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California revamps rules for small generators to connect to grid, will seek FERC's OK

by Andrew Engblom

The California ISO's board has approved new interconnection rules for small generation resources — generally, renewable energy projects — that will evaluate the transmission needs of the proposed projects in clusters.

Instead of having different processes for large and small generators, the ISO said, the new process would allow it to evaluate the impact and requirements of all projects proposed during a defined period.

In this Issue

Click on headline to advance to story

Steelworkers file case against China, charging green technology trade violations

Solar industry's ability to support manufacturing jobs taking up more of the discussion

NREL estimates US offshore wind potential is 4,150 GW

Why NRG's David Crane thinks a polar bear and organic food signal a new energy era

NRG strikes deal to acquire Green Mountain Energy for \$350M in cash

British Columbia regulators issue permit for 230-kV BC Hydro line

Denartments	
Click on department for	more info
<u>Projects</u>	<u>Policy</u>
	T

Company News	<u>Technology</u>
<u>Finance</u>	

The changes, the ISO said Sept. 9, are aimed at streamlining its process for studying power projects with 20 MW or less of capacity, which have been proposed in huge numbers in part due to a perception that the permitting process would be faster and less costly. With so many projects proposed, the ISO has said its process to evaluate each project is resource-intensive and likely to lead to delays for developers. "The current serial study process was designed when we were receiving 15 or 20 interconnection requests a year. That has increased to 150 small generator projects in the past two years," Keith Casey, ISO vice president of market and infrastructure development, said in a statement. "We know the cluster study approach works because we're seeing the benefits in the reformed large generator interconnection process and

Continued on p 19

754 MW of new wind capacity projected for Canada by end of '10

by Susan Nelson

The Canadian Wind Energy Association forecast Sept. 14 that 754 MW of new wind energy capacity would be installed in Canada by the end of 2010.

The new capacity would represent C\$1.7 billion in new wind investment in the country, CanWEA said. The country's total installed wind energy capacity would be 4,073 MW by the end of the year.

"Building on the growth in 2010, we can also state with a high degree of certainty that 2011 will be a record year for wind in Canada with more than 1,000 MW likely to be installed," CanWEA President Robert Hornung said in a news release.

For the next five years, CanWEA expects that wind energy capacity will continue to grow rapidly, bringing "a significant opportunity for Canadian manufacturers, service providers, landowners and rural municipalities," Hornung said.

To date, Canada has 3,499 MW of installed wind energy capacity, with Ontario leading the provinces with 1,248 MW, about one-third of that capacity. Together, Quebec, with 663 MW, and Alberta, with 656 MW of installed capacity, represent another third of existing capacity.

Continued on p 18

Ernst & Young: China overtakes US as most favorable renewable energy market

by Andrew Engblom

China has overtaken the United States as the most attractive country for renewable energy project development, an analysis issued by Ernst & Young concludes.

The U.S. had held the top spot in its indexes since 2006, Ernst & Young said, but its score fell due to the lack of a federal renewable energy standard.

"The U.S. dropped two points in the indices, to fall behind China, after a federal renewable energy standard was not enacted this summer," Ernst & Young said in a statement Sept. 8 discussing the findings of its August update to its indexes. "Construction of new renewable energy facilities is expected to further slow down following the December 2010 expiration of an important deadline in the Treasury grant program with no assurance of renewal, generating investor uncertainty about the continuation of an effective incentive mechanism."

China, meanwhile, has continued to increase incentives for renewable energy development since it was added to the Renewable Energy Country Attractiveness Indices in December 2004.

"China's steady rise to pole position has been underpinned by strong and consistent government support for renewable energy," said Ringo Choi, Ernst & Young clean tech leader for greater China. "This, together with substantial commitment from industry and the sheer scale of its natural resources, means that its position as top spot for renewable energy investment is well-merited."

Choi added that the U.S. "remains a highly attractive location for investors," but recent events have reduced momentum for its market. "The US market continues to have significant potential but requires consistent legislative support to provide investors with the long-term confidence they need," Choi said.

Other markets, most notably Spain, also are showing signs of wavering support, largely due to "tariff deficits" and the underlying affordability of support mechanisms, Ernst & Young said.

"We expect this may remain a feature for some time, and points to the need for governments to continue to make the case for renewable energy and how it can add value to their economies," Ernst & Young said in a statement. India and Germany also experienced declines, while Australia and Japan had increases.

In its analysis, Ernst & Young ranks countries on a 100-point scale based on the attractiveness of their renewable energy markets, renewable energy infrastructure and suitability for individual technologies. For its "all renewables" index, the wind index accounts for 68% of the index value, a separate solar index counts for 15%, and an index for biomass and other resources accounts for 17%.

Following China, which had a rating of 69 on the all-renewables index, were the U.S., at 67; Germany, at 63; India, at 62; and Italy and the United Kingdom tied for fifth, at 61.

China also retained the top spot on both the long-term and nearterm wind indexes, with the U.S., U.K., Germany and India rounding out the top five of the long-term index, and the U.S., India, U.K. and Germany rounding out the top five of the near-term index. The longterm index takes a longer forward-looking view, while the near-term index takes a two-year view, with slightly different parameters and weightings.

China, the report said, increased one point, to 75, on the longterm wind index following the national government's aim to launch 90,000 MW of wind capacity by 2015. The country also was helped by its first pilot offshore wind project, which came online with a capacity of 100 MW. The U.S., meanwhile, fell to 68 as low natural gas prices and slack electricity demand discouraged utilities from signing longterm contracts with wind energy developers. India dropped a point following a cut to its five-year target for new wind generation.

For the near-term index, the U.S. dropped one point, to 76, following news that offshore wind plans could be delayed because the U.S. Bureau of Ocean Energy Management, Regulation and Enforcement, formerly known as the Minerals Management Service, is overloaded with project applications and is being revamped in the wake of the Gulf of Mexico oil spill. The agency has authority over offshore wind projects. China, earning a No. 1 ranking, scored 81 on the index.

US retains lead for solar

The U.S. did, however, remain atop the solar rankings, with a score of 72 on the overall solar index, 71 for solar PV and 74 for concentrating solar power. Looking at the overall solar index, the U.S. was followed by India and Italy at 65, Spain at 64, China at 59, and Germany and Greece at 55.

The report noted that panel prices have dropped 16% in the past two years, but that price is not necessarily driving the marketability of panels. Instead, panels that are perceived as "bankable" by major lending institutions are being chosen for projects even though they often come with higher price tags.

"In short, though prices are dropping, those manufacturers that are 'racing to the bottom' in terms of price are not likely to be the long-term winners," the report said.

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Steelworkers file case against China, charging green technology trade violations

by Kathleen Hart

The United Steelworkers union filed a comprehensive trade case Sept. 9, alleging that China has used hundreds of billions of dollars in subsidies, preferential practices and other trade-illegal activities that threaten the future of America's renewable energy sector.

"China's massive domestic subsidies to green technology are distorting trade and harming producers in other countries. In its economic stimulus package, for example, China gave more than \$216 billion to subsidize green technologies — more than twice as much as the U.S. spent in the sector and nearly half of the total 'green' stimulus spent worldwide," the USW said in a summary of the petition filed with the Office of the United States Trade Representative.

"These subsidies are helping Chinese producers ramp up production, seize market share, drive down prices, and put global competitors out of business. U.S. companies and firms have suffered the consequences as their exports are displaced, domestic market share erodes, prices plummet, and jobs are lost," according to the summary of the petition, which was filed under Section 301 of U.S. trade laws.

The petition charged that China's demand for wind energy equipment rose 10-fold from 2006 to 2009. During the same period, "massive subsidies to Chinese producers displaced U.S. exports to China of wind turbine sets and the gears used in such turbines, which shrank by 81 percent and 67 percent, respectively."

In addition, the USW claimed, subsidized Chinese exports have shut the U.S. out of the growing European wind market. "In 2009, Chinese exports to Europe of the towers and masts used in wind turbines were nearly 19 times higher than they had been in 2006, while U.S. exports of the same product fell by more than a third," the summary said.

"In the solar sector, Chinese exports of solar cells and panels to Europe grew eight times over from 2006 to 2009, significantly faster than the growth in European demand. U.S. imports were basically flat over the period, and they fell sharply in 2009 as Chinese subsidies caused global prices for solar cells and panels to crash," the USW added. "China now has 34 percent of Europe's import market for solar cells and panels, while the U.S. has only 3.7 percent import market share."

The 5,800-page petition identifies five major areas of protectionist and predatory practices that it claims the Chinese have used to develop their green sector at the expense of production and job creation in the U.S. Under the law, the Obama administration has 45 days, or until Oct. 24, to determine whether to accept the petition for further action.

"Green jobs are key to our future," Leo Gerard, international president of the USW, said in a news release. "Right now, China is taking every possible step — many of them illegal under international trade laws — to ensure that it will control that sector. America can't afford to cede more of its manufacturing base to China."

In a separate statement, BlueGreen Alliance Executive Director David Foster said the Section 301 petition "underscores the importance that the United States act quickly to take advantage of the job-creating opportunities of the clean energy economy. Every day America delays action is another day that China capitalizes on jobs created in the production of clean energy technologies that could and should be developed, manufactured, and installed in the United States."

For many years, Foster said, the U.S. has stood by "as misguided trade policies sent millions of jobs to other countries. With comprehensive climate legislation and renewable energy policies, we have an opportunity to reverse this trend and create millions of good jobs, including jobs manufacturing the component parts of clean energy technologies right here at home, and to establish the United States as the undisputed global leader in the race for clean energy."

