/communication process.
- WMA should act as a clearinghouse and use state leagues for information dissemination.
- Create committees within WMA to work on issues, similar to state league policy committees.
- Create state league "focus groups" on issues.
- Create model resolutions and legislation as appropriate.
- More articles for state league newsletters.
- Send policy papers to state leagues.
- Use email, Facebook, etc. for information dissemination. Create a WMA "Facebook" page.
- WMA should link its Web page to state league Web sites and vice versa.
- Put WMA policies in policy formats most usable to state leagues.
- WMA should share information with leagues, but make sure the information is not partisan.
- WMA should work with state leagues to develop strong policy statements that all state leagues endorse.
- Continue to solicit issues from state leagues - Issues that resonate with state leagues.
- Build a strong coalition of western state leagues.

Brainstorm, continued page 3

Brainstorm, continued from page 2

"What issues should the WMA work on next year?"

- Continue working with Western Governors Association to develop WMA issues.
- Clean water.
- Water sufficiency and related issues.
- Energy development.
- Low income energy policy.
- Focus on renewable energy - preserve local control with transmission of all types of energy.
- Maintain and promote local control.
- Transportation system improvements including rail (especially include connecting Alaska — lower 48 states connections).
- Federal lands issues.
- Reduction of carbon footprint.
- Focus on water issues.

Conclusion:

The Speed Brainstorming session has given the WMA Board a good start on developing a work plan for the coming year and it will be of value to the Western State Municipal Leagues. Here are two themes:

- The WMA should continue to develop innovative two-way communication processes with the Western State Municipal Leagues to develop a Western Region municipal policy process to complement the Western Governors, legislatures, and counties associations. The goal is to productively engage western municipalities in solving key Western issues, and developing a more regional approach to solving national and global issues, such as U.S. energy independence.
- The WMA should continue to work with the Western Governors Association (WGA) to improve the "Western Interconnection" electric grid to make the U.S. more energy independent and to have the ability to tap the best new alternative energy resources. The WMA should also consider partnering with the WGA and other Western government associations.



Nevada



Washington

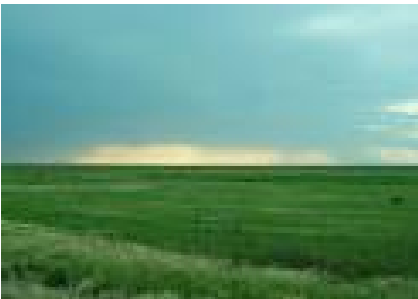


Nebraska

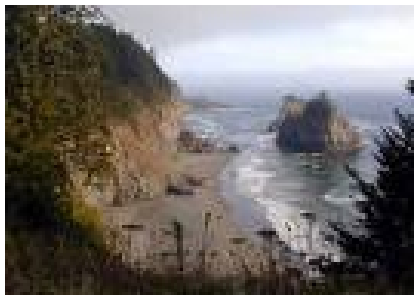
A Glimpse of the Beauty of the Western States



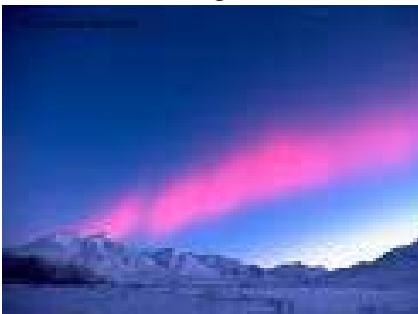
Utah



Kansas



Oregon



Alaska



Idaho

Get the Most From the American Recovery and Reinvestment Act of 2009

At the March 16th WMA meeting in Washington DC, Kyra Ross, Legislative Representative for the California League of Cities, presented "**City Energy Funding Opportunities**" from the federal stimulus bill.

Energy related programs available to cities are:

- Clean Renewable Energy Bonds - \$1.6 Billion
- Energy Efficiency and Renewable Energy Research, Development, Demonstration, and Deployment - \$2.5 Billion
- Electricity Delivery and Energy Reliability - \$4.5 Billion
- Clean Cities Diesel Reduction Program - \$300 million
- Weatherization Assistance - \$5 Billion
- Energy Efficiency and Conservation Block Grants - \$3.2 Billion
- Assisted Housing Stability and Energy and Green Retrofit - \$2.25 Billion

The energy funding handout is part of a **handbook developed by the California League of Cities to help municipal leaders access all of the programs available under the stimulus bill.** The League has graciously volunteered to share this excellent handbook with cities in other states.

