

Strong Wind Buffets Bonneville

SURGING NEED FOR NORTHWEST TRANSMISSION

BY LISA COHN

WHEN THE BONNEVILLE POWER

Administration recently asked Northwest energy developers to declare their interest in obtaining transmission for their proposed projects – and to put money down to hold their spots – the federal agency was stunned by the response.

The BPA received requests to move 6,400 megawatts of power – nearly 5,000 megawatts of which came from proposed renewable resource project developers, says Elliot Mainzer, executive vice president of corporate strategy for the BPA.

“We were very surprised that so much of it was renewable energy,” says a BPA spokesman.

The process, called Network Open Season, thrilled renewable energy developers because the BPA agreed to toss out its old ways of giving access to transmission and try something innovative, says Rachel Shimshak, director of the Renewable Northwest Project, in Portland, Ore., which promotes the development of renewable resources.

“Before it was first-come, first-served and you had to wait in line if the first person in line was not ready,” Shimshak explains. “The Network Open Season was a queue-clearing process. We think other parts of the country should do an open season to identify their needs and move forward,” she adds.

Three factors make the Network Open Season effort unique. The BPA used the process to clear its transmission queue of developers who were in line but didn’t plan to use the transmission.

“The first thing these guys had to do was sign these agreements. Then they got in the queue. If they didn’t sign, they were removed from the queue. This is a nice way to separate out the serious buyers,” says Mainzer.

In addition, the agency agreed to partially finance in its rates the cost of the new lines. Generally, developers are asked to pay for new transmission lines.

“Transmission is used by everyone. The benefits of it aren’t assignable to specific customers. It makes sense to plan for the system and have everyone pay a share of it,” says Rob Gramlich, policy director for the American Wind Energy Association, in Washington. He noted, however, that AWEA supports having wind developers make at least “some level of financial commitment” to transmission projects to help demonstrate that there’s a market for them.

Rather than evaluating each request on an individual basis, a time-consuming process generally required by the Federal Energy Regulatory Commission, the BPA will look at the transmission requests as a group.

“We looped them into one giant study so we could model their aggregate impacts,” says Mainzer.

The BPA plans in late fall to identify which transmission facilities are needed to meet the requests. Right now, the BPA owns only enough transmission to bring about one-third of the renewable energy requests online.

Transmission holdups that prevent renewable energy developers from bringing their plants online are common across the country, says Gramlich.

“About 270,000 megawatts of wind projects are in interconnection queues around the country,” Gramlich says. “That means they are all hung up. The BPA approach is a great example of the proactive transmission planning we need. That’s the only way to get out of the chicken-and-egg problem we have right now: The generation is waiting for the transmission and the transmission is waiting for the generation.”

When transmission developers plan proactively, they – like the BPA – propose a transmission investment where it’s needed and search for interest. “That’s what the BPA did and it got more than the expected amount of interest. It was a strong green light for transmission,” Gramlich says.

In other regions of the country, transmission owners are trying to plan proactively, he says. For example, the Wyoming-Colorado Intertie has used a similar “Open Season” approach. Texas has established renewable energy zones, which are planned to provide transmission access to areas – generally remote from population centers – that are rich in renewable resources.

Like Gramlich, Mainzer stresses the importance of planning sensibly for transmission – in the Northwest and the rest of the country.

“We’re in an important inflection point in the growth of the wind industry,” he said. “It’s going to be an explosive issue. This last couple of years, we have gone into exponential development. A lot of people are putting a lot of money into wind projects. We’re coming to that next big inflection point. If we’re going to go truly big, we have to ask ourselves hard questions about how to do this as intelligently as possible.”