

**Testimony of Commissioner Doug Mood
Montana Public Service Commission
District # 4**

I am here today to testify in opposition to SB 415.

The PSC has spent much of the past nine weeks dealing with Northwestern Energy's application for pre-approval of its wind energy contract with Judith Gap Energy LLC.

Most of my comments today will center around sharing testimony presented to the PSC regarding "wind integration."

In filling the renewable resource standards that are contained in Section 4 of SB 415, utility companies would undoubtedly be looking to wind energy.

I would like to quote from Elliot Mainzer's recent testimony before the Montana PSC.

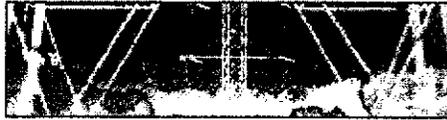
Mr. Mainzer works at the Bonneville Power Administration and is the person who is in charge of managing BPA's Renewables Program. In that role, Mainzer has specific experience in integrating wind projects into the BPA control area.

"...wind projects are intermittent sources of generation." (Because of its variability) "...wind actually behaves more like an electrical load than a source of generation. Loads are constantly fluctuating up and down, and utility operators must use their generating resources to match these changes in load so that generation and load are in constant balance. The management of variable wind output involves a very similar process..."

"As you increase the amount of wind generation relative to the size of the entire utility system, the resulting increase in system variability becomes larger. At some point, this increase in variability will require a utility to acquire additional regulating and load following capability in order to maintain the system's load and resource balance. It is the procurement of these additional load following resources that are the basis for wind integration costs..."

During Mr. Mainzer's testimony before the Montana PSC I asked him, "At what point does the variability of wind energy in a utility become so great that it is unmanageable?"

Hon

POWERMARKETERS.COM**Electric & Natural Gas Transmission Maps**

The Power Marketing Association OnLine

[E-mail Us - Submit](#)**The POWER REPORT** ...continuously updated online

Thursday, A

[Energy JobSite](#)
[Energy Firms Online](#)
[Energy Catalogue](#)
[Upcoming Conferences](#)

[News Archives ...](#)
[National](#)
[International](#)
[Industry](#)

[Prices & Weather ...](#)
[ICE Gas Indices by 10x](#)
[Month Ahead Gas indices by 10x](#)
[Gas Futures by DTN](#)
[ICE Power Indices by 10x](#)
[ISO Prices by Nrgstream](#)
[Weather by DTN](#)

[Site Services...](#)
[Energy Library](#)
[Advertising](#)
[Contact Us](#)

[Around The Web ...](#)

[EIA](#)
[FERC](#)
[Mapquest](#)
[Travelocity](#)
[Weather.com](#)

Utilities seek break for failing to fulfill 'green power' quota

Apr 6, 2006 - Las Vegas Review-Journal
 Author(s): John G. Edwards

Apr. 5--Nevada Power Co. and Sierra Pacific Power Co. on Friday asked state regulators to grant them an exemption so they will not be fined for failing to meet the state's renewable energy requirements last year.

Nevada Power, the utility serving Southern Nevada, failed for a second consecutive year to satisfy the 2001 state law that requires it to get 5 percent of its power from renewable sources, such as wind, solar and geothermal sources.

The bill establishing the requirements allows regulators to fine utilities that don't meet the minimum levels of renewable energy usage.

While Sierra satisfied the 5 percent requirement because of existing contracts with geothermal power plant operators, neither utility satisfied the requirement that 5 percent of their total renewable supply come from solar power.

In addition, the utilities reported they did not issue a request for renewable energy proposals last year.

The state legislation requires that the utilities increase their use of renewable power gradually increase until it reaches 15 percent of their total energy use in 2013.

The utilities said they signed 17 long-term contracts for renewable energy or credits for renewable energy from new sources. Of those, the Public Utilities Commission has approved 14, one is being reviewed and two will be submitted for PUC approval, the report states.

The report includes a list that suggests the utilities will seek commission approval of a water-power project proposal from Young Bros. and Beowawe-Caithness for a geothermal project. The sites for these projects are not identified.