Petition: China slashed exports of rare earth minerals

The petition also charges that China has clamped down on the export of rare earth minerals, slashing its 2010 export quota by about half from the prior year. This occurred at the same time China was increasing its targets for domestic production of rare earth minerals, the USW maintained. "These export restrictions are a clear violation of China's [World Trade Organization] commitments. When China joined the WTO, it committed to eliminate export quotas and export taxes on all but a select list of products. Rare earth minerals and the other green technology inputs contained in the petition were not included on that list," the USW said in its summary of the petition.

Solar panels, wind turbines, advanced batteries and energy-efficient lighting depend on critical raw materials derived from rare earth elements and other minerals. China produces more than 90% of the world's supply of these critical minerals, the union noted.

"The U.S. currently produces no rare earth raw materials at all. Its last processing facility for such materials was purchased by the Chinese and its equipment shipped to China years ago. China uses export quotas, taxes, and licensing procedures to restrict exports of these minerals to users in the U.S. and other countries," the petition said. "These restrictions raise prices for manufacturers outside of China, lower prices for those within the country, and create a powerful incentive to shift production to China in order to secure necessary supplies. Indeed, government officials in China have stated explicitly that the purpose of their export restraints on these minerals is to spur investment in downstream processing of such minerals within China instead of other countries."

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Solar industry's ability to support manufacturing jobs taking up more of the discussion

by Andrew Engblom

It is becoming increasingly apparent that talking about renewable energy means talking about trade.

The renewable energy industry's promise of "jobs, jobs, jobs" remains a consistent refrain among its supporters, but with China now the leading supplier of solar panels and a major producer of wind turbines, the industry itself is even beginning to question just how many of those jobs will wind up in the United States.

Talk among panelists and participants at Green Power Conferences' Solar Policy and Economics Forum, held Sept. 14 and 15 in Washington, D.C., ran the usual gamut of industry issues — transmission, finance and government incentives — but concerns about whether the U.S. manufacturing sector can truly take advantage of renewables was also a major topic of discussion.

In a speech kicking off the event, American Council on Renewable Energy President Michael Eckhart told participants that despite the federal government's long history with renewables, the United States is failing to take its technological know-how and turn it into real economic development.

"We are losing the economic growth engine of the 21st century," Eckhart said. "The government will invest on putting the technology on the shelf, but foreign governments take technologies off of our shelf."

Instead of hosting the leading renewable energy innovators, the United States remains far behind the market leaders in many categories, Eckhart said. Denmark-headquartered Vestas Wind Systems A/S is the largest wind turbine manufacturer, and China appears ready to become the dominant supplier of solar PV equipment. Even First Solar Inc., the strongest American solar panel manufacturer and technology company, produces much of its product overseas.

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This poses a real dilemma for the sector. "If you are in renewables, then [China is] your best friend," he said. "If you are American, it's a problem."

In explaining his frustration, Eckhart cited a 1986 decision that termed all non-nuclear technologies "nonstrategic." That prohibited the U.S. Department of Energy from even considering the nationality of a company bidding on a renewable energy contract while it tried to build alternative energy industries.

How did Vestas become the largest wind-turbine manufacturer in the world?" Eckhart asked. "We paid them to do it."

And while it may be a major topic of discussion across all industries, it is particularly important for the renewable energy industry, which hopes to win new subsidies and favorable policies from Congress. Congress also has considered imposing "buy American" provisions on projects seeking federal support.

Making the U.S. competitive in manufacturing, however, is not likely to be easy. To illustrate the divide, Eckhart told participants that in 2000, the United States had five solar manufactures and China had two. Today, the U.S. still has five and China has 528, he said.

"That's a real number," he said. "I got it yesterday."

The reasons behind this growth, he added, are more than simply cheap labor. Getting environmental permits and financing is often much easier in China.

"There is an industrial war going on, look at the score," Eckhart said.

JA Solar, for example, can build factories of 400 MW and get them up and running in six months, he said. "Permits are often a matter of a straightforward payment to the permitting agency."

It was not all pessimism, though.

One thing other countries cannot take away is the great renewable energy resources available in the United States. Germany has been the largest market for solar panels for five of the past six years, even with a vastly inferior solar resource.

"Alaska is essentially our Germany," DOE Solar Energy Technology Program Manager John Lushetsky said as he flipped to a slide showing the solar resources of the U.S. and several other countries. "Spain is comparable to the mid-Atlantic region here in the U.S."

Meanwhile, the slide showed the U.S. Southwest in a deep orange, signifying some of the strongest solar resources in the world.

"More and more companies — foreign firms — are locating here," Lushetsky said. "The U.S. is the next place for the solar market to take off."

He also said it is important to understand that the Department of Energy is well aware of the challenges the U.S. faces.

"DOE has been historically about reducing technical risk," he said. "We are looking more at how do we reduce commercial and financial risk."

The government also is pursuing potential trade actions, Squire Sanders & Dempsey partner Shanker Singham said. The U.S. Department of Commerce, along with the U.S. State Department and the U.S. Trade Representative, are coordinating an effort to figure out how to discourage China from distorting the market, "which is clearly what is happening in China," he said.

Solar manufacturer: Labor is not China's advantage, financing is

Given that the U.S. is unlikely to be able to compete with China on labor costs, U.S. policymakers might find hope in the comments by Amonix CEO Brian Robertson, who said his solar panel design and

manufacturing business remains committed to its strategy in the United States.

Instead of labor costs, Robertson said the largest advantage Chinese companies — and companies that move to China — have over American manufacturers is the access to low-cost financing.

"There is a perception that there is a high proportion of labor connected to solar," Robertson said. Instead, most solar panel manufacturing today is highly automated and thus has relatively low labor costs.

"Why is there not more manufacturing in the U.S.? It's not a level playing field. The cost of capital is vastly greater in the U.S.," he said.

Although the federal government has provided a 30% manufacturing tax credit, China offers companies deals that include zero percent debt and balloon loans with no principal or interest for five years, he said. "Free capital is a huge incentive to put your facility somewhere."

To remain competitive, he said California-headquartered Amonix has relied on its savings on shipping costs, which can be expensive for foreign suppliers.

COMPANIES REFERENCED IN THIS ARTICLE:

Vestas Wind Systems A/S

First Solar Inc.

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NREL estimates US offshore wind potential is 4,150 GW

by Andrew Engblom

The National Renewable Energy Laboratory has issued an estimate of the country's offshore wind potential, concluding that the nation's coasts contain a resource of as much as 4,150 GW of potential nameplate wind turbine capacity.

While some of that resource would ultimately be excluded from development on the basis of environmental, human-use or other technical considerations, the report said, the figure still dwarfs U.S. energy needs. The capacity of the entire U.S. electric generation fleet in 2008 was 1,010 GW, said NREL, which is affiliated with the U.S. Department of Energy.

The report, titled "Assessment of Offshore Wind Energy Resources for the United States," is based on a new set of high-resolution maps that predict annual average wind speeds and show the gross energy potential of the U.S. offshore wind resource. The maps use data as of May 2009.

The potential electric generating capacity was calculated from the total offshore area within 50 nautical miles of land in areas where average annual wind speeds are at least 7 meters per second (approximately 16 mph) at a height of 90 meters. It was assumed that 5 MW of wind turbine capacity could be placed in every square kilometer of water that meets those wind characteristics, NREL said.

"Offshore wind energy development promises to be a significant domestic renewable energy source, especially for coastal energy loads with limited access to interstate grid transmission," the report said. In 2008, the DOE released a report detailing a deployment scenario by which the U.S. could achieve 20% of its electric energy supply from wind energy. Under that scenario, offshore wind would provide about 54 GW of installed electric capacity.

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Friday, September 17, 2010

This most recent report includes updated data from the offshore areas of Georgia, Texas and Louisiana, northern New England (Massachusetts, New Hampshire and Maine), and the states bordering the Great Lakes. In the future, the report noted, NREL plans to include updated maps of the area from Rhode Island to South Carolina.

When the most accurate data was not available, NREL estimated the resource.

In addition to the overall national maps, which detail the offshore wind resource, water depth, distance from the shore and the administrative authority that oversees the area, the report also includes state- and regional-level data.

Water depth, for example, affects not just the overall cost of the project but also the technology used for the turbines. Generally, projects in shallow water (less than 30 meters) would use monopoles and gravity foundations, while projects in "transitional" depths of up to 60 meters would use tripods, jackets and truss-type towers. For waters deeper than 60 meters, projects would be likely to require floating structures — although this technology is considered to be in an early stage of development.

The East Coast and the Gulf of Mexico have extensive areas of shallow water relatively far from shore, NREL noted. On the West Coast, the continental shelf descends rapidly into the deepwater category. The water depth also increases rapidly away from shore around Hawaii.

In the Great Lakes region, Lake Erie and portions of Lake Ontario can be characterized as shallow; the other lakes are primarily deep water, with narrow bands of shallow and transitional water near the shore.

Full filing

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Why NRG's David Crane thinks a polar bear and organic food signal a new energy era

by Jay Hodgkins

At one point during NRG Energy Inc.'s Sept. 14 presentation at Bank of America Merrill Lynch's investment conference in San Francisco, President and CEO David Crane explained that creative, entrepreneurial spirits were not the type to move up in the world of regulated utilities and probably would not have gone to work for such companies in the first place. Instead, he said, merchant generators were the home for entrepreneurial types in the power industry.

With that as background, Crane presented to the conference what seemed to be a fairly radical new business model for NRG in the future — one focused on "green NRG" and "classic NRG."

Crane said NRG has bought in to the notion that the American consumer will be growing substantially more environmentally conscious in the coming decade thanks to a slew of major negative energy industry events, from the BP plc oil spill in the Gulf of Mexico to concerns over climate change to controversy over coal mine fatalities and mountaintop mining. With those events bringing attention to the costs of traditional energy, as well as ongoing concerns about



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the Middle East and U.S. energy security, Crane said, NRG believes today's relatively small "green consumer market" will achieve double-digit-percentage growth in the coming decade.

