



Energy and Utility News for the U.S. Pacific Northwest and Western Canada

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The Week in Summary

[1] PGE, PacifiCorp Discuss Joint Development of Cascade Crossing

Portland General Electric and PacifiCorp announced last week that they will begin formal discussions on developing the \$825-million, 210-mile Cascade Crossing Transmission Project. For PGE, a partner in the project would help trim the costs of its infrastructure needs. In return, PacifiCorp could get the last link in a transmission network that could deliver Wyoming wind to the West Coast. *At [10], teaming up for transmission.*

[2] La Niña Will Stick Around Through Winter, Forecasters Say

Will the Pacific Northwest see a real winter in 2010-2011? NOAA's Climate Prediction Center thinks so, and proclaimed last week that the latest cool episode in the El Niño/La Niña seesaw is now upon the region. It said this means little change to typical NW weather through the summer and fall, and that there should be a cooler, wetter winter than average, with more snow. *A likely boost for fish numbers and dam operators, at [14].*

[3] BPA Receives Comments on BEF Contract Revisions

Most of the eight entities offering comments on BPA's proposed revision to its 20-year funding agreement with the Bonneville Environmental Foundation support clarifying the terms. Those most closely connected to BEF want BPA to dump language confining its contributions to BEF's non-profit activities. Others questioned a section that leaves open the possibility of funding outside the revised terms, while another said BPA should only sign a short-term provisional contract pending review of the BPA/BEF relationship by the DOE Inspector General's Office. *Sample the comments, at [15].*

[4] Company Plans Community Wind Projects in Kittitas County

Cascade Community Wind Co. is building two community wind projects in Kittitas County, Wash. The Bellingham-based company has received a \$47,975 grant from the USDA to help pay for one of the projects, a 108-KW turbine that will be built on private land near Thorp. For \$2,500, wind supporters can purchase a 1-percent share in the \$250,000 turbine. Output from both projects is being sold to PSE. *Cascade's efforts to use larger turbines for community wind didn't pass muster with Kittitas County, at [11].*

[11] Company Plans Community Wind Projects in Kittitas County ■ from [4]

Cascade Community Wind Co. is building two community wind turbines in Kittitas County, Wash.

The Bellingham, Wash.-based company has received a grant of \$47,975 through USDA's Rural Energy for America Program (REAP) to help pay for one of the projects, the First Up! Knudson Turbine, a 108-KW turbine that will be built on private land near Thorp.

The other project, Three Bar G #3, is a 120-KW turbine that will be constructed at Three Bar G Ranch, a cattle operation on Thorp Prairie.

For \$2,500, wind supporters can purchase a 1-percent share in the \$250,000 Knudson turbine, said Terry Meyer, founder of Cascade Community Wind. About 15 of the 50 original subscriptions are still available.

According to Meyer, subscribers will save almost twice that much over 20 years. "Nobody is going to get rich, but it makes modest financial sense, and at the same time you are doing a lot of good," he told *Clearing Up*.

Cascade Community Wind hopes to build at least eight community wind projects in Washington state. The concept is similar to community solar: individuals who support the renewable resource but aren't able to install a system of their own can join other like-minded individuals and invest in a community project.

"The main aspect that makes it a community project is we allow members of the community to buy subscriptions," Meyer said.

While they don't become owners, the subscribers receive a 20-year contract for output and the RECs from the percentage of the turbine they've contracted for, as well as savings on their power bills. When Cascade receives a payment for the output--in this case, from PSE--Meyer said the company will write a check that corresponds to the subscriber's share and send that to the subscriber's utility, as payment against the share owner's power bill.

"It's as much like they have a small wind turbine in their back yard as possible," Meyer said.

Typical subscribers are residents of Kittitas County, as well as people who live on the west side of the Cascades and drive through the county on I-90, he said.

"Because we are using this virtual technique, you can be anywhere in Washington state--the idea being that we let you define your community that you are supporting," Meyer said.

The individual, smaller-scale wind turbines can be built on smaller sites than a commercial wind farm, he said. The First Up! Knudson project, for example, will be built on a 10-acre site. The landowner will own the turbine, and the output will be sold to PSE, which has signed a PPA with Cascade.

In fact, Cascade announced in February that it had signed PPAs with PSE for eight community-supported wind turbines, to be developed over two years in Whatcom and Kittitas counties.

"This falls into the category of small commercial generation," said PSE spokesman Roger Thompson, which covers projects up to 2 MW under PSE's Schedule 91 and fulfills a federal mandate under the Public Utility Regulatory Policies Act. "It's an if-you-build-it, we-buy-it kind of thing," he said.

