

Montana Wind and Transmission Working Group
Meeting Minutes
Red Lion Colonial Inn - Helena, MT – January 18, 2011

Tom Carr – Western Interstate Energy Board

FERC variable generation NOPR

Tom discussed the 3 important aspects of the proposed rulemaking

1. Inter Hour scheduling
 - a. Moving to an interhour scheduling system (every 15 minutes as compared to every hour as is currently used) would allow for more adjustments in the grid. This shift would allow for better management without balancing authorities having to be automated.
2. Forecasting
 - a. New generators provide meteorological and operational data to balancing authorities. Accuracy of forecasting can be further refined by creating shared data and analysis responsibilities.
3. Cost recovery
 - a. Transmissions providers could receive cost recovery for capacity reserves. Holding capacity reserves allows for greater variability within the system and flexibility within the system.

DEADLINE for comment on the FERC NOPR is March 2nd

Questions following Tom Carr's presentation:

1. Ray – NWE: Will the ramp rates change if FERC changes to a 15 minute schedule?
 - a. Mike – NWE: a 15 minute scheduling lends itself to a 5 minute ramp rate

Federal Legislation

1. Clean Energy Standard
 - a. Will – Duke Energy
 - i. Duke is trying to include clean energy credits for transmissions projects in this legislation as much of the renewable energy development is reliant upon transmission development.

State Legislation

2. See handout

Transmission Project Update

1. Northwestern Energy – Dave Gates
 - a. Dave reported on the increased uncertainty in transmission projects across the state. MSTI project is under litigation by Jefferson County. MATL project, while

having poles in the ground, has been halted due to a ruling denying the companies right to evoke eminent domain.

- b. NWE open season remains
 - c. Renewable Collector System
 - i. Townsend Collection Center
 - d. Colstrip upgrade
 - i. Engineering for greater capacity (600MW or higher)
 - ii. Substation property has been acquired, preliminary studies are completed
 - iii. NorthWestern's decision date on moving ahead with the project – mid 2011
 - iv. Possible investors: Bonneville, 5 other Colstrip owners, possible sole ownership by NWE
2. Grasslands – Carl Borgquist
- a. See PowerPoint presentation
 - b. Questions for Carl –
 - i. Elaborate on “creative ways to compensate landowners for transmission.
 - 1. Still working on ideas, but landowners want better compensation for poles on their property, like wind turbine compensation.
3. Darrell James with Tonbridge and the MATL project was unable to attend due to the Montana legislature.
4. No representative from TransCanada to report on the Chinook Line due to a company meeting in Edmonton.

Western Environmental Law Center – Monique

- 1. See PowerPoint presentation
 - a. Questions for and clarifications by Monique:
 - i. This study assumes that the MSTI line should be built? – yes
 - ii. Madison Co. triggered this study, supported by NGOs.
 - iii. This looks very science based, what about local input/values?
 - 1. Communities select the “data layers” thus placing value upon the various aspects of development
 - iv. This study does not take the Siting Act/DEQ into account.
 - v. Data sets have been double checked with DEQ and other agencies.
 - b. Comments:
 - i. Chuck Magraw – has seen a hardening of lines when it comes to renewable energy and transmission in Montana. In order to overcome this we need to facilitate a better cross cultural dialog.
 - ii. Paul Callahan – likes Monique's approach but efforts should be put into creating a legally defensible environmental review process in Montana and then get to court as quickly as possible. Yes to outreach but prepared for the inevitable lawsuit.