In fact, Crane went so far as to say he believed the Nissan Leaf commercial that debuted Sept. 9 during the NFL season opener - featuring a polar bear leaving a melting Arctic to hug a man who purchased the country's first commercially available electric vehicle - could be the moment years from now that people point to as when the green energy market took off.

Although environmentalists, as well as many politicians and power companies, have pushed for more emissions-free power sources, Crane said he believed the personal transportation sector — driven by the marketing muscle of Nissan, General Motors and the many other manufacturers bringing electric vehicles to market — will be the catalyst for people to change their energy consumption behavior.

So how does the polar bear help NRG?

Most directly, Crane said, NRG can provide services to the electric vehicle market, which is expected to grow to \$80 billion by 2015, thereby taking energy market share away from oil and bringing it to power companies.

On the grander scale, Crane said, NRG has a tremendous opportunity to take advantage of the growth in the green energy market through its direct connection with consumers in the retail energy business. Crane said consumers will buy electric vehicles specifically to show that they are committed green energy users, which will make them create a market for 100% clean electricity because they will not want to fuel their green car with power produced by a coalfired power plant.

Reliant Energy Retail Holdings LLC in 2010 more than doubled its customers who chose the Texas retail provider's all-wind product offering, Crane said, another data point suggesting that NRG needs to guickly work to create a "green NRG" product that is unguestionably emissions-free and sustainable that it can offer to retail customers across the country.

"That is what is behind our acquisitions of wind and pursuing all of the solar in the Southwest," Crane said. "We need this green fleet to serve committed green consumers. It's not just a matter of sliding down the spectrum; the committed green consumer is less likely to compromise. She wants the choice to be clear-cut, incontrovertibly sustainable for all the neighbors to see."

Though Crane said he has faced plenty of skepticism about NRG's plan because of the small size of the green energy market and he fears that the green momentum is slowing due to the economic recession and political winds that appear primed to blow Congress to the right, the NRG chief pointed out that even the "small" green market is not really that small and that his company could achieve significant growth in EBITDA in the near to medium term if it can be a first mover that picks up significant market share as the segment grows.

Crane noted that less than 5% of U.S. consumer spending is considered green spending but that a little less than 5% of \$6 trillion is still \$290 billion — a big market still growing at a double-digit pace. In addition, 25% of consumers identify themselves as committed to green purchasers, but only 12% spend that way.

The disconnect, Crane said, is in the fact that consumers either are not aware of or do not have viable alternatives to buy green energy, which is a legacy of the old power industry that NRG and others are now changing. As green energy options become more widely available and recognized, Crane said, he expects the tiny green energy market to expand much the way the organic food and green products markets exploded, with NRG in the role of a Whole Foods or Patagonia in finally bringing consumers viable alternatives.

The organic food market grew at a 17% pace in "the greater part of" the last decade, Crane said, and similar growth in power could lead the tiny 4 TWh, or 1%, of green energy sold to retail customers last year to grow to 45 TWh by 2020, which would still only be 3% of power sold to retail customers in the 14 states with deregulated markets.

'Classic NRG' and 'green NRG'

Crane was quick to note that NRG does not plan to create a business model where it simply separates "green NRG" from "old, dirty NRG"

Instead, Crane said, the focus will be on continually greening "classic NRG" by pursuing new nuclear generation and fast-starting natural gas-fired assets and renewable generation while quickly establishing "green NRG" on the retail level.

Classic NRG must make that transition away from the conventional fossil fuel model, Crane said, because it is undeniable that fossil-fuelfired generation is a static to contracting market in a post-industrial country with a weak economy and 35 states pushing renewable energy.

In the conventional power future, Crane said, nuclear assets will become increasingly valuable because existing baseload coal and nuclear assets are guickly aging and there is not nearly enough new baseload generation in development to replace the aging assets. On the intermediate spectrum of the dispatch curve, Crane said, combined-cycle gas-fired plants will become workhorses used to firm all of the new intermittent renewable generation coming online.

Those theories are why NRG is pursuing development of two new nuclear units at South Texas Project and continues to acquire combined-cycle plants such as Cottonwood and several in California and Maine through a proposed deal with Blackstone Group LP after Blackstone acquires Dynegy Inc. Crane said NRG does not want to build any new combined-cycle plants, but buying them at below replacement cost is the key to financially benefitting from the assets.

Crane said he considers the Moss Landing 1 and Moss Landing 2 combined-cycle plants on California's coast to be the crown jewels NRG hopes to acquire from Dynegy through Blackstone, primarily because California's once-through cooling policies are likely to force much of the generation on California's coast to close. When that occurs, the Moss Landing plants will continue to operate and become more valuable, firming the 33% renewables that will be delivered to the energy-hungry coast in a tighter supply market.

NRG will also continue to participate in the growing renewables market, Crane said, because the company has a number of announced and unannounced solar developments in the Southwest it is pursuing and it continues to seek renewables acquisitions.

While analysts at the conference challenged Crane's assumption that people will necessarily want to pay more for cleaner generation, Crane countered that policymakers will continue to carve out a market for renewables and that green consumers tend to be very committed, wealthy early adopters who can afford the added cost without noticing much of an impact to their wallets.

Regardless of whether green energy ever develops past being a niche market, Crane said, there is no denying it will become a multihundred-billion-dollar market, which he believes NRG can respond to quickly through its creative, entrepreneurial skills where traditional electric utilities will find it difficult to respond.

COMPANIES REFERENCED IN THIS ARTICLE:

NRG Energy Inc.	NRG
Dynegy Inc.	DYN
Reliant Energy Retail Holdings LLC	

Sep 14, 10 NRG Energy Inc. Investor Presentation

Sep 14, 10 NRG Energy Inc. Transcript

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NRG strikes deal to acquire Green Mountain Energy for \$350M in cash

by Adnan Munawar

Wasting no time in making good on a promise from company President and CEO David Crane to grow its "green NRG" brand, NRG Energy Inc. on Sept. 16 said it reached a definitive agreement to acquire Green Mountain Energy Co. for \$350 million in cash.

NRG said it will align Green Mountain's green retail franchise with its growing portfolio of renewable power assets and development pipeline, creating "the foundation for what will be the preeminent platform of clean energy solutions in Texas, New York and ultimately, other core markets served by Green Mountain and NRG," according to a news release.

"Increasingly NRG, with our expanding portfolio of wind, solar and biomass initiatives, working with and through Green Mountain, is poised to become the clean energy provider of choice for Americans who want to make a difference for the environment," Crane said.

Green Mountain, a retail provider of clean energy products and services, will be run as a stand-alone business within NRG, the company said.

"Our acquisition by NRG strengthens Green Mountain's ability to provide the clean energy products that our customers value, while allowing us to reach new markets and offer greater consumer choice — all while preserving our founding ideals," Green Mountain President and CEO Paul Thomas said. "Our customers will continue to be Green Mountain customers."

With an anticipated annual EBITDA contribution of \$70 million, the acquisition is immediately accretive to EBITDA and free cash flow, NRG said.

The company said it anticipates funding the transaction with cash on hand upon transaction close, which is expected by mid-November.

The transaction is subject to customary closing conditions and regulatory approvals, including those from the U.S. Justice Department and FERC, as well as other regulatory notices.

According to the news release, Green Mountain offers consumers and businesses the choice of clean electricity products from renew-

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able sources including wind and water, as well as a variety of carbon offset products.

COMPANIES REFERENCED IN THIS ARTICLE:

NRG Energy Inc.

Green Mountain Energy Co.

Sep 16, 10 NRG Energy Inc. Merger Press Release

E-mail this story.

British Columbia regulators issue permit for 230-kV BC Hydro line

by Kerry Bleskan

The British Columbia Utilities Commission on Sept. 3 approved a 230-kV BC Hydro and Power Authority transmission line.

The C\$154.1 million Columbia Valley transmission project would run approximately 112 kilometers from Invermere to Golden, largely paralleling an existing 69-kV line. In the certificate of need, regulators said the configuration is a better choice than two lower-voltage options, more scalable than a new 138-kV line along the same route and less expensive than a longer line routed through remote territory.

Besides the new 230-kV line, the project includes a new substation, upgrades to three substations, and three kilometers of new 69kV line between the new substation and an existing one. The project is scheduled to be complete by October 2012.

"The upper Columbia Valley is forecast to experience significant load growth over the next thirty years," the BCUC said. "If peak load levels continue to increase, the upper Columbia Valley could experience system voltage instability; there is virtually no remaining stability margin."

The area currently is served by a 69-kV line from the north and a 230-kV line from the south.

The highest peak growth rates are in the Golden area, "at the end of the 69 kV radial system," the BCUC said.

Forecasting shows that several of the lines and substations in the area are or were expected to exceed their limits this winter or last winter. Without upgrades, regulators said, the system also will limit transmission from future independent power projects.

The chosen route and voltage configuration will address all of those problems, the BCUC said.

"It will meet the upper Columbia Valley load requirements for the next 30 years under normal conditions and during critical transformer outages," the commission said. "It is also able to provide for an additional 17 MVA of load growth at the Golden Substation beyond the 30-year planning period," whereas a 138-kV line could not.

Intervenors included a ratepayer group, three First Nations and an independent power producer called Purcell Green Power, which is developing a 230-kV line in the Invermere area to support hydro projects being developed by its parent company, the infrastructureand investment-focused AXOR Group.

None disputed the need for the project, the commission said, but some had routing concerns. The chosen route now avoids crossing Toby Creek. BC Hydro is required to report on the progress of consultations that are still ongoing with one First Nation. The application was first filed by British Columbia Transmission Corp., which has since been reabsorbed by BC Hydro.

