

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Integration of Variable Energy Resources) Docket No. RM10-11-000

**WESTERN GRID GROUP
COMMENTS IN SUPPORT OF THE
COMMENTS OF THE
AMERICAN WIND ENERGY ASSOCIATION**

Western Grid Group (“WGG”) files these comments in the above-referenced proceeding.¹ WGG works in the Western Interconnection to expand transmission access for wind, solar geothermal and other clean, renewable energy technologies, and to help utilities understand the value of these technologies as generating resources. Since its founding in 2003, WGG has worked to develop transmission and procurement policies that support large-scale utilization of renewables and efficiency. Now, emerging climate goals make faster development of all low-carbon technologies a high priority.

On April 12, 2010, the American Wind Energy Association (“AWEA”) submitted comments in response to the Commission’s January 21, 2010 Notice of Inquiry² (“NOI”) in this proceeding. Western Grid Group supports AWEA’s

¹ Pursuant to Rule 212 the Federal Energy Regulatory Commission (“Commission”) Rules of Practice and Procedure,¹

² Notice of Inquiry, Integration of Variable Energy Resources, Docket No. RM10-11-000 (Jan. 21, 2010).

comments and incorporates them in these comments by this reference. In addition, we raise some additional points for the Commission's consideration.

I. COMMENTS

A. Support for AWEA's Comments

WGG supports AWEA's comments. WGG's work in the West on renewable energy and transmission shows the rapid change over just a few years in how, and how much renewables are considered in Western planning, policy, and regulatory discussions. For example, In the Rocky Mountain Area Transmission Study³ in 2004, major amounts of coal and minimal amounts of wind for export from Wyoming provided initial planning assumptions. Today, the lines planned from Wyoming are all about wind. Over the same few years, more Western states have established legally binding minimum renewable energy standards or have increased their standards. Several of the states have enacted carbon emission performance standards that require low carbon resources be given priority. As a result, most of the planning, policy, and regulatory assumptions, considerations and discussion in the West focus on how to provide necessary transmission, operating, and market reforms to make large amounts of new renewable energy sources work.⁴

We agree with AWEA that the advent of large amounts of new wind and solar projects in particular, raise questions about whether there is undue

³ <http://psc.state.wy.us/htdocs/subregional/home.htm>

⁴ See, for example, www.westgov.org, "CDEAC" and "WREZ" projects.

discrimination in the FERC's approved rules and tariffs that control the planning, operational, and reliability setting in which the new advent of renewable energy in the Western grid is taking place. The world has turned, and from the new perspective that change gives us when we analyze the existing system, it is clear that the existing system is not treating new renewables according to their inherent qualities and realities, but rather challenges these new resource with out of date, incoherent, and unworkable policies, regulations, and procedures. In addition, we see a troublesome trend toward incumbent utilities and institutions they control adding unjust and unduly discriminatory burdens to slow the adoption of variable resources. We think the commission should require any new burdens or requirements on variable resources to be allowed only on demonstrated achievement of least cost integration at the state of the art. Before any new requirements or burdens are allowed they should be required to be avoided or lessened by instituting least cost integration reforms as prerequisites.

To that end, WGG is pleased that the commission has opened this docket to address these issues. The commission has already started changing its policies in response to the unique characteristics of large scale wind development by changing LGIA and imbalance penalty policies, and requiring conditional firm service, recognizing that these new resources need to be treated fairly recognizing their inherent differences with dispatchable resources. We encourage this trend, and applaud the commission for its leadership in opening this docket to advance

these issues, but just as does AWEA, we are not seeking that VERs be accommodated in a preferential fashion, just to be put on equal footing.

The questions the commission posed in this docket, and AWEA's responses to them, catalogue the issues WGG believes are important to moving toward incorporation of larger amounts of renewable energy in the overall resource portfolio in the Western grid. We believe that driving toward more diversity in resources, and leading with efficiency gains, helps to manage risks, costs, and liabilities of over-reliance on fossil fuel resources that characterizes present-day Western electric utility resource portfolios.

The most stringent planning requirement that we find expressed in today's Western planning and policy discussions is eliminating most carbon emissions from electricity production in a few short decades. With this most stringent requirement in mind, we think Western discussions about integrating variable energy resources have evolved from whether to support the transition to more renewable resources, to the current state of those discussions: the terms and conditions for the evolution—how much, how soon, under what circumstances. The commission's docket provides the setting for advancing these considerations and the AWEA filing is a comprehensive and incisive contribution to making the progress we think is imperative against our biggest long term challenge, carbon reductions.

B. The Consent Agenda for Reform

WGG believes that a growing consensus exists in the West that operational and market changes are near the heart of the transition to a sustainable electric sector for the West over the long term. Elements of the consent agenda are emerging. BPA's work on wind integration,⁵ the Joint Initiatives of Westconnect, Northern Tier Transmission Group,⁶ and Columbia Grid, and the WECC MIC cost benefit study proposals⁷ recently advanced to the WECC board for funding show the way forward. From better forecasting, to more efficient scheduling, to provision of balancing resources in new market structures, these proposals and initiatives, detailed in the AWEA filing, are becoming answers to questions about incorporating large amounts of new renewable energy in the Western grid.

New transmission studies now starting up in WECC's RTEP program,⁸ based on broad stakeholder engagement and incorporating longer term more expansive scenario planning, support this trend. New transmission must be combined with careful experimentation and implementation of least cost integration strategies and consideration of new market structures to provide least cost access to the services needed for continued reliability and integration of naturally variable resources. Together, broad based transmission planning and least cost integration represent the range of activities being undertaken currently in the Western grid area on the topics in this docket.

⁵ <http://www.bpa.gov/corporate/windpower/WIT.cfm>

⁶ <http://www.columbiagrid.org/ji-nttg-wc-overview.cfm>

⁷ <http://www.westgov.org/spts/sc/meetings/January%202010/briefing/12-02-09BODtc&b.pdf>

⁸

<http://www.wecc.biz/Planning/TransmissionExpansion/RTEP/Transmission%20Planning/Project%20Updates/RTEP%20Project%20Update%2001-15-2010.pdf>

With these Western advances in mind, we urge that the commission first do no harm—these activities are in their gestation, are preliminary and need encouragement, not demands or overbearing federal regulatory strictures. At the same time, we urge the commission to become a full partner with those who are pressing the incumbent Western utility firms to change, and change in time to meet our common climate imperatives. The AWEA filing is comprehensive in laying out detailed responses to the commission’s inquiries. WGG thinks that the commission could usefully make rules that ratify the state of the art, as AWEA has spelled it out. But we also caution that the transition that is at stake here will not be accomplished by one rule making, but rather will likely continue to evolve and require future changes to address both challenges and good ideas for addressing them that are not apparent now. This puts a premium on the commission’s becoming a working partner with the West in the transition, staying engaged, staying flexible, and sticking with the job as the future reveals itself.

II. CONCLUSION

For these reasons, WGG respectfully requests that the Commission consider AWEA’s comments and the additional points raised here and take action consistent with AWEA’s and our comments.

Respectfully submitted,

By: /s/ filed electronically

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