

MATL DEVELOPERS CAUTIOUS DESPITE RECENT VICTORY, BUT OTHER TRANSMISSION LINES ARE IN THE WORKS

By Eric Newhouse

Despite a recent judicial victory for a big wind-power line between Montana and Canada, developers remain cautious about the project's prospects.

At the same time, there's a huge unmet demand for electrical transmission lines to get wind-generated power from resource-rich Montana to the rest of power-parched America.

"We're currently monitoring as many as 50 projects ... and they are very much dependent on what we are able to do in providing new transmission lines or upgrading current transmission lines," said Chantel McCormick, senior energy development specialist for the Montana Department of Commerce.

"We're very much encouraged by what we've seen with the MATL (Montana Alberta Tie Line) line, and we're hoping to see a snowball effect in transmission lines across Montana," McCormick said last week from a wind-power conference in Chicago.

In a 2-to-1 decision last week, the Alberta Court of Appeals concluded that Montana Alberta Tie Ltd., the developer of the MATL, properly weighed the economic benefits against the social burdens of constructing the \$150 million transmission line between Great Falls and Lethbridge.

An attorney for 16 farmers and farm organizations in Alberta said he and his clients will discuss appealing the split decision to the Supreme Court of Canada.

The MATL line would be capable of moving 300 megawatts of power in each direction — north into Lethbridge and south into Great Falls.

According to UtiliPoint, a utility think tank, 300 megawatts of wind-generated electricity is enough to power 30,000 homes in the mountain region of the United States for a year.

The line's entire capacity in both directions already is spoken for, said Montana Alberta Tie's vice president for regulation, Bob Williams.

Wind Hunter and Invenergy will share the southbound capacity of the line into Great Falls. Invenergy has scouted land around Cut Bank for a new wind farm.

"We know the wind speeds are very strong there, and we have landowners anxious for us to begin, but it's all about transmission capabilities, and they remain nebulous at the moment," said Mark Jacobson, director of business development for Invenergy, in an interview last week.

Jacobson said Invenergy has contracted to buy 900 turbines, each capable of generating 1.5 megawatts of electricity, over the next three years at a cost of about \$2 million per turbine.

But it's still too early to determine where to put them, he said.

"We have a number of wind projects in Montana," Jacobson said. "We have land in Cut Bank that would be right in the middle of the MATL project, we have the Judith Gap project that is operational, and we have land in other portions of the state."

Transmission lines are what holds back development, he said.

"To link high-energy areas with energy-needy areas, you need hundreds of miles of power transmission lines," Jacobson said. "What slows that process down more than anything are the siting and permitting issues.

"We can get turbines, but getting transmission lines through the permitting process is arduous," he said.

The entire capacity of the northbound MATL line is taken by NaturEner USA, which has proposed a new 300-megawatt wind farm in the Cut Bank area.

Although Montana Alberta Tie officials have said they plan to begin construction of their line this fall, everyone seems to be taking a wait-and-see attitude.

"The key sign for us will be when MATL gives the go-ahead sign to their construction crews and starts putting up their lines and poles," Jacobson said.

That uncertainty makes Glacier County officials hesitant to commit too much money up front to wind projects.

"We didn't want to invest a lot until this is really settled in the courts, but when it is, we'll really get moving," said Glacier County Commissioner Mike DesRosier. "We've been doing some preliminary work with them, but we've all been holding back a little bit due to the court challenges."

To accommodate construction of wind farms, Glacier County will have to adjust some roads and right-of-ways, as well as widen some intersections and turn areas.

That will require additional funding and some new equipment for the Glacier County Road Department.

But new wind farms also will boost tax revenues for the county.

"We're always looking for new sources of revenue, and we didn't have too many places to look, so this has been good news for Glacier County," DesRosier said. "But I've been telling people we have a basket of eggs that hasn't hatched yet.

"We can't start counting those chicks yet," he added. "And we can't make any plans to spend money we don't have."

That's a precarious balance, as Jacobson points out, because it's a chicken-and-egg situation — wind farms and transmission lines need each other, but which gets constructed first?

NaturEner is completing phase two of the Glacier Wind Farm, a 210-megawatt complex at Ethridge, on the Glacier-Toole county line about 12 miles east of Cut Bank.

"We have the transmission contracts for the Glacier Wind Farm, said Jason Bronec, general manager of Glacier Electric in Cut Bank.

"That involves 200 megawatts of generation capacity that has essentially used all the existing capacity that we have north of Great Falls," he said. "Any additional electricity generation will require additional transmission capability."

The MATL line will be welcome once it comes online, said Bronec, adding he has heard talk that the MATL line might be extended south from Great Falls to Townsend to feed into the power grid there.

A Montana Alberta Tie spokeswoman in Calgary, Dixie Baum, said there have been discussions about extending the MATL line, but they are not far enough along to put a proposal on the table.

NorthWestern Energy is considering constructing new transmission lines, said company spokeswoman Claudia Rapkoch.

Called the Collector System, the system's capacity is being opened for bids to determine how much interest there would be in using it.

"It is five new transmission lines, probably in the range of 230 kV (kilovolts, the same size as the MATL line)," Rapkoch said last week. "Those lines would be built into areas that are under consideration by wind farms.

One of those areas is the Great Falls to Townsend corridor, she said.

In that area, the electricity could be funneled into the Colstrip power lines, a pair of 500 kV power lines that transmit coal-generated electricity from Billings through Townsend to the Bonneville Power Administration for use on the West Coast.

It also could be dumped into another transmission project, the Mountain States Transmission Intertie (MSTI), which is another project proposed by NorthWestern Energy.

"MSTI is a proposed 500 kV line from Townsend to southern Idaho that's primarily designated for wind power," Rapkoch said.

The MSTI proposal resulted, in part, from a Department of Energy study that shows transmission lines between Montana and Idaho are overloaded.

It also stems from a resolution by Western governors to have 30,000 megawatts of clean, diversified energy on the Western power grid by 2015.

"The MSTI line is currently in the environmental permitting stage undergoing an EIS (environmental impact study)," Rapkoch said. "A draft EIS is scheduled to be released later this fall."

If there's no significant opposition to the line, a record of decision could be issued next year, followed by construction, which would be complete by 2014, she said.

In addition, TransCanada has proposed a \$3 billion, 500 kV transmission line that would run from southwestern Montana 1,000 miles south to the edge of Las Vegas.

It would be opened for bids of interest this year, then go through the permitting process with a target date of construction beginning in 2012 and ending in 2014, said TransCanada spokesman Terry Kunha in Calgary.

TransCanada officials said the line would be capable of delivering 3,000 megawatts of power, primarily generated at wind farms.

"The exact location in Montana hasn't been determined yet," Kunha said. "That will be decided after we have our open (bid) season, which we hope to have up and going in the next two or three months."