COMPANY REFERENCED IN THIS ARTICLE:

BC Hydro and Power Authority

Sep 03, 10 British Columbia Transmission Energy Regulatory Filing

E-mail this story.

Projects

Solar Millennium's 1,000-MW solar project wins final Calif. approval

by Andrew Engblom

The California Energy Commission on Sept. 15 approved Solar Millennium LLC's 1,000-MW Blythe Solar project, affirming an earlier presiding member's proposed decision by a unanimous vote.

The Riverside County, Calif., project is the first solar thermal power plant on federal land to be voted on by the commission, the CEC said in a statement. The U.S. Bureau of Land Management, which approves the use of federally controlled public lands, is scheduled to make a decision before the end of October. That ruling is the final step before the project can proceed.

"We are excited to add 1,000 megawatts of clean, renewable energy that will provide Californians with green jobs while advancing the state's renewable energy and climate goals," Energy Commission Chairman Karen Douglas said in a statement Sept. 15. "The success in licensing the Blythe project is due to the strong collaboration with the Bureau of Land Management, the Department of the Interior, and the U.S. Fish and Wildlife Service. This is a significant step forward for California."

The approval is the third for a large solar project by the commission in as many weeks. NextEra Energy Inc.'s Beacon Solar Energy Project was licensed Aug. 25, and Abengoa SA's Mojave Solar Project was licensed Sept. 8.

The proposed decision concluded that the Blythe facility, even with mitigation measures, will have significant impacts on cultural resources, land use, traffic and transportation, and visual resources, but that it was justified based on the benefits of the project.

Solar Millennium is the U.S.-based arm of Solar Millennium AG. Chevron Corp. also owns a share of the project.

COMPANIES REFERENCED IN THIS ARTICLE:

Solar Millennium LLC

Abengoa SA

Chevron Corp.

NextEra Energy Inc.

Solar Millennium AG

Full filing

 \boxtimes E-mail this story.

NEE

Delaware agrees to 2-year delay in Bluewater start date

by Kelly Harrington

Delaware regulators have approved changes to an agreement for Delmarva Power & Light Co. to buy power from a planned offshore wind facility and signed off on another for the utility to buy power from a planned solar energy project.

In one order released Sept. 7, the state Public Service Commission agreed to Delmarva's request to approve an amended agreement with NRG Bluewater Wind extending the guaranteed delivery date for power from the offshore wind facility by two years.

Under the original agreement, signed and announced in June 2008, NRG Bluewater Wind was to install and begin operating the wind farm by Dec. 1, 2014. The new deadline is Dec. 1, 2016. The NRG Energy Inc. subsidiary said circumstances beyond its control, such as potential delays in the federal permitting process, could affect the construction timeline.

In approving the amended agreement, the PSC said reasons to support the 2008 agreement remain valid.

"Furthermore, as Delmarva notes, the 2008 PPA constitutes a large percentage of its overall renewable energy portfolio, and although the amended PPA will postpone its recognition of the benefits therefrom, Delmarva has negotiated important protections for its SOS customers so that they are not disadvantaged in the event that Bluewater does no fulfill its obligations under the amended PPA," the commission said.

That includes protection from any increased costs of purchasing renewable energy credits should prices during the interim period be higher than the REC price under the initial agreement.

Meanwhile, in another Sept. 7 order, the PSC approved Delmarva's requests tied to the planned Sun Park solar facility in Dover, Del. The project, owned by LS Power Group affiliate White Oak Solar Energy, is expected to come online next summer.

Delmarva spokeswoman Bridget Shelton said the purchase agreement totals about \$42.5 million over 20 years.

Under the agreement, Delmarva, a Pepco Holdings Inc. subsidiary, will purchase solar renewable energy credits, or SRECs and all other environmental attributes associated with about 70% of the annual output of the project. The utility also will for two years sell a portion of the credits to Delaware's Sustainable Energy Utility and buy them back.

While the initial proposal called for the Sustainable Energy Utility to purchase more RECs over a longer term, changes were made to cut down the amount of credits and length of the purchases.

With the changes, the Sustainable Energy Utility will purchase 7,000 credits in the first year of the project's commercial operation and 3,700 SRECs in the second year at a price of \$216.70 per SREC.

In year four, Delmarva will buy from the utility 2,700 of the banked SRECs at a price of \$231.70 per SREC. For year five, Delmarva will buy

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3,500 of the banked SRECs at the same price and in year six, buy the remaining 4,500 credits from the utility, also at \$231.70 per SREC.

COMPANIES REFERENCED IN THIS ARTICLE:

Delmarva Power & Light Co.

LS Power Group

NRG Bluewater Wind

NRG Energy Inc.

Pepco Holdings Inc.

NRG POM

White Oak Solar Energy

Sep 07, 10 Delmarva Power & Light Co. Energy Regulatory Filing

Sep 07, 10 Delmarva Power & Light Co. Energy Regulatory Filing

E-mail this story.

Developer team chosen for Lake Erie offshore wind energy project

by Corina Rivera

A team of three companies has been chosen to develop an offshore wind energy project in Lake Erie, off the Ohio shore.

The three partner companies are Bechtel Development Co. Inc., a subsidiary of Bechtel Corp. that specializes in project development and finance; Cavallo Great Lakes Ohio Wind LLC, which is a part of Cavallo Energy LLC and a global energy development and asset management company; and Great Lakes Wind Energy LLC, an Ohio-based company formed specifically to develop offshore wind projects in Lake Erie, Lorry Wagner, president of the Lake Erie Energy Development Corp., said in a statement Sept. 14.

The companies have formed Great Lakes Ohio Wind LLC, which will own and develop the project, according to the development agency, known as LEEDCo.

A study prepared earlier this summer on behalf of LEEDCo showed that installing 5,000 MW of offshore wind energy would generate 8,000 jobs in Ohio.

LEEDCo, a regional nonprofit economic development corporation whose founding partners include the city of Cleveland, Cuyahoga County and NorTech Energy Enterprise, a local business development collaborative, is leading efforts to build, install and deploy the offshore wind farm in Lake Erie.

"We are looking forward to collaborating with all partners, and providing our combined expertise to help bring Northeast Ohio an exciting project and significant alternative source of energy," Chris Wissemann, managing director of Great Lakes Wind Energy, said in a statement on behalf of the developer team.

The initial project will be a five-turbine, 20-MW pilot wind farm five to 10 miles offshore of Cleveland. Construction on the initial phase is tentatively scheduled to start in late 2012. LEEDCo said that by 2020, it aims to see 1,000 MW being generated from lake winds and believes the economies of scale that can be obtained when building such large projects will reduce the cost of that energy to attractive levels.

"The developer team, which is led by GLWEnergy, will be responsible for ultimately developing the first 20-MW project, and that includes permitting, securing the power purchase agreement, getting the project to financial close and then hiring the engineering and construction teams," Wagner said Sept. 15, adding that the team will make sure the project gets built on budget.

The three companies were chosen through a request for proposals that was released in March, he said.

"We're currently working on our master plan [which entails] laying out the roles and responsibilities between LEEDCo and the developer and making sure that we've got everything covered in order to build this industry," he said.

"The next step is really to dive in to the permitting and power purchase agreement — those are the critical phases," Wagner said.

"I think it's going to take a lot longer than any of us wish, and part of the issue is the permitting process," he said. "None of these agencies have permitted a project like that."

The project has met success at the state level, Wagner said, adding, "We've worked with the [Ohio] Department of Natural Resources and Power Siting Board ... it's been a collaborative process."

COMPANIES REFERENCED IN THIS ARTICLE:

Cavallo Great Lakes Ohio Wind Bechtel Corp.

Cavallo Energy LLC

Great Lakes Wind Energy LLC

Sep 14, 10 Lake Erie Energy Development Press Release

E-mail this story.

TransCanada calls off 1 of 2 HVDC lines in western US

by Lynn Doan

After failing to attract enough interest, TransCanada Corp. is shelving plans to run a \$3 billion high-voltage, direct-current transmission line carrying wind-generated power from Montana to the southwestern U.S., a company official said Sept. 15.

The 500-kV Chinook project, originally intended to run roughly 1,000 miles from a station near Harlowton, Mont., to a termination point south of Las Vegas, failed to attract enough bids during an open season launched last year, said the project's manager, John Dunn. TransCanada will instead focus its efforts on developing another \$3 billion HVDC line, called Zephyr, planned to carry 3,000 MW of wind-generated power from southeastern Wyoming to the same point past Las Vegas, he said.

The company launched an open season for both lines in October 2009, but Dunn, TransCanada's power transmission director, said it is no longer soliciting bids for the Chinook line. The developer will shortly announce an official close to the season, he said.

"It's simple math," he said following a talk at the Platts 2010 Transmission Planning and Development Forum in Washington, D.C. "If we have commercial support for one [project] and not the other, our focus is clearly going to be on that project with support. We just don't have commercial support for the other."

Dunn said Wyoming is home to a strong base of "well-capitalized" wind power generators that Montana simply does not have.

"It will come for Montana," he said. "It's just not there yet."

During his talk, Dunn described TransCanada's Zephyr project as "a green electron highway" that "gives California a clear-line sight to renewables in Wyoming." The line would specifically carry windgenerated power from a station near Medicine Bow, Wyo., to a hub in Eldorado Valley, Nev., where the company hopes to link up with the California ISO grid.

"Wyoming has screaming wind," he said. "We like to say this is a project that could move the needle in terms of the nation's environmental objectives and California's environmental objectives."