The League posts regular updates to its handbook online at:
<http://www.cacities.org/federalstimulus>

Each page shows:

- The name of the program and available funding,
- A brief overview of the program,
- Special factors - program provisions and eligibility requirements,
- How to access funding, and
- Contact information.

To submit articles or photos to **News of the Big West** please contact Linda Welch Hicks:
lhicks@cacities.org



Western Municipal Association Name and Web site change

To better identify our association, and avoid confusing it with a conference, the following bylaws change was made in November 2008: **"This organization shall be known as the Western Municipal Association."** *(Formerly the Western Municipal Conference.)*

This recent name change also necessitated a change to our Web site address. You may now visit us at: www.westma.org

Here, pertinent information can be accessed, including a membership roster, a chart of common issues among the other political organizations, and issues of WMA's e-newsletter – *News of the Big West*.



Register online now for the
2009 Congress of Cities
www.nlc.org



Arizona



Wyoming



California



New Mexico



North Dakota

Overview of Western Renewable Energy Zones Project

What is the purpose of the WREZ project? The WREZ seeks to identify those areas in the West with vast renewable resources to expedite the development and delivery of renewable energy to where it is needed. Renewable energy resources are being analyzed within 11 states, two Canadian provinces, and areas in Mexico that are part of the Western Interconnection. Stakeholders representing a variety of interests from throughout the region are participating in a collaborative process to produce reliable information to support the cost-effective and environmentally sensitive development of renewable energy in specified zones. The WREZ project will also produce conceptual transmission plans for delivering that energy to where it is needed within the Western Interconnection.

How is the WREZ process structured? The WREZ work plan is divided into four phases: ***Phase One: Identify REZs.*** All commercial renewable resource potential in the Western Interconnection will be identified in Phase One. The best resources and those that are located in close proximity to each other will be aggregated into REZs. Assumptions and modeling methods will enable utilities, regulators and others to estimate the generation and related transmission costs to deliver these renewable resources from each REZ to the major population centers in the interconnection.

Phase Two: Develop a Conceptual Transmission Plan to Move Power from REZs. Through the existing Western Electricity Coordinating Council and sub-regional transmission planning groups, a conceptual transmission plan will be developed that demonstrates the means to deliver energy from the identified REZs to locations where the power is needed. This phase will include transmission modeling to study the additions to the transmission system that may be needed to move power from REZs.

Phase Three: Coordinate Procurement to Support Commercial Transmission Projects and a Regional Market for Renewable Resources. Phase Three will examine how to best stimulate the development of commercial generation within REZs and transmission projects to move power from REZs. State and provincial utility commissions, power companies and generators will be brought together to develop mechanisms for coordinating both the timing and the regulatory approval of procurement across state jurisdictional lines. Coordinating procurement among buyers of a utility's power provides a way to aggregate renewable supply needs and support development of a region-wide market for renewable power.

Phase Four: Build Interstate Cooperation to Facilitate Transmission Approvals, Allocated Costs and Ensure Cost Recovery. Phase Four will engage political, industry and stakeholder leaders to build the interstate cooperation necessary to facilitate the permitting of multi-state generation-transmission projects and address cost allocation issues.

What is the timeline for the WREZ project? The Western Governors' Association and the U.S. Department of Energy launched the WREZ project in May 2008. Phase One will be completed in June 2009, with the Steering Committee to be considered by the Western Governors at their Annual Meeting that same month. The Phase Two conceptual transmission planning report will be completed by Fall 2009. Phase Three discussions begin among utilities on coordinated procurement and Phase Four collaborative efforts among state and federal agencies in the review of permits for interstate transmission will also commence in the Fall of 2009.

Who oversees the WREZ project? The WREZ project is guided by a Steering Committee comprising governors of the 11 Western states within the Western Interconnection, public utility commissioners from each of those states and the Premiers of British Columbia and Alberta. Also included as non-voting members are federal officials from the departments of Energy, Interior and Agriculture, as well as the Federal Energy Regulatory Commission. A Technical Committee, appointed by the Steering Committee, is comprised of representatives from the states and provinces, from each WREZ work group and from the range of stakeholders interested in energy issues in the West. ■

Inspiration from the Past

President John F. Kennedy, (1917 - 1963)

"A Strong America depends on its cities - America's glory and sometimes America's shame."

"We will neglect our cities at our peril, for in neglecting them we neglect the nation."

"My experience in government is that when things are non-controversial, beautifully coordinated, and all the rest it may be that there isn't much going on."

"For in the final analysis, our most basic common link, is that we all inhabit this small planet, we all breathe the same air, we all cherish our children's futures, and we are all mortal."

