W O R C

Western Organization of Resource Councils

Western Area Power Administration
PO Box 281213
Lakewood, CO 80228

Re: Recovery Act Western Transmission Infrastructure Program

To Whom It May Concern:

The Western Organization of Resource Councils (WORC), Plains Justice and the Intertribal Council On Utility Policy (Intertribal COUP) thank you for the opportunity to comment on the proposed program to implement Section 402 of the American Reinvestment and Recovery Act of 2009 (Recovery Act) as noticed on March 4, 2009 docket E9-4609. The comments below are consistent with our belief that it is critically important that new and upgraded transmission capacity is thoughtfully planned and used for the priority purpose of delivering energy created by renewable sources.

WORC is a regional network of seven grassroots community organizations that include 10,000 members and 45 local chapters in Idaho, Montana, North Dakota, Oregon, South Dakota, Colorado and Wyoming. WORC members represent farmers and ranchers and rural landowners, many of whom are potentially directly affected by the citing of transmission lines.

Plains Justice is a public interest environmental law center working for environmental justice and sustainable communities in the Northern Plains region of the US, including eastern Montana and Wyoming, North Dakota, South Dakota, Nebraska and Iowa.

Intertribal COUP is a non-profit intertribal policy forum, consisting of fifteen northern Great Plains Tribes, including the Cheyenne River Sioux, Flandreau Santee Sioux, Lower Brule Sioux, Northern Arapaho, Oglala Sioux, Omaha Tribe of Nebraska and Iowa, Rosebud Sioux, Sisseton-Wahpeton Oyate, Spirit Lake, Standing Rock Sioux, Three Affiliated Tribes of Ft. Berthold (Mandan, Hidatsa and Arikara), Turtle Mountain Chippewa and Yankton Sioux Tribes. These federally recognized Tribes reside on reservations in North Dakota, South Dakota, Nebraska, Iowa and Wyoming.

Procedural Comments

We recommend a greatly expanded public participation process both in developing the Western Transmission Infrastructure Program and in managing its activities and expenditures. In the early stages of developing program parameters, principles, and guidelines, the maximum possible stakeholder involvement is appropriate. Western Area Power Administration (Western) should directly seek input from

220 S. 27th Street, Suite B, Billings, MT 59101
(406) 252-9672 FAX (406) 252-1092 E-mail: billings@worc.org http://www.worc.org

individuals and groups including but not limited to non-governmental and community organizations, independent power producers, the academic community, utilities, and tribal, state and local government entities of all varieties—such as soil and water conservation districts, county boards of supervisors, tribal historic preservation offices and state archaeologists' offices, in addition to higher level government entities. Direct consultation with tribal governments, of course, is necessarily required under federal regulation and Department of Energy policies. An early-stage stakeholder process that identifies concerns and priorities has the potential to head off larger conflicts down the road.

As the transmission planning process moves forward, creation of an interstate advisory body focused on wise use of resources is recommended. With so many interests at stake, transmission planning and siting can devolve into an acrimonious process. By providing an open forum for interested parties to air their views and seek compromise positions, Western may be able to identify more easily the lowest impact scenarios. We believe that an active program of public meetings and comprehensive public notice will improve the process and ultimately decrease the cost to taxpayers by limiting eventual disputes.

For an ongoing stakeholder process to be successful, it must have genuine influence over the decision-making stage. For this reason we also recommend maximum transparency in the planning and siting process within Western. The following practices are examples of ways to increase public confidence in the process:

- Online minutes of all relevant deliberations;
- Multiple public meetings held along or near proposed new or expanded transmission routes, with internet participation and call-in options freely available;
- Route details and alternatives published in mass distribution local print media as soon as available; and
- Multiple opportunities for public comment and inquiry.

As a third procedural recommendation, we urge a comparative technical cost-benefit analysis of distributed generation alternatives. Similar studies completed for other jurisdictions indicate that significant—i.e., hundreds or thousands of megawatts—of additional generation can be added to the grid with little or no transmission infrastructure cost by maximizing distributed generation. We recommend Powers Engineering's distributed generation proposal to Western for consideration, as an example of the cost-effective potential of this model. Because of the economic benefits alone, this option should be evaluated comprehensively. Other benefits include lessened environmental impacts and more localized economic benefits as smaller generation projects are constructed and maintained within communities across Western's service territory.

Comments for Supplemental Criteria in Section IV Project Evaluation

The following comments relate expressly to Section IV. Project Evaluation and are drawn from the Recovery Act as well as the background and proposed action preceding this section in the Federal Register. The Recovery Act had five stated purposes. We believe that three of these purposes are most relevant to implementation of Section 402:

- Purpose 1 "To preserve and create jobs and promote economic recovery."
- Purpose 2 "To provide investments needed to increase economic efficiency by spurring technological advances in science and health."
- Purpose 4 "To invest in transportation, environmental protection and other infrastructure that will provide long-term economic benefits.

Focus on Upgrading and Expanding Line Capacity Where Appropriate

We recommend that Western evaluate upgrading or expanding capacity on lines where existing capacity constraints have prevented renewable generation from being built, as a priority before considering additional transmission lines. Such investments are likely to be the very most cost-effective. Focusing on upgrading existing lines will also serve Purposes 1 and 4 of the Recovery Act.

