

In cooperation with the
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Association

Implementing Wind Energy & Transmission in the West

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The National Wind Coordinating Collaborative (NWCC), through its Western Transmission Leadership Group (WTLG), ensures wind stakeholder engagement in transmission activities and develops and shares information about integrating wind into the Western grid through institutional, regulatory, and operational changes. These quarterly newsletters highlight transmission-related wind energy happenings in the Western Governors' Association (WGA) territory with updates on corresponding NWCC WTLG activities. This is our third newsletter; the first two volumes available [here](#).

Feel free to pass this newsletter along to other individuals and groups who may be interested. Please [contact us](#) to be added to or removed from the newsletter distribution list. We welcome your [feedback](#) on the newsletter and [suggestions](#) for improving it. Also, if you have updates for the next edition, please [tell us!](#)

FERC Approves Investment Incentives for SCE Transmission Projects

On November 15, the U.S. Federal Energy Regulatory Commission (FERC) announced that it has approved requests from Southern California Edison (SCE) for transmission investment incentives for new grid construction in the Southwest. SCE had requested approval for three proposed transmission projects in California and Arizona: the Devers-Palo Verde II (DPV2) Project, the Tehachapi Project, and the Rancho Vista Project. According to FERC, the "new projects will improve system reliability, reduce transmission congestion and provide lower-cost power to customers."

SCE designed the Tehachapi Project to support California's renewable energy portfolio standard and efforts to reduce greenhouse gas emissions, by allowing for increased amounts of wind-generation to connect with the SCE transmission system.

To view the FERC press release, visit <http://www.ferc.gov/news/news-releases/2007/2007-4/11-15-07-E-2.asp>.

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What Does That Mean?
Not sure what one of the terms here refers to? Try consulting our transmission glossary!

Contact Us!
Please send updates or suggestions for future editions to:

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We welcome your feedback!

For More Information

www.nationalwind.org
www.westgov.org
www.westgov.org/wieb/
www.awea.org
www.uwig.org

NWCC Activities

The NWCC, Western Governors' Association, and the Geothermal Energy Association brought together over 200 leaders from around the West for the September summit *Increasing Renewable Energy in the Western Grid*. Representatives from the wind, solar, and geothermal industries, state and federal regulatory and technical agencies, transmission experts, and others discussed the urgent need to build new transmission to bring renewable energy sources to market and help states and utilities achieve their renewable portfolio goals. Presentations and other materials are available at <http://www.nationalwind.org/events/summit/default.htm>.

SD PUC Approves MN Transmission Line

The South Dakota Public Utilities Commission has approved the initial 9.6 miles along I-90 of a new transmission line into Minnesota. The eventual 86-mile line will run from Brandon, SD west to Lakefield, MN. The new line will, according to Xcel Energy, increase the company's wind power capacity from 435 MW to 825 MW, and help deliver wind-generated electricity from new turbines currently under construction in Brookings County, SD to Sioux Falls and parts of Minnesota.

NWCC Activities

NWCC co-sponsored the event *Wind Energy & Transmission: The South Dakota Landscape* on November 29-30 in Sioux Falls, SD. Over 300 people from South Dakota and the region, including wind and transmission developers, regulators and siting authorities, state and federal agencies, utilities, tribes, and many others. The meeting focused on South Dakota's remarkable wind power potential, transmission constraints impeding development of the wind resource, and opportunities for overcoming transmission challenges. Meeting presentations are online at http://www.nationalwind.org/calendar/wind_Energy_transmissionsouth_dakota_landscape.htm.

Montana Creates Energy Infrastructure Promotion and Development Division

Montana House Bill 2, passed by the Montana Legislature in a special session earlier this year, included a line item authorizing \$660,000 to the state's Department of Commerce over the next two years to fund an Energy Infrastructure Promotion and Development Division (EIPD). The new state office is mandated to promote and develop Montana's energy infrastructure to support the state's significant energy resources.

The EIPD is one of a growing number of similar offices in the Western states, and is modeled on the Wyoming Infrastructure Authority created in 2004. In addition to Montana, Colorado and New Mexico have also created offices designed to improve the state's energy infrastructure.