TransCanada received bids in excess of the 3,000-MW capacity on the Zephyr line during its open season. In May, it announced that three companies, Energias de Portugal unit Horizon Wind Energy LLC; BP plc unit BP Wind Energy North America Inc.; and Pathfinder Renewable Wind Energy LLC, a Wyoming wind developer backed by Sammons Enterprises, have signed precedent agreements to split capacity on the 500-kV line.

Dunn estimated that the project would reduce emissions by the equivalent of a 500-MW coal-fired power plant. TransCanada has said it will begin construction on the line in 2012 and complete it by late 2015 or early 2016.

In February 2009, FERC approved TransCanada's plan to use an anchor customer model to contract for capacity on both the Zephyr and Chinook lines. It marked the first time FERC approved the use of an "anchor-tenant" model for merchant transmission projects.

COMPANIES REFERENCED IN THIS ARTICLE:

TransCanada Corp.

BP plc BP Wind Energy North America Inc. Energias de Portugal Horizon Wind Energy LLC

E-mail this story.

SunEdison to build solar PV array at Davis-Monthan AFB

by Wijdan Khaliq

Davis-Monthan Air Force Base on Sept. 14 said it awarded SunEdison LLC a contract to build a 14.5-MW solar photovoltaic plant.

Construction is expected to begin in 2011, and the plant is expected to take 36 months to become fully operational, base officials said in a news release.

The project is structured as a renewable energy power purchase agreement made up of a utility contract and a long-term ground lease. The ground lease will run about 20 years. Under this structure, SunEdison will design, own, operate and maintain the PV array, while the base will lease the land to SunEdison and purchase the electricity generated from the array. Engineers expect the array to deliver 35% of the base's total baseload of energy, according to the release.

The ground lease must be finalized before the construction begins and can potentially take several months, officials said.

SunEdison is a subsidiary of MEMC Electronic Materials.

COMPANIES REFERENCED IN THIS ARTICLE:

SunEdison LLC

MEMC Electronic Materials

Full filing

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Constellation, Oak Leaf to develop solar project at Denver airport

by Wijdan Khaliq

Constellation Energy Group Inc. and Oak Leaf Energy Partners on Sept. 14 said they will develop a 4.4-MW solar installation at Denver International Airport.

Constellation Energy will finance, own and operate the solar installation, and DIA will purchase the electricity produced by the system from Constellation over a 20-year period.

Intermountain Electric plans to begin construction of the project in the fall, with completion expected by early 2011, the companies said.

The system is expected to supply about 7,000 MWh of electricity to DIA each year using about 19,000 Yingli Green Energy Holding Co. Ltd. solar photovoltaic panels.

COMPANIES REFERENCED IN THIS ARTICLE:

Constellation Energy Group Inc.

Yingli Green Energy Holding Co. Ltd.

Sep 14, 10 Constellation Energy Group Inc Press Release

E-mail this story.

Canadian government awards C\$65M for 2 Quebec wind farms

by Susan Nelson

The Canadian government said Sept. 14 that it awarded up to C\$65 million through its ecoENERGY for Renewable Power program to support two wind farms in the Gaspé region of Quebec owned by wind energy developer Cartier Wind Energy.

The money will be used to provide an incentive of 1 Canadian cent per kilowatt-hour for up to 10 years to the producers of electricity from renewable energy resources. The output of the two wind farms, Carleton and L'Anse-à-Valleau, is sold under 20-year power purchase agreements with Hydro-Quebec.

L'Anse-à-Valleau, which can generate 100.5 MW, went into commercial operation in November 2007, and Carleton, which can generate 109.5 MW, went into commercial operation a year later, in November 2008.

This is the second award involving Cartier Wind in Quebec from the same federal program, administered by Natural Resources Canada. In 2007, the agency awarded C\$31 million over a 10-year period for Cartier Wind's Baie-des-Sables wind farm, the first of six Cartier Wind plans for Quebec. Baie-des-Sables generates 109.5 MW and went into operation in November 2006.

Acknowledging the financial assistance given the wind farms by the federal government, the president of the Cartier Wind Energy board of directors, Michel Letellier, invited the federal government to renew the program. "Our projects have benefited from the ecoEN-ERGY program," he said in a statement.

Almost all of the C\$1.5 billion allotted to the ecoENERGY for Renewable Power program has been spent. As of Sept. 10, 93.6%, or C\$1.34 billion, had been committed to 106 projects representing 4,343 MW, Natural Resources Canada reported. The remaining amount in the program is C\$91 million.

The program is exceeding expectations, adding more than 4,000 MW of new renewable electricity to the grid, Natural Resources Canada spokeswoman Patti Robson said. "We will continue to process and approve project applications until all funding is allocated within the program's financial authority," she said.

"The government of Canada's support for the Carleton and L'Anseà -Valleau wind farms is another example of our action to increase the supply of clean, renewable energy to Canadians," Natural Resources Minister Christian Paradis said in announcing the award.

Cartier Wind Energy is majority-owned by TransCanada Corp.. A portion of the Carleton project is owned by Innergex Renewable Energy Inc.

COMPANIES REFERENCED IN THIS ARTICLE:

Cartier Wind Energy

Hydro-Quebec

Innergex Renewable Energy Inc.

TransCanada Corp.

Full filing

CEG

E-mail this story.

Policy

Governors of 26 states urge Senate to pass renewable electricity standard

by Kathleen Hart

The bipartisan Governors' Wind Energy Coalition, representing 26 states from all regions of the country, sent a letter to Senate leaders Sept. 13 urging them to pass a strong renewable electricity standard.

"A strong RES is the cornerstone for the nation's new clean energy economy. The U.S. wind energy industry will never reach its full potential, unless and until Congress passes legislation setting a robust minimum standard for the use of renewable electricity," the letter said. "A strong RES is the most economically efficient way to advance clean domestic energy and immediately create jobs in renewable energy manufacturing, construction of new projects and associated transmission, and ongoing operation and maintenance of these facilities."

The letter was sent to Senate Majority Leader Harry Reid, D-Nev., Minority Leader Mitch McConnell, R-Ky., Senate Energy and Natural Resources Committee Chairman Jeff Bingaman, D-N.M., and Sen. Lisa Murkowski, R-Alaska, ranking Republican on the committee. Gov. Chester Culver of Iowa, chairman of the coalition, and Gov. Donald Carcieri of Rhode Island, the coalition vice chairman, signed the letter.

Culver and Carcieri noted that more than half of the states have enacted their own renewable energy standards. They said that a federal RES should build on state examples while allowing states the flexibility to set higher renewable energy goals. "This federal framework would also spread the economic benefits of wind power to states in the South that do not have sufficient wind resources, but which comprise part of the manufacturing supply chain for the domestic wind power industry," the letter argued.

A national RES would facilitate low-cost development of renewable energy resources across the country and, even without any

TRP

additional federal policy, would spur the expansion of the nation's transmission system, the letter said.

"Europe, China, India and other countries are far ahead of the U.S. in terms of capturing the economic benefits of wind and other renewables — despite the fact that the U.S. has some of the world's richest wind resources — because we lack a strategic long-term policy with a bold yet practical RES requirement as its centerpiece that creates sufficient certainty for renewable energy investors, developers, and manufacturers to deploy such resources here at home," the governors said.

On Aug. 31, Reid expressed confidence that the Senate can pass a bill containing a national RES by the end of the year. He noted that there is some Republican support for an energy bill containing a renewables standard. "Two Republican senators said if [the energy bill] had a renewable portfolio standard in it, they would be willing to consider voting for it. I'm going to tie them down a little more closely," he said in a teleconference with reporters.

The nation's existing energy policies have left Americans "exposed to volatile energy prices and limited clean energy options," the letter from the governors said. "We look forward to working with Congress and the administration to design an intelligent RES framework that builds upon the good work that states have already achieved, while looking to the future to build a clean energy infrastructure that serves the nation's economic and environmental goals."

In addition to Culver and Carcieri, the coalition includes the governors of Arkansas, California, Colorado, Delaware, Florida, Hawaii, Illinois, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, New Mexico, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, South Dakota, Washington and Wisconsin.

Full filing

E-mail this story.

Mont. legislative panel decides against offering bill to expand renewables standard

by Jeff Stanfield

Montana lawmakers on an interim House-Senate energy panel decided Sept. 10 against sponsoring a bill in next year's legislative session to increase the state's renewable portfolio standard, but they agreed to submit a bill that would change the existing renewables requirement to include the expansion of hydroelectric facilities.

The Montana Legislature's Energy and Telecommunications Interim Committee agreed in late July to draft a bill to increase and extend the state's renewable portfolio standard to 25% by 2025 from the current 15% by 2015. Only investor-owned utilities are required to meet the standard, but Montana has a number of community-owned electric cooperatives.

However, after lobbyists from the state's investor-owned utilities, NorthWestern Corp. and MDU Resources Group Inc., warned that the legislation would saddle their ratepayers with hundreds of millions of dollars in projected costs, the panel voted 5-3 against introducing the measure, L.C. 6002.

Conversely, a bill that would make it easier to comply with the existing standard passed on a 5-2 vote. L.C. 6003 would allow hydroelectric power expansions to be counted for RPS purposes if they are expansions of existing projects. Only the amount of increased capacity resulting from the expansions could be counted, and only for expansion projects that go into service after the bill takes effect.

There is no limit on the size of expansion projects, but the state Public Service Commission would be required to determine what the eligible capacity of each project is, according to legislative research analyst Sonja Nowakowski. The PSC would determine parameters in a rulemaking for determining functioning capacity based on seasonal water flows and other factors by September 2011 if the bill should pass, she said.

PPL Corp. subsidiary PPL Montana Holdings LLC, which has considerable hydro assets in the state, lobbied for the bill.