In addition, it notes that Your Vitamins, a vitamin manufacturer, has a pending proposal to have solar panels installed at its

See your me

Synergen, Inc.
 Synergen's Web-ai Enterprise Asset & Management EAM software suite,...

[More Info Now!](#)[Visit Web Site](#)

Peterson Power S
 Peterson Power S) market leader in 5. Rental Gas Turbine

[More Info Now!](#)[Visit Web Site](#)

TICORA Geoscier
 An Industry Leader Evaluation and Exp Unconventional Ga

[More Info Now!](#)[Visit Web Site](#)

Wires-Pipes, Inc.
 Wires-Pipes, Inc. (Energy Services C can help you navig

[More Info Now!](#)[Visit Web Site](#)

ZE PowerGroup I
 ZE PowerGroup is consulting firm and solutions provider 1

[More Info Now!](#)[Visit Web Site](#)**Luthin Associates**

Luthin Associates, consulting firm sen and National client

[More Info Now!](#)

ODonnell Consult Inc.

headquarters in Henderson.

Nevada Power and Sierra planned to meet most of their renewable power requirements by contracting with power-plant developers that would sell all of their output to the utilities.

"However, within months of having obtained commission approval of the initial contracts, several developers began to report difficulties in bringing their projects on line," the utilities said.

The utilities counted four contracts that were terminated and said delivery of power from five other projects will be delayed by one year or more.

The renewable-power shortage doesn't surprise the commission. The state regulatory body last year acknowledged it would take several years for the utilities to satisfy the renewable requirements, the report states.

Nevada Power and Sierra noted that they supported the adoption of a so-called Temporary Renewable Energy Development Program as a way to make it easier for green-power developers to get financing for their projects. The program was designed to help renewable-plant developers who complained that the utilities' junk-bond ratings made it difficult for them to find financing for their projects.

The utilities reported success with a program that offers rebates to residential customers who install solar power panels at their homes and encourages solar projects at nonresidential buildings. The report mentions a \$20,000 grant for a solar installation at the Lied Animal Shelter and \$2 million approved by state regulators for renewable power at Nevada Power buildings.

Mission Industries talked with Nevada Power about using renewable energy at its commercial laundry in North Las Vegas. Nevada Power discussed the possibility of building a biogas power plant at Republic Services' landfill at the Apex Industrial Park. Methane gas from landfills can be burned to create electricity.

Engineering Design
Troubleshooting, F
& Design of Repair

[More Info Now!](#)

Build It Global Inc

Build It Global Inc.
involved in effective
management. We |

[More Info Now!](#)

© Copyright 2005 NetContent, Inc. Duplication and distribution restricted.

POWER REPORT Energy News Sections:

[Home](#) - [Employment](#) - [Weather](#)

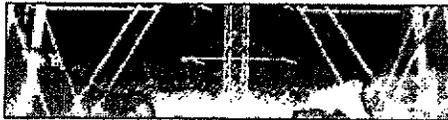
Copyright © 2002 PowerMarketers.com. All rights reserved.

[Questions or Comments](#)

[Legal Notices](#)

[back to the top](#)

POWERMARKETERS.COM



Electric & Natural Gas Transmission Maps

The Power Marketing Association OnLine

[E-mail Us - Submit](#)

The POWER REPORT ...continuously updated online

Thursday, A

- [Energy JobSite](#)
- [Energy Firms Online](#)
- [Energy Catalogue](#)
- [Upcoming Conferences](#)

- [News Archives ...](#)
- [National](#)
- [International](#)
- [Industry](#)

- [Prices & Weather ...](#)
- [ICE Gas Indices by 10x](#)
- [Month Ahead Gas Indices by 10x](#)
- [Gas Futures by DTN](#)
- [ICE Power Indices by 10x](#)
- [ISO Prices by Nrgstream](#)
- [Weather by DTN](#)

- [Site Services...](#)
- [Energy Library](#)
- [Advertising](#)
- [Contact Us](#)



Internet Search

Around The Web ...