Upgrades to existing lines can have the benefit of creating jobs more quickly. The siting process may be simplified where project developers can work within existing easements. This should allow for a more immediate job creation and economic recovery.

Numerous projects across the region have been put on hold because of capacity constraints on existing transmission lines. Developers of projects have significant interests in having constraints removed and should be willing nearly immediately to begin the investments. Additional job creation, along with long-term economic development, can be sped up as these investments allow for new generation.

Upgrading existing transmission lines also will limit the disturbance and disruption of public and private lands. Using existing right-of-way corridors will minimize social and environmental impacts associated with building new transmission lines, staying consistent with "environmental protection" as stated in Purpose 4 of the Recovery Act.

Further, the appropriateness of upgrading and expanding line capacity should take into account the historic environmental injustice suffered by the Missouri River tribes which have had their federally held lands flooded to provide for both power and flood control across the region, and who have only recently been allowed to purchase federal hydropower flowing over Western's existing lines that have crossed their reservations for the past 50 years. Western should take into account upgrading the capacity of those line segments in its service territory that would directly enhance the potential of integrating such tribal renewable energy projects that have been proposed in Western's recent Wind

Hydro Feasibility Study[1] in the Upper Great Plains Region [Section 2606 of the Energy Policy Act of 2005, Title V) as a strategic priority for large-scale (50MW to 150MW), regionally distributed generation.

Including distributed wind projects on tribal lands as planned by Intertribal COUP meets requirements as identified in the Recovery Act, treaty obligations, the new goals of the WAPA Administrator, ie, transmission upgrades, purchase of wind energy, and partnerships with Tribes. It also provides for environmental and economic justice to restore balance and provide for economic restoration of the tribes in the Missouri Basin.

Upgrades or New Lines Should Promote Distributed Generation

Both large and smaller (under 50 MW) scale distributed generation should be considered as an additional criterion to be considered by the proposed program. Promoting a distributed generation system not only creates more distributed jobs but also has a higher likelihood to create jobs local to generation projects, spurring economic development throughout the region instead of at a few centralized locations.

Western should include a requirement that any additional transmission capacity act as a renewable energy collection system. Ensuring that additional power can be added to the grid will promote sustained job creation and regional economic development after the initial influx of capital to the line and further promote distributed generation.

Distributed generation can also provide overall less expensive energy to the end consumer. Due to high cost of new transmission lines and electrical losses during transmission, locally generated renewable electricity can actually be less expensive to the end consumer than energy produced for less in a distant location.[2]

Additionally, a distributed, interconnected generation system would allow more renewable energy to be used as baseload. A Stanford University study[3] effectively illustrates that by connecting inherently intermittent renewable energy, an intelligent transmission system can allow wind power to act as baseload electricity. The study demonstrates that the connected wind farms behave "more and more similarly to a single wind farm with steady wind speed and thus steady deliverable wind power."

The Stanford study further states, "(a)though most parameters, such as intermittency, improved less than linearly as the number of interconnected sites increased, no saturation of the benefits was found." The continued benefit gain further demonstrates the technological reason a distributed system is desired. Within Western's Upper Great Plains Region, some two dozen Indian Reservations are widely arrayed

[1] Western Area Power Administration's Wind Hydropower Feasibility Study for Section 2606 of the Energy Policy Act of 1992 (sic), Draft December 12, 2008, at: http://www.wapa.gov/ugp/PowerMarketing/WindHydro/WHFS%20Draft%20Report.pdf

[2] Farrell, John and Morris, David. Energy Self-Reliant States. New Rules Project/Institute for Local Self-Reliance. November 2008.

[3] Archer, Cristina L. and Jacobson, Mark Z. Supplying Baseload Power and Reducing Transmission Requirements by Interconnecting Wind Farms. Stanford University, 5 February 2007

across six states providing the perfect real world example of the conditions discussed in the Stanford study. Western could be a model to the rest of the nation by demonstrating the efficiency of this system, thereby further fulfilling Purpose 2 of the Recovery Act.

Distributed generation of wind power also can provide baseload power to distant population centers, once local demand is met. Western and plains states that have relied on exporting energy could significantly benefit from investments promoting distributed generation, as more distributed generation will facilitate the export of valuable power to states with renewable portfolio standards or laws against the import of power generated by fossil fuels sources. This would not only create long-term economic development for farmers, ranchers, tribes and rural communities in the poorest region of the country, but promote environmental protection in an area that is beginning to experience the impacts of accelerated climate change.

An expected cap on carbon dioxide emissions only makes this type of distributed generation more economic and important. Anticipating the effects of carbon regulation on everyone served by Western would provide long term economic benefits by increasing the percentage of energy provided by renewable sources.

Require New Capacity Be Used Exclusively for Energy from Renewable Sources

Western should specify in the project criteria that any additional line capacity is exclusively used for the purpose of "delivery of energy from renewable resources to market" as stated in Section 402 of the Recovery Act. Expressly stating this not only fulfills the stated purpose in section 402 of the Recovery Act but also directly aids in promoting Purposes 1, 3 and 4 of the Recovery Act.

