

Transmission/Wind Group Meeting

A Montana Transmission Wind Working Group meeting was held on October 29 in Helena. Attended by approximately 50 stakeholders, the meeting covered transmission siting, potential modifications to the Montana Intertie transmission rate pancake, wind education and outreach and a presentation of a new wind farm site optimization tool.

The meeting began with a panel discussion with presenters providing perspectives on transmission siting in Montana given the recent experiences of MATL and MSTI and in light of the other transmission projects being proposed in Montana. The panelists included Dave Gates representing NorthWestern Energy, Darryl James representing MATL, Chuck Magraw representing NRDC and Tom Ring representing MDEQ.

Panelist comments on siting covered a variety of perspectives including the following:

- Renewable energy development and transmission development needs to be done right in Montana and that if it's not done right it will hurt Montana, development, and consumers.
- Public concern about transmission siting is growing and there is a need for a more robust public vetting process to obtain better stakeholder buy-in and keeping the public constantly informed through a variety of means, including public forums.
- Industry needs certainty and predictability in siting process.
- Siting needs to be about siting and not economics particularly as MFSA relates to the determination of need.
- Timing mismatch in the permitting process—wind development can take 6 months while transmission can take 6 years or more—needs to be better synchronized.
- Industry wants to disconnect MFSA from MEPA and NEPA; there is a need to make certain that the siting act is the ultimate siting authority.

Following the panel session, an open discussion took place with most of the conversation focusing on the determination of need in state law for transmission projects. The takeaway of the transmission segment of the meeting was that siting is important to developing Montana renewable energy and MFSA, while needed, was written nearly forty years ago and many changes have occurred, such as energy deregulation, that need to be reviewed as we grapple with ways to make siting more predictable and workable.

An update was provided on the issue of the potential of modifying the Bonneville Power Administration Montana Intertie Transmission rate. A number of Montana wind

developers have argued for eliminating this rate pancake as a means of making Montana wind more competitive with Columbia Gorge wind and thus facilitating the delivery of high capacity factor Montana wind to the Pacific Northwest. The shape of Montana wind compliments Columbia Gorge wind, i.e., Montana wind typically peaks in the winter while Columbia Gorge wind typically peaks in the spring/summer, thus helping to balance these two wind regimes.

Governor Schweitzer wrote BPA Administrator Stephen Wright a letter last February urging BPA to eliminate this rate pancake. The issue was placed as a “parking lot” issue and discussed in a series of 2012 BPA transmission rate case workshops held this summer. BPA staff worked on preparing a detailed analysis of rate impacts for various scenarios of potential modifications and found no matter what option might be selected to modify the Montana Intertie rate pancake, the effects on the delivered cost of power would be negligible (less than one-half of one percent). The BPA rate case is set to commence on November 17, 2010 and it is within this process that any potential modifications to the Montana Intertie rate can occur.

Another segment of the meeting covered transmission education and outreach, i.e., a discussion of how to bring public support and how to get the word out about the benefits of transmission. The bottom line is that we all need to work harder to educate and spread the word about the positive impacts of transmission. An organized association was suggested to help clarify misunderstanding and provide timely and accurate information to the public. Public forums, discussion with local commissioners, and small scale targeting were also suggested as ways to provide education and outreach.

The meeting concluded with a working lunch and a presentation by Earl Dodd of the Rocky Mountain Super Computer Center (RMSC) on a newly developed wind farm optimization tool called M.O.R.E. Power (Maximizing and Optimizing Renewable Energy Power). This is a joint project of RMSC and Northrop Grumman to roll out the availability of this tool that uses sophisticated weather data sets, originally developed by the US Department of Defense for military purposes.

The use of the M.O.R.E. power tool is designed to optimize wind farm placement so as to maximize diversity benefits in wind farm placement and to realize more usable power output. A recent test demonstration of the tool showed how an optimized model of wind farms mirroring the current output of existing Montana wind farms could result in 58% more usable power.