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CH2M Hill

Citizens' Utility Board

David Evans & Associates

Eurus Energy America

FPL Energy, Inc.

Geothermal  
Resources Council

GE Wind Energy

Green Mountain Energy

Montana Environmental  
Information Center

Montana Public Interest  
Research Group

Natural Resources  
Defense Council

NW Energy Coalition

Northwest  
Environmental Advocates

Oregon State Public  
Interest Research Group

Orion Energy

PPM Energy, Inc.

Portland Energy  
Conservation, Inc.

RES America  
Developments, Inc.

Shuksan Energy Consulting

Stoel Rives, LLP

Vestas American  
Wind Technology, Inc.

Washington  
Environmental Council

Washington State Public  
Interest Research Group

Zilkha Renewable Energy

Senate Energy & Telecomm. Comm.

Exhibit No. 11  
Date 2.15.05  
Bill No. SB 415

Renewable Northwest Project

February 14, 2005

The Honorable Senator Ken Toole  
Members of the Senate Energy and Telecommunications Committee  
Montana State Legislature  
Helena, Montana 59620

**RE: Senate Bill 415**

Dear Chairman Toole and Members of the Committee:

We are writing to ask for your support of SB 415, the Montana Renewable Power Production and Rural Economic Development Act. We believe this bill offers many benefits to Montana and we urge you to pass SB 415 out of your Committee.

The Renewable Northwest Project (RNP) is a regional non-profit organization that promotes wind, solar and geothermal resources in the four Northwestern states. Our members are a unique combination of environmental and consumer organizations, as well as businesses and manufacturers that develop renewable energy equipment and projects. These different groups are united in the belief that renewable energy makes both economic and environmental sense for the state of Montana and the region.

Montana stands to benefit in numerous ways if SB 415 is passed this year:

**A Solution to Rising Energy Costs.** The price of natural gas has soared in the past few years and consumers have paid for this through higher electricity bills. The cost of wind power and other renewables, on the other hand, remains steady and predictable over the life of the project because there are no fuel costs. Renewable resources provide risk protection against volatile fuel prices. A renewable energy standard, like SB 415, is an insurance policy for consumers against skyrocketing rates.

Wind power is cost competitive with other new sources of electricity generation. In fact, Puget Sound Energy in Washington recently announced that wind power was 25% cheaper than natural gas-fired power, and 5% cheaper than coal-fired power. ("PSE buying wind power farm," *The Seattle Times*, September 21, 2004.)

**Rural Economic Development.** Some of the most robust wind resources in the country are located in Montana. Development of those wind resources means jobs and other benefits for rural Montana. For example, the

Stateline wind power project in Walla Walla county, Washington provided 350 jobs during the peak of construction and 20 ongoing full-time operations and maintenance jobs. In addition, millions of dollars are spent on local products and services during construction. It is estimated that the proposed 230 MW Wild Horse project in eastern Washington will generate more than \$4.7 million in revenue to the local community during the construction phase. Its operations are expected to contribute \$1.4 million annually to the local economy.

Land for wind projects is leased from area landowners. These payments represent an important new income source for landowners. On average, an annual lease payment to a participating landowner is between \$3,000-\$6,000 per turbine installed on their property. The state can also directly reap some of these benefits. The proposed Judith Gap project in Wheatland County will result in approximately \$50,000-\$75,000 for the state school trust fund lands.

**A Proven Policy.**

Eighteen other states have passed renewable energy standards. This policy is working in other states and it can work in Montana too. The wind-farm construction boom in 2003 demonstrates the strong link between industry growth and states with renewable energy standards. The four states with the most wind project development in 2003 – Minnesota, California, New Mexico and Texas – each have renewable energy standards in place. Without SB 415, Montana will continue to lose projects – and the related jobs and other economic benefits – to the numerous states with policies that encourage renewable energy development.

It is difficult to spend the substantial sums of money necessary to develop prospective projects without some assurance that there will be purchasers for the electricity. Supportive state policies, like a renewable energy standard, is a deciding factor for our members in choosing where to develop wind and other renewable projects.

Thank you for your support of SB 415.

Sincerely,



Ann English Gravatt  
Senior Policy Associate