The outcome of the draft 25% RPS legislation was a disappointment to supporters who had argued for an even stronger bill. The existing standard requires that investor-owned utilities buy both renewable energy credits and electricity output from at least 75 MW of community-scale renewable energy projects by 2015.

Renewable energy supporters wanted to increase the amount of power required to be purchased from community-scale facilities as well. Ben Brouwer of the Alternative Energy Resources Organization in Helena, Mont., said a stronger community renewables standard would encourage spreading small projects throughout the state instead of just having a few large projects that would benefit only a few counties.

However, NorthWestern lobbyist John Fitzpatrick guoted an Edison Electric Institute report that he said indicated that industrial sales of power would not recover to 2007 levels until 2020 and that the Northwest Power and Conservation Council had forecast an even bleaker assessment for its region, which includes Montana. Fitzpatrick said a 25% standard would require adding up to 700,000 MWh of renewable energy in Montana at a cost of about twice the projected amounts for the equivalent from conventional resources.

Conservatively, the proposed standard would add about \$16.7 million a year in additional energy costs over the next 20 years for NorthWestern's Montana customers, he continued.

Montana-Dakota Utilities Co. lobbyist John Alke said MDU already has met the 15% standard with its Diamond Willow wind farm in Baker, Mont., which uses every intermittent kilowatt for a surrounding oil field. "Despite this stunning success ... we are very much opposed to changing the standard," Alke said.

MDU already has excess capacity to serve its 24,000 Montana customers, and the annual cost of reaching the proposed 2025 RPS goal would add \$650 to \$750 a year to every customer's bill, he continued.

Montana's RPS said to be inequitable

Alke said the cost could be even higher if North Dakota decides that its residents should no longer subsidize renewable energy standards of neighboring Montana and Minnesota. The latter state already has a 25% standard, and Xcel Energy Inc. serves customers in both states. MDU customers pay up to 70% of the costs of Montana's RPS because MDU operates an integrated system across three states and does not allocate the costs of renewable energy compliance by state. North Dakota does not have a renewables standard, he said.

Alke said the Montana renewables standard is already unfair because cooperatives do not have to meet it, while even investor-owned utilities with a relatively small number of customers must do so.

In the end, only state Rep. Robyn Driscoll, who chaired the committee, and Sens. Ron Erickson and Cliff Larsen voted for the increased RPS, while Sens. Jerry Black and Verdell Jackson and Reps. Duane Ankney, Tony Belcourt and Harry Klock voted no. As for including hydro expansions in the existing RPS, all but Erickson and Driscoll voted yes.

Belcourt said that with high unemployment in the state, he could not support a 25% RPS, and Black expressed concern for the energy

prices that irrigation customers in his district would face. Jackson said the first aim is to keep energy prices low and allow the job market to take care of itself.

Erickson conversely argued that alternative energy would create more jobs, and Larsen said the panel should not block the bill regardless of the positions of individual lawmakers on the panel because the issue deserved consideration of the full Legislature.

In another matter, the committee remained deadlocked, 4-4, over a proposed state energy policy. The panel could not get past its disagreements over the proposed content of the long-term energy policy document considered in late July. At that time, Democrats refused to support language calling for more coal, oil and gas development. Instead, they wanted to focus only on renewable energy and greenhouse gas emissions cuts.

This time, the committee did not even discuss the policy document, which Erickson moved for the panel to approve, but on which the lawmakers were unable to reach a consensus on revisions.

COMPANIES REFERENCED IN THIS ARTICLE:

MDU Resources Group Inc.	MDU
NorthWestern Corp.	NWE
PPL Corp.	PPL
PPL Montana Holdings LLC	
Xcel Energy Inc.	XEL

E-mail this story.

Wellinghoff: I am a 'soldier' fighting in an 'epic battle' for demand response

by Lynn Doan

Describing himself as a soldier fighting in an "epic battle" over demand response, FERC Chairman Jon Wellinghoff said Sept. 14 that demand-side resources deserve, in some cases, to be paid more than power suppliers.

Wellinghoff, an outspoken advocate for demand-side management and its potential to balance supply and demand on the nation's electricity grids, urged the public to take part in a notice of proposed rulemaking (RM10-17) launched by FERC in March to make demand response resources more competitive. At the Alliance to Save Energy's "From Power Plant to Plug and Beyond" conference in Washington, D.C., Wellinghoff criticized opponents who argue that supply-side services are worth more.

At a technical conference on the proposed rulemaking Sept. 13, Wellinghoff recalled Harvard University economist William Hogan "saying that a megawatt ... was not equal to a megawatt." Hogan, supported by the Electric Power Supply Association, has said FERC's proposal would pay certain consumers far more than what is necessary to get them to use electricity more efficiently.

During the technical conference, Hogan argued that, while a "negawatt" of demand response may have certain features in common with a megawatt of supply, they are both physically or economically different.

"I have great respect for Bill Hogan; I think he's a great professor and a very intellectual man," Wellinghoff said Sept. 14. "I just think he's saying the wrong thing and being paid by the wrong people."

Wellinghoff argued that demand-side resources can, in fact, be more efficient in providing services to regional grid operators than power generators can. With the right combination of hardware and software, he said, the battery of an electric car can almost instantaneously feed power back into the grid to provide regulation services.

Meanwhile, he said, a power plant needs two to three minutes to start up.

"So they should probably actually get paid more than a generator because they're actually providing better, more efficient service," he said.

Wellinghoff clarified, following his speech, that he believes demand-side resources might react more efficiently than suppliers only in the very "limited" scope of regulation service, an area not addressed by FERC's rulemaking. But in the future, he suggested that FERC might take a look at paying demand response more for regulation services than suppliers receive.

"If it reacts faster ... if these services are providing a higher-quality service," he said, "then they deserve higher-quality payments."

During his talk, Wellinghoff painted the picture of a 30-year battle between supply-side advocates, such as Hogan, and demand-side resource advocates, such as Art Rosenfeld, the so-called "father of energy efficiency."

"It's an epic battle that I've been one of the soldiers in for 30 years ... to ensure that the demand side is given equal treatment to the supply side," Wellinghoff said. "I think that equal treatment is absolutely essential."

After years of back-and-forth arguments, he said, the debate has finally come to a head with FERC's proposed rulemaking.

"We have at FERC the opportunity now to decide this," he said.

Wellinghoff described demand response and energy efficiency as "the killer applications" for the smart grid, saying smart grid technology will not succeed unless consumers have the chance to participate in the benefits of demand-side and efficiency programs. He urged smart grid advocates to file letters in support of the rulemaking before FERC's public comment period ends in 30 days.

Smart grid advocates praised Wellinghoff's efforts after his speech.

EnerNOC Inc.'s vice president of energy efficiency and carbon solutions, Tom Arnold, said his comments were "well-taken."

"Why is this not valued the same way?" he asked.

COMPANY REFERENCED IN THIS ARTICLE:

EnerNOC Inc.

E-mail this story.

Company News

Mich. regulators approve Detroit Edison wind power purchase agreement

by Jason Lehmann

The Michigan Public Service Commission on Sept. 14 approved a long-term power purchase contract between DTE Energy Co. subsidiary Detroit Edison Co. and Invenergy LLC unit Invenergy Wind LLC for the output of the planned 200-MW Gratiot County wind plant in Michigan.

Along with the power purchase agreement, the PSC approved a build transfer agreement, shared facilities agreement and letter SNLEnergy RENEWABLE ENERGY WEEK

Friday, September 17, 2010

agreement between Detroit Edison and an Invenergy subsidiary, Gratiot County Wind LLC. The agreements, which stem from two requests for proposals the utility issued in August 2009, give Detroit Edison an option to purchase a portion of the wind facility, with a capacity of either 59.2 MW or 89.6 MW.

If Detroit Edison exercises that option, it will contract for the balance of the power purchase agreement, either 140.8 MW or 110.4 MW, in energy, capacity and renewable energy credits.

Construction on the wind project is expected to begin before the end of this year; the facility is expected to begin operations in late 2011.

Detroit Edison said it expects to meet Michigan's renewable portfolio standard largely with wind resources. The company plans to own renewable energy projects to generate about half of the 1,200 MW it is required to procure under the RPS, and contract with thirdparty producers for the remainder.

Michigan's renewable portfolio standard calls for state utilities and alternative electric suppliers to procure 10% of their generation from renewable resources by 2015.

Detroit Edison has acquired easements on 75,000 acres of land in Huron County in Michigan's Thumb region for development of large-scale wind farms. The company said the Midwest ISO's recent approval to expand the transmission system in Michigan's Thumb region should provide for adequate infrastructure for new wind projects in the region.

COMPANIES REFERENCED IN THIS ARTICLE:

DTE Energy Co.	DTE
Detroit Edison Co.	
Invenergy LLC	
Invenergy Wind LLC	
Sep 14, 10 DTE Energy Co. Press Release	
BFull filing	
🖂 E-mail this story.	

Minn. PUC rules on ownership of RECs in disputed Xcel Energy agreements

by Kerry Bleskan

Utilities can claim the rights to disputed renewable energy credits if a power purchase agreement was mandated by renewables standards, Minnesota regulators have decided.

The Minnesota Public Utilities Commission issued its written order Sept. 9 in the case to decide the ownership of renewable energy credits associated with small power purchases. Xcel Energy Inc. had 46 such contracts that did not specify who owned the credits, which the utility wants to use to meet the state's renewable energy standard and the producers wanted to sell separately.

Regulators agreed to rule on the matter at Xcel Energy's request. "Renewable energy credits are creatures of statute," the PUC said in asserting jurisdiction over the issue. "They are central to state energy regulatory policy, and exist only to serve critical state energy goals. ... They are part of a complex and detailed regulatory regime established by statute and under commission control and guidance long after the PPAs in question in this docket were executed."