For the official press release about the EIPD, visit <http://commerce.mt.gov/doc/Includes/EnergyOffice.pdf>. To learn more about the EPID, visit <http://commerce.mt.gov/energy/index.asp>.

NWCC Activities

State Transmission Infrastructure Authority leaders from Colorado, Idaho, Kansas, New Mexico, South Dakota, and Wyoming presented on the October NWCC Transmission Update call. A summary of this session is available at <http://www.nationalwind.org/pdf/NWCCtransmissionupdateOct07FINAL.pdf>.

Senate Bill Calls for National Renewable Energy Zones Designation

The U.S. Senate Majority Leader Harry Reid (D-Nev) introduced S. 2076, "A bill to amend the Federal Power Act to require the President to designate certain geographical areas as national renewable energy zones, and for other purposes," also known as the Clean Renewable Energy and Economic Development Act, in the U.S. Senate on September 20.

These national renewable energy zones (NREZ) would have the renewable energy resources to potentially generate at least 1,000 MW of electricity. Under the bill, if no private organizations take on the task of constructing transmission lines to those areas, then federal power administrations would be given funding to do so themselves. The bill would also require renewable energy and energy efficiency to be bundled in with other federal power administration energy programs.

To view the S. 2076, visit <http://www.govtrack.us/congress/billtext.xpd?bill=s110-2076>.

NWCC Activities

NWCC members and other Western leaders, building off an idea raised at the summit *Increasing Renewable Energy in the Western Grid*, have put together a proposal for a project to identify Renewable Energy Zones (REZ) in the Western Interconnection based on commercial potential and cost of development. The project will then seek to develop transmission plans of service to priority REZs to facilitate environmentally-sensitive development of renewable energy resources. The idea is to take a regional approach, building on the zone efforts being pursued in several Western states. The project proposal is being submitted to potential funders for consideration in December.

Kansas DHE Denies Sunflower Air Quality Permit

The Kansas Department of Health and Environment (KDHE) has denied an

air quality permit for Sunflower Electric Power Corporation to build two additional 700 MW coal-fired power plants outside the town of Holcomb, KS. According to Sunflower, these plants would be necessary for the future construction of new transmission lines with capacity for the coal power plants but also wind facilities. The company has filed appeals and requests for administrative hearings with KDHE, as well as two lawsuits against the state agency.

In addition to coal, Sunflower is also a regional wholesale power supplier for wind and gas power in central and western Kansas, and ten other states.

NWCC Activities

Earl Watkins, President and CEO of Sunflower Electric Power Corporation, presented at NWCC's Southwest Power Pool Transmission Workshop III this August. Fellow presenter Bob Bryant, Golden Spread Electric Cooperative described how the Holcomb coal plant would enable 1,500 MW of wind exports to the SPP region. For more details, see the meeting summary and presentations at <http://www.nationalwind.org/events/spp/03/default.htm>.

Texas PUC Interim Final Order Designates CREZs

The Public Utility Commission of Texas (PUCT) issued an Interim Final Order on October 2 that designates five Competitive Renewable Energy Zones (CREZ) in West Texas and the Texas Panhandle. The CREZs contain the potential for up to 22,806 MW of new wind power construction. The Electric Reliability Council of Texas is conducting a Transmission Optimization Study to formulate options for delivering the wind energy that would be generated from the five CREZs, which could supply up to 20% of the state's electrical needs.

The PUCT is expected to finalize a final order, transmission plan, and budget in early 2008.

For more information about the Texas CREZs, visit http://www.windcoalition.org/news_page.php?id=47.

NWCC Activities

Dan Woodfin, Electric Reliability Council of Texas (ERCOT) Director of System Planning, presented at NWCC SPP Transmission Workshop III, providing background on the CREZ concept. For more details, see the meeting summary and presentations at <http://www.nationalwind.org/events/spp/03/default.htm>.

