



June 26, 2008

Commissioner Barry Smitherman  
Commissioner Paul Hudson  
Commissioner Julie Parsley  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
Austin, TX 78711

Dear Commissioners,

We urge the Public Utility Commission to support renewable energy use to the fullest extent possible by selecting and expediting deployment of Competitive Renewable Energy Zone (CREZ) Scenario #3. This bold option will put the transmission lines in place to bring a substantial amount of wind energy - and eventually solar energy - to our major cities. This is the future of energy in Texas, and it is far cheaper to build a transmission grid of adequate size once than to add additional capacity later. By building the necessary infrastructure now, we can expedite the process of improving air quality, reducing global warming, preparing for expected federal regulations, creating new jobs and industries, and putting money back into the pockets of Texas families through an overall reduction in long-term energy expenditures.

Aggressive development of transmission lines would provide an opportunity to substantially reduce emissions that undermine human health and contribute to global warming. According to the 2008 ERCOT Ancillary Services Study, an analysis by GE shows that installing 15,000 megawatts of wind on the ERCOT system this year would reduce NOx emissions by 12 percent and reduce CO2 emissions by 15 percent. Extrapolating these results suggests that Scenario 3, with 24,859 megawatts, could result in a 20 percent reduction in NOx and 25 percent reduction in CO2. It will take years to develop the wind power to reach those levels, but we must invest in the necessary transmission lines in order to eventually seize this clean air opportunity.

Investing in adequate infrastructure now is also important for preparing for future constraints and demands on our state's energy system. While Congress is debating the best approach to emission reductions, it is clear that the federal government will soon place a limit on carbon dioxide emissions. As the national leader in carbon dioxide emissions from power plants, Texas will face an even greater challenge in transforming our economy and energy production to meet new federal requirements if we do not begin to develop the infrastructure now. Furthermore, as plug-in hybrids and other electric vehicles reach the market, there will be ever greater demand for renewable energy to power these


vehicles. Given the dramatic increase in the cost of gasoline, and GM and Toyota's recently announced plans to have plug-in hybrids for sale by late 2010, it will be critical to have adequate transmission to deliver west Texas wind energy to growing electric transportation markets.

Scenario 3 is also the best economic options for Texas families, without even factoring in the substantial environmental and societal benefits. ERCOT conservatively projects that an investment of \$6 billion for a 50-year transmission grid would reduce power prices by more than \$3 billion a year. This investment delivers a far better return than the vast majority of Texans are able to receive on their savings accounts. Additionally, the wind energy industry has already created thousands of new jobs, and many more will follow if the infrastructure is in place to support the industry.

We believe adoption of an aggressive CREZ plan is a great strategy for reducing costs, creating jobs and lowering pollution. We urge you to make the kind of bold policy decisions that your predecessors made to help turn Texas into an energy leader for many years.

Thank you for your attention to this critical issue.

Sincerely,



Michael U. Villarreal  
State Representative  
District 123

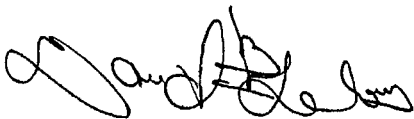
Rodney Ellis  
State Senator  
Senate District 13



David Swinford  
State Representative  
District 87



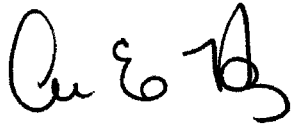
Pete P. Gallego  
State Representative  
District 74



David McQuade Leibowitz  
State Representative  
District 117



Dawnna Dukes  
State Representative  
District 46



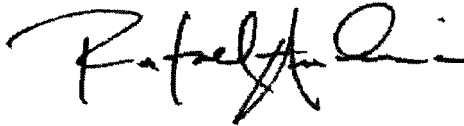
Ana E. Hernandez  
State Representative  
District 143



Ruth Jones McClendon  
State Representative  
District 120



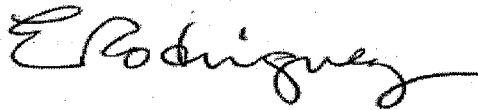
Elliott Naishtat  
State Representative  
District 49



Rafael Anchia  
State Representative  
District 103



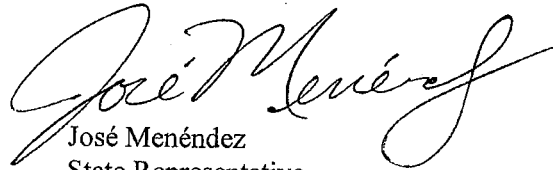
Lon Burnam  
State Representative  
District 90



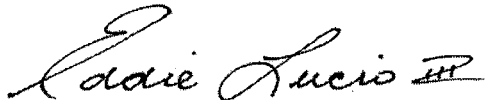
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State Representative  
District 51



Joaquin Castro  
State Representative  
District 125



José Menéndez  
State Representative  
District 124



Eddie Lucio III  
State Representative  
District 38