Xcel Energy's Minnesota subsidiary is known legally as Northern States Power Co.

Xcel Energy and some of the power producers settled several of the disputes before the decision. The PUC approved settlements between the company and Waste Management Inc. subsidiary WM Renewable Energy LLC, Neshkoro Power Associates LLC, Kas Brothers Windfarm LLC and Olsen Wind Farm LLC. Those agreements, plus settlement hopefuls Fibrominn and AES Corp. affiliate Lake Benton Power Partners LLC, are exempt from the decision. The decision applies to agreements with parties including Gas Recovery Systems LLC and the Minnesota counties of Goodhue, Hennepin and Dakota.

The 46 power purchase agreements were made to comply with state or federal mandates. Ownership will depend on the reason for the purchase, the PUC said. "An analysis of the regulatory scheme and statutory structure surrounding the formation of these contracts, which were all negotiated prior to the regulatory creation of tradable credits that has spawned these issues, is the most reasonable and produces the most cohesive results."

Xcel Energy owns the renewable attributes of the purchases that were made to satisfy state renewable mandates that were passed in the late 1990s, the PUC said. "These power purchase agreements almost invariably carried extra costs associated with generating renewable energy, and both buyers and seller knew that the only reason Xcel was paying a premium for renewable energy, as opposed to paying less for fossil-fuel energy, was so that it could claim this energy as fulfilling statutory renewable energy obligations."

Other agreements were created to comply with federal Public Utility Regulatory Policy Act rules mandating power purchases from small producers. Those producers retain the RECs because the agreements were agnostic on the type of resource. "The RECs arising under the unsettled PURPA power purchase agreements must be treated differently from those created by virtue of wind and biomass mandates," the PUC said. "Power purchased by utilities pursuant to PURPA power purchase agreements was purchased to meet statutory demands entirely different from that purchased pursuant to renewable energy mandates."

The decision aligns with FERC's thinking on the matter, the PUC said, which is based on the difference in pricing. "In its decision on rehearing, FERC clarified that the standard PURPA price for energy - the avoided cost rate - is set based on the value of electricity from a fossil generator, and does not include any additional value for the severable environmental attributes of the power," the PUC said. "Avoided cost rates for capacity and energy sold under contracts entered into pursuant to PURPA do not convey renewable energy credits to the purchaser of the energy." (08-440)

COMPANIES REFERENCED IN THIS ARTICLE:

Xcel Energy Inc.	XEL
AES Corp.	AES
Kas Brothers Windfarm	
Neshkoro Power Assn	
Northern States Power Co Minnesota	
Olsen Wind Farm	
Waste Management Inc.	
WM Renewable Energy LLC	
Sep 09, 10 Northern States Power Co MN Energy Regulatory F	iling

E-mail this story.

Xcel Energy to sell excess ND RECs, refund 90% of profits to local customers

by Kerry Bleskan

North Dakota has approved Xcel Energy Inc.'s plan to sell excess renewable energy credits and use the proceeds to lower the electricity bills of customers in the state.

North Dakota's renewable energy objective is 10% by 2015. Xcel Energy operates in several states in the upper Midwest as Northern States Power Co. The utility's systems are largely integrated, so it allocates portions of costs among jurisdictions. North Dakota customers pay about 5% of the integrated generation system costs, including renewable generation.

Because the North Dakota renewable energy credits are not needed for compliance until 2015, the company asked the North Dakota Public Service Commission in January whether excess credits could be sold in the meantime. Commissioners signed off on the plan at their Sept. 8 meeting, provided that 90% of the proceeds flow back to North Dakota customers. Xcel Energy had proposed an 85%-15% split.

The commissioners stressed that North Dakota's goal is voluntary. "All allocated RECs must be considered excess and no RECs may be considered needed for compliance until the year 2015," they specified in their order.

PSC Chairman Kevin Cramer, characterizing renewable energy mandates as feel-good measures, said he would prefer that ratepayers receive refunds instead of retiring credits for compliance in 2015 and beyond.

Two of the neighboring states in Northern States Power's footprint have more stringent renewable portfolio requirements for the company than North Dakota: Minnesota, at 30% by 2020, and Wisconsin, at 12.89% by 2015. Both states have interim targets, as well. South Dakota and Michigan have targets similar to North Dakota's, and Michigan also has a locally based requirement.

Xcel Energy uses the Midwest ISO's Midwest Renewable Energy Tracking System to create, track and retire credits for Wisconsin, Minnesota, North Dakota and South Dakota compliance. The company estimated that North Dakota's share of 1-MWh renewable credits will be roughly 450,000 RECs by 2015.

Xcel Energy noted in its application that the market for RECs is immature. On one hand, this could mean that selling the credits will be a valuable learning opportunity, the company said, but it also means the company has no way of knowing the eventual sales price and subsequent benefit to ratepayers.

The credits will be used to reduce the fuel cost rider on customers' bills. Based on an estimated selling price of \$1.50 per credit, the average North Dakota bill offset would be about \$1.80 per year. (PU-10-19)

COMPANIES REFERENCED IN THIS ARTICLE:

Xcel Energy Inc.

Midwest ISO

Northern States Power Co.

Jan 04, 10 Northern States Power Company Energy Regulatory Filing

Sep 08, 10 Northern States Power Company Energy Regulatory Filing

E-mail this story.

Calpine gas plant will help balance BPA wind

by Wayne Barber

In a new twist for the Northwest, Calpine Corp. has agreed to use a portion of the electricity from its gas-fired Hermiston plant in Oregon to balance wind generation on the Bonneville Power Administration system grid.

Calpine and BPA said Sept. 10 that 75 MW from the company's combined-cycle gas plant in Umatilla County, Ore., would be used to provide needed flexibility for wind power on the BPA system. That is a role traditionally filled by hydroelectric dams in the Pacific Northwest.

Maintaining a balance between the supply of electricity and the amount used is crucial to keeping the lights on, but the variability of wind power complicates that effort, BPA and Calpine said in a joint news release. With the new agreement, when wind generators produce more electricity than forecast, BPA can request that Calpine quickly reduce Hermiston's output to accommodate the wind power. Calpine then will buy the excess power on BPA's system to fulfill its existing obligations to customers served by Hermiston.

"The federal hydro system has historically provided the vast majority of within-hour reserves for wind power in the Pacific Northwest," Elliot Mainzer, BPA executive vice president of corporate strategy, said in the news release. "But as the amount of wind power increases, BPA has been looking at other sources to help reduce the balancing burden on the federal hydro system. This pilot project fits very nicely into BPA's overall strategy of using non-federal power supplies to help support wind."

"This pilot project is an example of how natural gas generation will play a critical role in America's clean-energy future," said Jeff Woodall, Calpine's vice president of power trading for California.

BPA now hosts more than 3,000 MW of wind power on its transmission grid, the agency said on its website. The most recent addition came with the final phase of Portland General Electric Co.'s Biglow Canyon project near Wasco, Ore.

COMPANIES REFERENCED IN THIS ARTICLE:

Calpine Corp.	CPN
Bonneville Power Administration	
Portland General Electric Co.	POR
Sep 10, 10 Calpine Corp. Press Release	

E-mail this story.

Dow hires 100 for Mich. solar facility

by Wijdan Khaliq

XEL

Dow Chemical Co. on Sept. 13 said it plans to hire 100 workers at its solar shingle manufacturing facility in Midland, Mich.

"This represents a significant milestone towards bringing our [Dow Powerhouse] solar shingles to the market in 2011, and confirms that we are on track to deliver this pioneering new residential solar technology next year," Jane Palmieri, general manager of Dow Solar, said in a statement. "It is also the first phase towards bringing more than 1,200 jobs to the region by 2014 to support the production of our solar product here in Midland."

Sep 13, 10 Dow Chemical Co Press Release

E-mail this story.

Technology

General Motors: Some electric cars will charge during the day

by Lynn Doan

Do not be mistaken, a General Motors Corp. official said Sept. 14: Electric cars will charge during the day.

Electric utilities have largely been anticipating plug-in cars to draw power from the grid at night, when electricity demand is low. But GM's environment and energy policy and commercialization director, Mary Beth Stanek, said some drivers, out of necessity, will have to charge their electric cars during the day, when electricity demand generally peaks.

"Of course, we have to strongly encourage them to charge during the most affordable times," she said after a talk at the Alliance to Save Energy's Power Plant to Plug and Beyond conference in Washington, D.C. "But people are going to have to, just because of their working lives and their personal lives, charge in the daytime."

General Motors recently put a \$41,000 price tag on its all-electric Chevrolet Volt, which is expected to roll into select dealerships beginning in November.

Stanek acknowledged that charging cars such as the Volt during periods of low demand, generally overnight, would be "beneficial" for both grid operators and potentially for electricity customers, since wholesale electricity prices are cheaper during off-peak hours. As grid operators struggle to handle intermittent wind and solar resources, she said, electric vehicles could prove especially beneficial because they are "great for peak shaving."

But the reality is, she said, that people are going to charge these electric vehicles when they want to charge them. And for some people, she said, that is inevitably going to be during the day.

Vehicle mileage trends may show that drivers are largely on the road during the day, Stanek said, but "vehicle mileage trends in the U.S. are changing all the time."

During a speech at the conference, Stanek assured utility officials and smart grid advocates that GM is working to develop applications that can "talk to the grid" and advise electric car owners on the best times to charge.

"But you don't want to have an application that only allows people to charge at night," she said. "You're going to need daytime charging. There are going to be needs during the day."

Rest assured, she said, that with the right price signals and a smarter grid that gives consumers greater control, "they are going to get pretty wise on when to charge their cars."