DOE Approves Southwest Area National Corridor

As reported in the [May](#) and [November](#) issues of this newsletter, the U.S. Department of Energy (DOE) issued two draft National Interest Electric Transmission Corridor designations in May 2007 and solicited public comment on the draft designations. On October 2, DOE announced its final designations for the two Transmission Corridors, effective for twelve years. The Southwest Area National Corridor includes seven counties in Southern California and three counties in Western Arizona. The final designation no longer includes Clark County, Nevada, which had been incorporated into the draft but was found, according to the DOE, to not be “a major source of potential generation for the area in the Southwest experiencing critical congestion, nor is it an area with a transmission constraint that would separate the critical area from an identified potential generation source.”

For more information about the National Interest Electric Transmission Corridors, visit <http://nietc.anl.gov/nationalcorridor/index.cfm>.

Transmission Bill Introduced in U.S. House

U.S. Representatives Jay Inslee (D-Wash) and Earl Blumenauer (D-Ore) introduced in the U.S. House of Representatives the Rural Clean Energy Superhighways Act (H.R.4059) on November 1. If passed, the bill would allow electricity generated in rural areas to be accessed by urban areas. The bill would improve electricity transmission from rural areas that have high potential for renewable energy by addressing the high costs of transmission.

Currently, it is cost-prohibitive to construct or upgrade transmission lines to remote areas, even if those areas are promising sources of renewable energy. The Inslee-Blumenauer legislation would allow for the costs associated with construction, maintenance, operation to be spread over an entire region, including the urban beneficiaries of the electricity.

To view the Rural Clean Energy Superhighways Act, visit <http://thomas.loc.gov/cgi-bin/query/z?c110:H.R.4059>.

PSCo Outlines Renewable Acquisition Plans

In November, the Public Service Company of Colorado (PSCo) released its latest resource acquisition plan describing how the company intends to acquire new renewable energy capacity. The plan includes a targeted wind acquisition process in early 2008 with a 300MW wind request for proposals. PSCo intends to use a build-transfer/PPA RFP to acquire wind resources, exercising its newly acquired statutory authority to own as much new wind capacity as possible: up to 25% or 50% of its total anticipated 1,800 MW of new wind projects by 2020 under its Preferred Plan.

High Plains Express Stakeholder Meeting

The High Plains Express (HPX) transmission project held a stakeholder meeting on November 14, 2007 to provide an update on the Feasibility Study and get input on the planning process. The HPX planners are

working cooperatively with state infrastructure authorities (in Wyoming, Colorado and New Mexico), as well as with the other projects in the HPX footprint (such as the Wyoming-Colorado Intertie, the Eastern Plains Transmission Project and the SunZia line).

For materials from this meeting, visit
http://www.rmao.com/wtpp/HPX_Studies.html.

Colorado CEDA Holds First Meetings

As described in the May newsletter, the Colorado Legislature created a Clean Energy Development Authority (CEDA) to facilitate clean energy development and the transmission to support it. CEDA held its first meeting on November 1st and a second meeting is scheduled for December 18th.

For CEDA details and meeting information, go to
<http://www.colorado.gov/energy/utilities/clean-energy-development-authority.asp>.

NTTG Presents Cost Allocation Strawman Proposal

In November 2007, the Northern Tier Transmission Group (NTTG) Cost Allocation Principles Working Group reported to the Western Interstate Energy Board and the Committee on Regional Electric Power Cooperation (CREPC) on its Strawman Proposal for approaching transmission cost allocation in the absence of an ISO or power pool structure. The intent is to reduce developer and investor uncertainty in how transmission costs will be recovered. Four principles are outlined to address:

- 1) Equity – those who cause costs or benefit from transmission should pay for it;
- 2) Efficiency – efficient generation and demand side portfolios will produce least cost transmission solutions;
- 3) Fair and full cost allocation – transmission owners should have the opportunity to fully recover project costs but not more
 - a) Cost assignment should follow benefits – costs should be allocated based upon the distribution of benefits;
 - b) Customer specific allocation – customer specific cost allocations permissible where benefits to others are minor and no harm is done to the network;
- 4) Allocation for wholesale and merchant project costs – for Type 2 project costs, the transmission owner should directly recover costs from its customers.

For the principles to work successfully, the strawman proposal encourages good practices such as state regulator participation, process transparency, early stakeholder involvement, information sharing, and robust analyses.