The developer pays the interconnection costs and the tariff rate, based on avoided costs, comes to around 7 cents/KWh.

Meyer said Cascade's first two community wind projects are in Kittitas County because there was a good permitting path and because Kittitas has very good wind.

Meyer was involved in a year-long effort to pass a Community Wind Energy System ordinance in Kittitas County, which county commissioners turned down in June of this year.

Kittitas County Commissioner Paul Jewell said there were a number of reasons behind the commission's decision. One was the degree of concern and uncertainty within the community as to how the commercial wind projects now under construction would impact the county as a whole.

The county already has one wind farm up and operating--PSE's 228.6-MW Wild Horse project. It was built by Horizon Wind, which is also building the 130-MW Kittitas Valley project across the road. Two other projects--Invenergy's 103-MW Vantage Wind Power Project and enXco's 190-MW Desert Claim--have been approved but are not yet under construction.

"Until those projects got up, we couldn't really know what the full impact would be on our county," Jewell told *Clearing Up*. "So it seemed more prudent . . . to wait and see what those impacts were" before allowing construction of larger community wind projects.

While the draft ordinance doesn't specify a size, rating or height limit for a community wind project, those supporting it "wanted to build full-scale commercial wind turbines like you'd see on a commercial wind farm," Jewell said, so large turbines could theoretically be built in the middle of a farmer's field.

Meyer said the draft ordinance "did not put specific limitations because all setbacks are based on turbine height. By basically making setbacks based on the height of a turbine, if you want to put up a bigger turbine, you gotta have more land."

The turbines that will be installed for the Knudson and Three Bar G projects will be less than 100 feet tall, as compared to about 230 feet for a 1.3-MW turbine. To build a 1.3-MW turbine under the draft ordinance, a landowner would have needed at least 40 acres and would have had to build the turbine right in the center of the parcel, Meyer said.

He added that Cascade Community Wind has planned to build a 230-KW and a 1-MW turbine at Three Bar G ranch, but was not able to get them permitted. That's why Three Bar G #3 is a 120-KW turbine.

Regardless of the outcome of the proposed ordinance, "part of the appeal of renewable energy is

that it's distributed, spread out over terrain and could be in a lot of hands," Meyer said. "With wind, solar and other renewables, the size that makes sense is a lot smaller.

"Community-scale renewable development has huge potential, both for increasing capacity and increasing benefits to local communities, and taking advantage of a renewable resource that wouldn't be there otherwise," he added. "But it really takes good policy to get there, and we should look to support these policies when we get the chance" [Jude Noland].

1121 Wyoming Wind Is Cheap, but Less So The Farther West It Goes ■ from 161

A report comparing the cost of developing wind resources in Wyoming and other Western states concludes that Wyoming's breezy resource is comparatively cheap, but loses some of its cost advantage with state taxes and long haul transmission costs.

Wyoming commissioned the report to explore how the state's policy initiatives may affect the cost-competitiveness of its wind resources, and how its taxes on wind development and power production impact wind development.

The state Legislature is mulling over changes to the tax structure for wind development and energy production. It already enacted, earlier this year, a \$1/MWh excise tax on energy production at wind farms in the state that will take effect Jan. 1, 2012, and kicks in after the first three years of production.

Wyoming wind farms already pay property taxes because the state constitution requires such taxes to be applied equitably. At the end of 2011, wind developers will begin paying the state's 6-percent sales tax on equipment when an exemption for wind farms sunsets.

Of all the states reviewed in the study, only Washington collects more taxes from wind power production. But on the bright side for Wyoming wind developers, it is one of only three states in the West not burdened by a state income tax. The other two are Nevada and Washington.

Developers have been negotiating for months with state officials over the state's tax structure for wind, and warn that "onerous" taxes could run the industry out of Wyoming and into states with more tax advantages.

But despite the state's relatively high taxes and lack of incentives, Wyoming still produces the second cheapest wind energy of all the states in the study, which also looked at Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, and Washington.

Before figuring in transmission costs, Wyoming's levelized busbar cost of power is \$82/MWh, behind only Montana, at \$77/MWh. New Mexico comes in third at \$89/MWh, and Colorado fourth at \$91/MWh. At \$110/MWh, Washington has the highest cost for wind production.

Wyoming's wind resource quality accounts in part for its low production costs. According to the Western Renewable Energy Zones (WREZ) Initiative ranking of