- [EIA](#)
- [FERC](#)
- [Mapquest](#)
- [Travelocity](#)
- [Weather.com](#)

Utilities seek break for failing to fulfill 'green power' quota

Apr 5, 2005 - Las Vegas Review-Journal
Author(s): John G. Edwards

Apr. 5--Nevada Power Co. and Sierra Pacific Power Co. on Friday asked state regulators to grant them an exemption so they will not be fined for failing to meet the state's renewable energy requirements last year.

Nevada Power, the utility serving Southern Nevada, failed for a second consecutive year to satisfy the 2001 state law that requires it to get 5 percent of its power from renewable sources, such as wind, solar and geothermal sources.

The bill establishing the requirements allows regulators to fine utilities that don't meet the minimum levels of renewable energy usage.

While Sierra satisfied the 5 percent requirement because of existing contracts with geothermal power plant operators, neither utility satisfied the requirement that 5 percent of their total renewable supply come from solar power.

In addition, the utilities reported they did not issue a request for renewable energy proposals last year.

The state legislation requires that the utilities increase their use of renewable power gradually increase until it reaches 15 percent of their total energy use in 2013.

The utilities said they signed 17 long-term contracts for renewable energy or credits for renewable energy from new sources. Of those, the Public Utilities Commission has approved 14, one is being reviewed and two will be submitted for PUC approval, the report states.

The report includes a list that suggests the utilities will seek commission approval of a water-power project proposal from Young Bros. and Beowawe-Caithness for a geothermal project. The sites for these projects are not identified.

In addition, it notes that Your Vitamins, a vitamin manufacturer, has a pending proposal to have solar panels installed at its

See your mes

Synergen, Inc.

Synergen's Web-ai Enterprise Asset & Management EAM software suite,...

[More Info Now!](#)

[Visit Web Site](#)

Peterson Power S

Peterson Power S) market leader in 5. Rental Gas Turbine

[More Info Now!](#)

[Visit Web Site](#)

TICORA Geoscier

An Industry Leader Evaluation and Exp Unconventional Ga

[More Info Now!](#)

[Visit Web Site](#)

Wires-Pipes, Inc.

Wires-Pipes, Inc. (Energy Services C can help you navig

[More Info Now!](#)

[Visit Web Site](#)

ZE PowerGroup li

ZE PowerGroup is consulting firm and solutions provider t

[More Info Now!](#)

[Visit Web Site](#)

Luthin Associates

Luthin Associates, consulting firm sen and National client

[More Info Now!](#)

ODonnell Consult Inc.

His answer was that BPA studies indicated that the variability becomes more and more problematic as you approach 20%.

At a recent conference in New Mexico I had a conversation on this same topic with several commissioners from other states. A commissioner from Texas said their studies indicated that the problematic number is closer to 10%.

I came here today to make two points to the committee. First of all, the pre-approval process that the Commission went through for the Judith Basin wind project worked very well. The project had a thorough and comprehensive review. All parties, both pro and con, had ample opportunity to make their arguments. In the end a majority of the Commission came to the conclusion that the Judith Basin project will provide wind generation to the default supply portfolio at a reasonable price, and at 7% of the total portfolio, the variability of this wind source could be integrated into NorthWestern's default supply without incurring undue additional costs.

Secondly, passing a bill which mandates the incorporation of renewable energy supplies (at percentages that may or may not make sense, and technology that may or may not be mature) would introduce yet another destabilizing influence into Montana's electricity supply. It is far more in our best interests to allow the pre-approval process, currently in law, to work. That process has proven to be fully capable of vetting energy proposals while assuring the protection of the state's consumers.

The optimum percentage of renewable energy that should be a part of any energy provider's portfolio is not a static number. It depends upon the reliability and diversity of the sources. The pre-approval process will allow us to find that number.

Montana is transitioning into what I hope will be a new era in electric energy supply. It would be counter productive to add the stresses of arbitrary mandates and immature technologies into that transition.