Alexis de Tocqueville, (1805 – 1859) a French political thinker and historian best known for his *Democracy in America* (appearing in two volumes: 1835 and 1840).

"The strength of free peoples resides in the local community. Local institutions are to liberty what primary schools are to science; they put it within the people's reach; they teach people to appreciate its peaceful enjoyment and accustom them to make use of it. **Without local institutions a nation may give itself a free government, but it has not got the spirit of liberty.**"



Draft Resolution – Example

(Each League is welcome to develop its own resolution or policy statement appropriate for its members)

A RESOLUTION CONCEPTUALLY SUPPORTING THE REGIONAL DEVELOPMENT OF RENEWABLE ENERGY PROJECTS AND NECESSARY TRANSMISSION LINES IN THE WESTERN STATES

WHEREAS, the development of alternative energy and adequate new transmission lines is a cornerstone of national policy for creating jobs, stabilizing the economy, creating energy independence, and combating global warming; and

WHEREAS, a partnership of federal, state, local government, the private sector, and other stakeholders, including environmental interests, is necessary to successfully meet our nation's long-term sustainable energy needs; and

WHEREAS, all citizens and businesses in the western states will benefit most from the consideration of both in-state and multi-state regional renewable energy projects that match the best (i.e., lowest cost) alternative energy resources, with consumer population centers. While in-state alternative energy projects may be the most economical in some cases, in other cases, the regional projects may be the most economical; and

WHEREAS, the Western Governors Association (WGA) is implementing the Western Renewable Energy Zones (WREZ) initiative to encourage a multi-state regional approach to providing renewable energy and transmission lines at the lowest cost to residents and businesses in the western states; and

WHEREAS, the WREZ Technical Committee is a balanced stakeholder group that meaningfully incorporates government, industry, and environmental interests. The WREZ Technical Committee reports directly to the Steering Committee of Western Governors and other leaders in the "Western Interconnection; and

WHEREAS, the **Western Municipal Association** conceptually supports the WREZ initiative, and has seats on the WREZ Technical Committee and the Public Outreach Subcommittee; and

WHEREAS, the WGA has stated the need for assistance from municipalities to make the public aware of the WREZ initiative, and to prepare to engage local planning and zoning review processes; and

Resolution, continued page 9

Resolution, continued from page 8

WHEREAS, each state municipal league has a state league policy development process with an interest in providing affordable long-term energy, reducing dependence on foreign oil, creating local jobs, and reducing carbon emissions; and

WHEREAS, the WREZ initiative will be accomplished by:

1. The WREZ initiative will provide conceptual information to policy makers and business interests who along with regulators will make decisions on implementing alternative energy projects.
2. The WREZ initiative will identify commercial renewable resource potential in the Western Interconnection. The best and geographically proximate will be aggregated into Renewable Energy Zones (REZs).
3. Once identified, a REZ will have no legal or regulatory status, nor is there any certainty that transmission will be built to interconnect it. Local, state and federal permitting processes remain wholly intact and are unaffected by the WREZ process or outcomes.
4. The existing Western Electricity Coordinating Council and sub-regional transmission planning groups will develop a conceptual transmission plan to demonstrate how to deliver energy from the identified REZs to locations where the power is needed. This will include transmission modeling to study the transmission needed to move power from the REZ and the price of that delivered power.

WHEREAS, the initial WREZ work project is expected to be ready for review by June, 2009. and

WHEREAS, a complete status of the WREZ initiative resides at www.westgov.org; now, therefore be it

RESOLVED, that the (e.g. League of California Cities):

1. Conceptually supports the potential for long term cost benefits to residents and businesses through the cooperative regional development of alternative energy projects; and
2. Urges municipalities to engage local government planning and zoning powers to consider western regional opportunities to develop alternative energy projects.



South Dakota



Montana



Colorado

White House Outlines Funding for Smart Grid Initiatives

THE WHITE HOUSE

Office of the Vice President

EMBARGOED UNTIL 5:15 PM EDT

April 16, 2009

**Vice President Biden Outlines Funding for Smart Grid Initiatives
Announces plans for nearly \$4 billion in technology deployment,
monitoring and viability**

Washington, DC – Vice President Joe Biden, on a visit to Jefferson City, Missouri, today with Commerce Secretary Gary Locke, detailed plans by the Department of Energy to develop a smart, strong and secure electrical grid, which will create new jobs and help deliver reliable power more effectively with less impact on the environment to customers across the nation. As part of the American Recovery and Reinvestment Act, the Vice President outlined plans to distribute more than \$3.3 billion in smart grid technology development grants and an additional \$615 million for smart grid storage, monitoring and technology viability.