The commissioners working on the cost allocation proposal are seeking comments on the strawman proposal. To review the full proposal, visit
<http://www.westgov.org/wieb/meetings/crepcfall2007/briefing/nttg-ca.pdf>.

Job Announcements

The Wind Coalition Executive Director

The [Wind Coalition](#) is seeking an Executive Director to lead the Coalition's transition from a tactical, policy-development focus into a robust, mature organization. The position is located in Austin, Texas. If interested, send resume and cover memo to Director_Job@windcoalition.org.

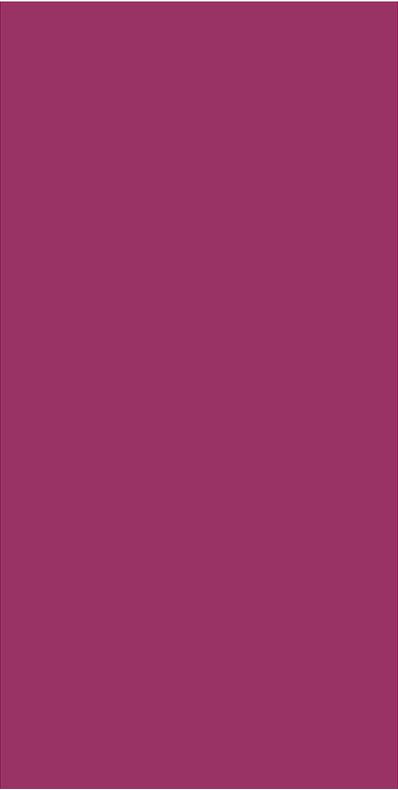
Colorado Clean Energy Development Authority Executive Director

The Colorado Clean Energy Development Authority (CEDA) was created this year by the Colorado Legislature to facilitate clean energy production and consumption, as well as increase transmission for clean energy. CEDA is seeking an Executive Director; for the full job description, click [here](#).

NWCC Western Transmission Leadership Group

Recognition and thanks to members of the NWCC Western Transmission Leadership Group (WTLG) for their guidance and action to make more transmission available for renewable energy:

Bob Anderson, Bob Anderson Consulting	Debra Lew, National Renewable Energy Laboratory
Hap Boyd, GE Wind Energy	Steve Lindenberg, U.S. Department of Energy
Jim Byrne, Rocky Mountain Area Transmission Study	Carl Linvill, Aspen Environmental Group
Tom Carr, Western Interstate Energy Board	James Lyons, GE
Brian Connor, U.S. Department of Energy	Michael Milligan, National Renewable Energy Laboratory
Craig Cox, Interwest Energy Alliance	Fred Morse, Morse Associates
Tom Darin, Western Resource Advocates	Brad Nickell, U.S. Department of Energy
Ed DeMeo, Renewable Energy Consulting Services	David Olsen, Center for Energy Efficiency and Renewable Technologies
Steve Ellenbecker, Wyoming Governor's Office	Amanda Ormond, The Ormond Group
Ned Farquhar, Natural Resources Defense Council	Brian Parsons, National Renewable Energy Laboratory
Larry Flowers, National Renewable Energy Laboratory	Kevin Porter, Exeter Associates
Karl Gawell, Geothermal Energy Association	Rhone Resch, Solar Energy Industries Association
Bob Gough, Intertribal Council on Utility Policy	Rachel Shimshak, Renewable Northwest Project
Rob Gramlich, American Wind Energy Association	Eric Simons, Competitive Power Ventures
Rich Halvey, Western Governors' Association	Robert Sims, AES Wind Generation
	Charlie Smith, Utility Wind Integration



Roger Hamilton, West Wind Wires

Pamela Jacklin, Stoel Rives

Mike Jacobs, UPC Wind

Alyssa Kagel, Geothermal Energy Association

Doug Larson, Western Interstate Energy Board

Ron Lehr, American Wind Energy Association

Group

Brian Smith, National Renewable Energy Laboratory

Beth Soholt, Wind on the Wires

Steve Wegman, South Dakota Public Utilities Commission

John White, Center for Energy Efficiency and Renewable Technologies

Andrew Young, Horizon Wind Energy