



January 13, 2020

Honorable Eli Bebout
Honorable Bob Nicholas
Joint Appropriations Committee
200 West 24th Street
Capitol Building, E201
Cheyenne, WY 82002

Re: Energy Commercialization Program (Letter #1)

Dear Chairman Bebout, Chairman Nicholas and members of the JAC,

As your Committee is acutely aware, coal production and the associated revenue it produces for the benefit of all Wyoming citizens is declining. The last decade saw a 35 percent decrease in production. Just this year thermal coal utilization has dropped 10 percent. Wyoming must deploy a strategy to slow and ideally reverse this trend. It is not only imperative for our state's economy, but it is the appropriate and correct thing to do for our state's other resources as well.

Forty years ago wind and solar seemed like far-fetched technologies. They were not commercially viable and suffered from substantial technical challenges. Government subsidies over the past few years including research and development brought on rapid buildout of these technologies to where they are quite competitive with traditional technologies. The pendulum has swung and a valuable lesson has been learned. We must make investments now to speed technologies to advance zero or negative-carbon uses for coal. Commitments we make today will pay off in the coming decade. I support the efforts of the Joint Minerals Committee to develop an Energy Commercialization Program. Setting up the process to vet proposed projects requires a thoughtful approach so that we spend dollars appropriately and get a return on our investments for Wyoming.

I am requesting funding of the Energy Commercialization Program with \$25 million from the Strategic Investment & Projects Account (SIPA) for BFY2021, to be deposited in a budget in the Governor's Office, and a standalone Fund/Account be established in the Auditor's Office for the proceeds from this appropriation. It should be provided that this Fund/Account continues to be invested to build its corpus. While I recommended the denial of funding for the University of Wyoming School of Energy Resource (SER) proposal related to coal and carbon, I am not

opposed to those projects. We simply have too many disparate efforts pulling in too many directions dissipating our progress collectively.

The Energy Commercialization Program will provide a focused, singular approach to advancing research through collaboration between the Legislature, my office, the University of Wyoming and counties that are supportive of these investments. A more coordinated and organized approach on our part will better advance this important area of research.

We must act now to protect our coal resources and encourage technologies to respond to changing policies and the marketplace. Wyoming is at the forefront of the nation on policies related to carbon capture, utilization, and storage. The Integrated Test Center is hosting its first tenant this year and the facility is the best of its kind in the country. SER has made progress on research to advance coal uses. Standing still means moving backward. It is time for our next bold move. I ask for your support of the creation and funding of the Energy Commercialization Program.

Sincerely,



Mark Gordon
Governor