"We need an upgraded electrical grid to take full advantage of the vast renewable resources in this country – to take the wind from the Midwest and the sun from the Southwest and power areas across the country," said Vice President Biden. "By investing in updating the grid now, we will lower utility bills for American families and businesses, lessen our dependence on foreign oil and create good jobs that will drive our economic recovery – a strong return on our investment."

On the visit to Jefferson City today, Secretary Locke also announced plans for a Smart Grid meeting in Washington, D.C. that he will chair with Energy Secretary Steven Chu. The event, which will take place in early May, will bring together leaders from key stakeholders' organizations, largely from private industry, to begin a critical discussion about developing industry-wide standards that will enable the Smart Grid to become a reality. Additionally, industry leaders at the meeting will be expected to pledge to harmonize industry standards critical to developing the smart grid, commit to a timetable to reach a standards agreement and abide by the standards devised.

The meeting will provide a forum for industry leaders to move toward an industry standards agreement critical to developing the Smart Grid. Additional meetings of industry staff on May 19–20 are planned to make further progress on a standards agreement.

White House, continued page 11

White House, continued from page 10

"A smart electricity grid will revolutionize the way we use energy, but we need standards in place to ensure that all this new technology is compatible and operating at the highest cybersecurity standards to protect the smart grid from hackers and natural disasters," Locke said. "The Recovery Act will fund the development of those standards so the exciting technology can finally take off."

Under the Energy Independence and Security Act of 2007, the Commerce Department's National Institute of Standards and Technology (NIST) is responsible for assisting with the development of a framework for standards associated with Smart Grid systems and devices.

As part of Vice President Biden's announcement, the Department of Energy released a Notice of Intent (NOI) for the DOE Smart Grid Investment Grant Program, as well as a draft Funding Opportunity Announcement from the Department for a smart grid regional demonstration initiative. Together these efforts will help implement technologies aimed at transforming how electricity providers operate their systems, offer options for increased energy storage and accelerate the integration of renewable energy sources like wind and solar power with the electrical grid.

"A modernized electrical grid will provide the necessary tools for system operators to analyze and resolve problems quickly," Chu said. "It will also expedite how we deliver renewable power to consumers, thus reducing the environmental impacts of generating electricity."

These investments will help implement the necessary digital upgrades in the home and on the electric grid, enabling it to be more efficient, resilient, and secure. They will also help make the grid capable to effectively integrate renewable supplies, plug in electric and hybrid vehicles, and energy management technologies, ultimately reducing energy infrastructure requirements and our dependence on foreign oil.

\$3.375 billion for Smart Grid Investment Grant Program

DOE's Smart Grid Investment Grant Program will provide grants ranging from \$500,000 to \$20 million for smart grid technology deployments. It will also provide grants of \$100,000 to \$5 million for the deployment of grid monitoring devices. This program provides matching grants of up to 50 percent for investments planned by electric utilities and other entities to deploy smart grid technologies. The program will use a competitive, merit-based process to select qualified projects to receive funding.

Eligible applicants include, but are not limited to, electric utilities, companies that distribute or sell electricity, organizations that coordinate or control grid operations, appliance and equipment manufacturers, and firms that wish to install smart grid technology. There will be a 20-day public comment period on the Notice of Intent; the Department will use feedback to finalize the grant program structure and subsequent solicitation.

White House, continued page 12

White House, continued from page 11

\$615 million for Smart Grid Demonstration Projects

The draft Funding Opportunity Announcement is for smart grid demonstrations in three areas:

- Smart Grid Regional Demonstrations will quantify smart grid costs and benefits, verify technology viability, and examine new business models.
- Utility-Scale Energy Storage Demonstrations can include technologies such as advanced battery systems, ultra-capacitors, flywheels, and compressed air energy systems, and applications such as wind and photovoltaic integration and grid congestion relief.
- Grid Monitoring Demonstrations will support the installation and networking of multiple high-resolution, time-synchronized grid monitoring devices, called phasor measurement units, that allow transmission system operators to see, and therefore influence, electric flows in real-time.

Each demonstration project must be carried out in collaboration with the electric utility that owns the grid facilities. An integrated team approach that includes, for example, products and services suppliers, end users, and state and municipal governments, is encouraged. The projects require a cost share of at least 50 percent of non-federal funds.

The draft announcement will be open for comment for 20 days.

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