Purpose 1 of the Recovery Act is to create jobs. On a per megawatt basis, new energy sources create more than double the amount of jobs as power from fossil fuels. Simply put, providing a framework for additional investments in renewable energy will put more people to work quickly and expedite the economic recovery process.

Purpose 4 from the Recovery Act provides ample basis for the requirement to carry energy from clean sources exclusively. There is an intimate connection between energy, the environment and sustainable development. Achieving solutions to environmental problems like acid precipitation, stratospheric ozone depletion and the greenhouse effect requires long-term actions for sustainable development. Renewable energy resources are one of the most efficient and effective solutions. A society seeking sustainable, long-term development ideally must utilize only energy resources that cause minimal environmental impact.[4] Requiring new transmission lines only to transport renewable resources is one small step towards the development of renewable resources which are solutions to our countries leading environmental problems. Although we understand that "free range electrons" can't be directed onto a given transmission line according to how they were produced, policies such as prioritizing renewable energy

[4] Dincer, Ibrahim and Rosen, Marc. "A Worldwide Perspective on Energy, Environment and Sustainable Development" International Journal of Energy Research. 22.15. 1305-1321

sales onto the grid at all times and ensuring that renewable energy capacity exists in quantities sufficient to utilize new transmission lines fully could have the intended effect.

Given Western's proximity to Native American tribes located in the Midwest states, Western's new spending authority provides a great opportunity to not only bring increased employment to Native Americans living within Western's territory, but also provides an opportunity to develop resource-rich regions that are constrained by under-built transmission infrastructure. Specifically, certain areas inhabited by members of the Intertribal COUP—a group of 15 tribes located in five of the Upper Great Plains Region states—contain significant resources that, if fully developed, would be too large to serve local load requirements, but transmission capacity does not exist to deliver the projects the nearby markets and load centers. Thus, without reasonable access to load, the Intertribal COUP resources will remain largely underdeveloped until improvements to transmission infrastructure can deliver the resources to load. Upgrading certain lines within Western service territory—such as the Pine Ridge-Fort Randall line—would allow for larger capacity developments in the Intertribal COUP area, and by interconnecting the Fort Pierre, South Dakota with Mission, South Dakota, those larger and more beneficial projects would have greater access to markets and load centers, helping utilities in larger load centers meet renewable resource requirements and make the generation projects more cost beneficial.

The energy sector also uses vast amounts of water. Nearly half the water withdrawn in the US is used for energy. By comparison, agricultural irrigation accounts for 35%.[5] This number could be significantly decreased if coal and gas fired power plants were replaced by wind. Renewable energy, such as the hundreds of megawatts of wind power awaiting development both on and off the Indian Reservations in the northern Great Plains, can make a significant difference in augmenting federal hydropower diminished by the current decade long drought, since wind neither consumes water as conventional power cooling plants do, nor does it add green house gases to the atmosphere contributing to the loss of snow pack Indian and non-Indian water rights and water quality are also critical issues for life and livelihood in the West, with far-reaching economic impacts well within the intended reach of the Recovery Act's goals.

The purpose of the Recovery Act is to preserve and create jobs in the short term as well as provide long-term economic development. In light of this mandate to ensure economic viability for Western's system, Western should not consider any coal fired power plants when leveraging this borrowing authority. By government and industry's most optimistic estimations, any technology that might successfully capture all greenhouse gas emissions from coal-fired power plants is at least 10 years from fruition. The federal government has heavily subsidized and invested in research to create so-called "clean coal"[6] and it is clear that no retrofit technology currently envisioned would

[5] Smith, Rebecca. "Water Worries Shape Local Energy Decisions." The Wall Street Journal. 26 March 2009: A3

[6] "Clean Coal Projects: Cleaning Out the Pockets of Taxpayers" Taxpayers for Common Sense, 9 September 2008, accessed 2 March 2009 <http://www.taxpayer.net/search_by_tag.php?action=view&proj_id=1302&tag=coal&type=Project#>

produce power economically.[7] To protect the interests of ratepayers throughout Western's territory, Western should endorse a policy of decreasing, not increasing, system reliance on coal-fired power generation.

As discussed above, ensuring that lines upgraded or constructed under the new program are used for the priority purpose of moving renewable energy will insulate ratepayers from the effects of carbon regulation.

In closing, WORC, Plains Justice and the Intertribal Council On Utility Policy once again thank you for the opportunity to comment on this program. We would like to reiterate the importance of an open public involvement throughout the entire process and the desire to see Western Area Power Administration act as a leader in promoting local renewable energy.

Sincerely,

KC Duerig, Board Chair
Western Organization of Resource Councils

Carrie La Seur, President
Plains Justice

Patrick Spears, President
Intertribal Council On Utility Policy

[7] "Retrofitting the Existing Coal Fleet with Carbon Capture Technology," U.S. Department of Energy, December 2008. Accessed 2 March 2009 <http://www.fossil.energy.gov/programs/powersystems/pollutioncontrols/Retrofitting_Existing_Plants.html >