

**Remarks of The Wind Coalition and the American Wind Energy
Association for the U.S. Department of Energy Regarding its 2009
Transmission Congestion Study**

Good afternoon. My name is Richard Walker. I am President of Sustainable Energy Strategies, Inc. My company provides consulting services to developers of renewable energy projects, utilities, industrial companies, and large landowners.

One of my primary clients is The Wind Coalition, which is a regional affiliate of the American Wind Energy Association (AWEA) covering the ERCOT and SPP regions of the United States, and I am here to provide input on behalf of both The Wind Coalition and AWEA. The Wind Coalition's members include many of the largest wind developers active in Texas, Oklahoma, Kansas, New Mexico, Missouri, and Arkansas, as well as many of the major component suppliers such as wind turbine manufacturers or tower manufacturers, plus a handful of environmental and consumer groups. AWEA is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States.

I have been active in the wind energy field since 1994, and under my supervision, the first utility-scale wind project constructed in this part of the country was completed in 1995 near Fort Davis, Texas. Since that time, wind generation capacity has expanded rapidly in these regions, with approximately 4,942 MW in operation in ERCOT as of March 31 of this year and 1,710 MW operating in the SPP region (or 1,872 MW if Missouri projects included). Yet this is only a small fraction of the amount of clean, renewable energy that wind resources in ERCOT and the SPP can provide to our nation.

AWEA and The Wind Coalition believe that due to issues such as high and volatile fuel prices, climate change and air quality concerns, water conservation needs, and threats to security from high reliance on imported fuels, our nation's vast resources of wind in the middle of the country can and should be tapped. There is clearly a national interest in

reducing our dependence on foreign sources of energy, shifting supply to clean and renewable energy, and bringing development to rural economies.

The Department of Energy recently released a report showing that 20 percent of our electricity could come from wind energy by the year 2030.¹ According to this same report, the benefits would be enormous. They include:

- Electric sector greenhouse gas emissions would be reduced by 25 percent;
- The amount of natural gas required to generate electricity would be cut by 50 percent and United States gas consumption would be 11 percent lower overall – helping to limit our reliance on energy imports and reducing consumer energy costs;
- Because water is not required to operate wind farms, water consumption would be reduced by 4 trillion gallons;
- Approximately 500,000 new jobs would be created; and
- Local tax revenues would rise by more than \$1.5 billion.²

The SPP is moving forward on two new policies regarding the allocation of costs for transmission additions or upgrades which the wind industry is very excited about and supportive of. The first of these would provide for base-funding of a balanced portfolio of economically-justified transmission projects. AWEA and The Wind Coalition are hopeful that such a portfolio of economic projects will include major transmission “backbone” projects such as that envisioned in SPP’s Kansas/Panhandle Sub-Regional Transmission Study (also know as the “X-Plan”) or the EHV Overlay, each of which could facilitate the movement of significant amounts of energy from the wind-rich western areas of the SPP states to areas of our nation further to the east which typically have higher demands for electricity but lower wind speeds.

¹ “20 Percent Wind Energy by 2030 – Increasing Wind Energy’s Contribution to U.S. Electric Supply” (“20 Percent Wind Energy Report”), U.S. Department of Energy (May, 2008).

² Id. at pages 12-18.

The second policy moving through the SPP committee structure was approved by the SPP's Regional State Committee on Monday of this week, and would allow base-funding of transmission upgrades necessary to the integration of wind projects selected by SPP members as Designated Network Resources. This policy would place cost allocation of transmission for wind projects on a much more comparable level to that which is currently applicable to fossil fueled or nuclear generating plants. And again, AWEA and The Wind Coalition are very supportive of this new policy.

While these policies are very positive steps forward, there is much more that can be done to facilitate our nation's effective use of the enormous wind energy potential of America's heartland. We believe there is a national interest in building transmission to access our nation's best wind resources, resources that our nation is blessed with an abundance of. The map attached as Exhibit 1 shows high quality wind resources around the country. The darker colors indicate the highest average wind speed, and these areas are often distant from population centers, which speaks directly to the importance of transmission in developing our nation's wind resources.

The Wind Coalition believes that now is the time to move forward with national transmission corridors that can help our nation effectively integrate large amounts of renewable energy into our resource mix, to efficiently use the existing fossil and nuclear generation that we have, and to dramatically reduce the amount of emissions attributable to electricity production. The EHV Overlay being considered by the SPP would be a critical component to national transmission corridors, but to really get projects like this moving forward we need our nation's RTO's and ISO's to agree on principles of cost allocation and seams agreements, which basically define how adjoining reliability regions will work together on planning and cost allocation. To accomplish these goals in a timely manner, The Wind Coalition and AWEA believe that direction from the Department of Energy, FERC, the President, and the U.S. Congress will be vital. A national energy policy emphasizing a transition to renewable fuels and the construction of national transmission corridors needs to be enacted.

One policy that should be available to DOE is the ability to designate National Interest Electric Transmission Corridors. Section 1221 of the Energy Policy Act of 2005 provides for designation on the basis of fuel diversity and energy security. We believe, therefore, that DOE has the authority to designate corridors accessing resource areas that are not currently served by transmission. We believe DOE's last congestion study and currently planned congestion study are fatally flawed in this regard. They only evaluate congestion on lines that exist now, not lack of transmission infrastructure to areas not currently served. This makes no sense. We encourage the congestion study to correct this mistake.

I hope the Department finds our comments on these need for such policies useful. Thank you for your time and I would be happy to answer any questions.

EXHIBIT 1