Some utilities have been preparing for the possibility of an onslaught of electric cars on the grid. Many have warned that adding such a tremendous load to local distribution systems during peak periods will fry already stressed circuits.

The Electric Power Research Institute has been conducting studies on potential impacts to the nation's power grids, and several members of the Edison Electric Institute have pledged to prepare the infrastructure to handle a full-scale deployment.

But Stanek said Sept. 14 that she is convinced utilities can manage the extra load.

"They can handle it, both day and night," she said. "I do not see a pinch point."

 \boxtimes E-mail this story.

Finance

CVPS to buy bulk of output from Iberdrola wind farm in Vermont

by Jason Lehmann

Central Vermont Public Service Corp. will buy 20 MW of output from Iberdrola Renewables Inc.'s planned 30-MW Deerfield Wind project in Bennington County, Vt. Terms of the contract were disclosed to regulators under seal to "protect sensitive contract negotiations with other parties," CVPS said.

"The project will add yet another clean, competitively priced energy source to CV's power supply, while providing economic benefits from development of in-state generation," CVPS President Bob Young said in a Sept. 9 statement. "This is an attractive addition to our portfolio, which we continue to build and diversify as planned and in compliance with state law mandating renewable power in our mix. Pricing for this project is very competitive with other wind proposals CV has reviewed, and equally important, the project is permitted by the Vermont Public Service Board and headed toward timely construction."

CVPS said the Vermont Public Service Board recently awarded Iberdrola one of the permits needed to advance the Deerfield Wind project, adding that construction on the wind farm is slated to begin in 2012.

Iberdrola Renewables is a subsidiary of Iberdrola SA.

COMPANIES REFERENCED IN THIS ARTICLE:

Central Vermont Public Service Corp.

Iberdrola Renewables Inc.

Iberdrola SA

Sep 09, 10 Central Vermont Public Service Press Release

 \boxtimes E-mail this story.

Enbridge reaches agreement to purchase share of US Geothermal project

by Andrew Engblom

Enbridge Inc. announced Sept. 8 that it has reached an agreement to partner with U.S. Geothermal Inc. on its 35-MW Neal Hot Springs geothermal project now under construction in Malheur County, Ore.

The Canada-based energy transportation and delivery company said in a statement that it will invest up to \$23.8 million for a 20% interest in the project. U.S. Geothermal will own the remaining 80% share of the project.

U.S. Geothermal is constructing and will operate the facility, Enbridge said. Construction of the project is under way, with a planned in service date in the second quarter of 2012.

The project will deliver electricity to the Idaho Power Co. grid under a 25-year power purchase agreement with the utility, Enbridge said in a statement.

"Enbridge is already heavily involved in renewable and alternative energy projects through our interests in 810 megawatts of wind, solar, waste heat recovery and fuel cell projects," Enbridge President and CEO Patrick Daniel said in the statement. "This investment will

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be our initial entry into geothermal energy, which we think has an important role to play in North America's shift toward a greener energy production mix."

U.S. Geothermal President and CEO Daniel Kunz said the partnership assures full financing for the successful construction and operation of the project. The project already has received a conditional commitment for a project loan from the U.S. Department of Energy.

"We look forward to a long and successful partnership with Enbridge on this and potentially other geothermal projects in our portfolio," Kunz said. "Upon achieving commercial operation, Neal Hot Springs will be our third operating geothermal asset and will build upon our track record of successfully developing our existing pipeline of quality resources."

According to a U.S. Geothermal statement, it has already invested \$13 million in its subsidiary USG Oregon LLC, which owns the project. A total of up to \$36.8 million in equity, together with up to \$102.2 million of project debt provided under the loan guarantee program from the DOE, is now invested in or available for completion of the project. The company estimated that the project will cost \$124.3 million.

The Neal Hot Springs geothermal project will recover energy through a binary process that involves pumping hot water from a reservoir in the earth up through production wells. From the production wells, the water will go through closed-circuit heat exchangers, where it will boil a refrigerant liquid that will be sent through turbines to generate electricity. The hot water then will be injected back into the underground reservoir.

Idaho Power is a unit of IDACORP Inc.

COMPANIES REFERENCED IN THIS ARTICLE:

Enbridge Inc.	ENB
IDACORP Inc.	IDA
Idaho Power Co.	
U.S. Geothermal Inc.	HTM
Sep 08, 10 Enbridge Inc. Merger Press Release	

E-mail this story.

Arkansas Electric issues RFP for up to 500 MW, with provision for renewables

by Matthew Bandyk

Arkansas Electric Cooperative Corp. issued a request for proposals Sept. 14 for the purchase of firm baseload or intermediate-duty generating capacity available by no later than June 1, 2015.

The utility is seeking between 50 MW and 500 MW for nonrenewable proposals, and larger than 2 MW for renewables. The RFP adds that Arkansas Electric will consider a proposal above 500 MW if it "is tied to a standard-sized plant of a larger size."

"AECC recognizes that certain renewable resources may be intermittent and provide reliable capacity at amounts less than installed capacity," the RFP said in explaining the smaller renewables option.

Proposals could be for power purchase agreements or contracts with specific plants, existing or not yet built. The RFP includes provisions giving Arkansas Electric the ability to choose an engineering

consultant for the design of any unconstructed facility, and an exclusive right of first refusal to purchase a contract facility. It says that "AECC would prefer an option be available in which AECC could serve as the operator of the contract facility."

Arkansas Electric is open to partnerships and proposals with an ownership share. The RFP also says the company "prefers" contract terms of 15 years, but may consider shorter terms.

According to its most recent annual report, the company spent \$78.2 million on purchased power in 2009, down from \$202.6 million the year before.

"The RFP we are issuing is intended to allow AECC to meet the long-term capacity and energy requirements of our 17 member cooperatives," Ricky Bittle, Arkansas Electric vice president of planning, said in a statement.

Proposals are due Oct. 14, and the utility anticipates selecting its preferred option by Dec. 3.

The utility counts three hydroelectric power projects as its renewable generation portfolio. The largest and most recent of those is the 102.6-MW Arkansas River Dam No. 2, built in 1999.

In addition to those hydro plants, the company owns or has a stake in nine coal or gas plants in Arkansas. It recently completed the 40-MW, simple-cycle Elkins gas plant. Arkansas Electric spokesman Rob Roedel said the plant began commercial operation in May. The project was originally proposed in 2006 as a three-turbine, 60-MW facility. According to the annual report, Arkansas Electric spent \$30.6 million on the project as of Oct. 31, 2009.

Arkansas Electric also owns an 11.67% stake in the John W. Turk Jr. coal plant, now under construction. That plant is being challenged in court by the National Audubon Society and the Sierra Club.

COMPANY REFERENCED IN THIS ARTICLE:

Arkansas Electric Cooperative Corp.

Oct 31, 09 Arkansas Electric Coop Corp. Annual Report

Sep 14, 10 Arkansas Electric Coop Corp. Press Release

Sep 14, 10 Arkansas Electric Coop Corp. Request For Proposal

E-mail this story.

754 MW of new wind capacity continued

In the last six years, the amount of installed wind has increased 10fold because governments are looking for ways to meet increasing energy demand, reducing the environmental impact of electricity generation and promoting rural and industrial economic development, CanWEA said.

"We believe wind energy continues to enjoy broad popular support," Hornung said. A recent CanWEA-commissioned poll found that nine in 10 Ontario residents support wind energy projects in their province. To sustain community support, CanWEA is working on a code of practice and best practices in community engagement, CanWEA said.

■Full filing

E-mail this story.

Friday, September 17, 2010 RENEWABLE ENERGY WEEK

maay, september 17, 2010

California revamps rules continued

we plan to apply the same concepts to address the growing backlog of small generator projects in our interconnection study queue."

In the statement, the ISO said this "big picture" approach to reviewing the smaller projects would also allow it greater understanding of needed transmission upgrades and to speed projects through the study process.

"Collectively these wind, solar and geothermal resource projects produce the same impact to the grid as a single large generator," the ISO said, adding that it will now seek FERC approval for the proposed new process.

In addition to making the process more efficient, Casey said in a staff memorandum to the ISO's board of governors, the new process would eliminate the separate processes for projects based on size, make deliverability assessments available for all interconnection projects (including existing energy-only generation projects) and realign study costs and interconnection funding to better reflect actual costs and risks.

According to the memorandum, the ISO will accelerate the timeline for the cluster study track, allowing projects to move through the process in approximately 420 calendar days. The process also will include two alternative interconnection processes for use by projects that can be studied more quickly without creating new interdependencies and process slowdowns. The existing process was projected to take about 390 calendar days.

Process criticized by FIT Coalition

The revamped process, however, has not been met with universal praise.

The FIT Coalition, an advocacy group promoting feed-in tariffs and what it calls global renewable energy best practices, has issued several calls for the ISO to alter the proposal, arguing that the revised procedure could eliminate the benefits that small generators were granted under current rules.

FIT Coalition Associate Executive Director Ted Ko said "everyone" agrees that the current process is not great, but the coalition remains concerned about some of the effects of the proposed plan.

"The reality on the ground is different for a 10-MW project versus a 100-MW project," he said.

Ko added that although 420 days might not be much longer than the current estimate of 390 days for a generator to get through the process, the 420-day timeline remains a best-case scenario. For example, if a generator misses the window to get into the cluster, it will have to wait nearly a year for the next opportunity to submit the project unless it can qualify for the fast-track process.

Ko said the FIT Coalition has not decided how aggressively to oppose the plan at FERC, but "we are obviously disappointed with their decision."

"We will continue to go talk with FERC ... and see what issues might cause them to reject or fix the proposal," Ko said. "At the same time — if it gets accepted by FERC — then we will work more directly [with the California ISO] on how to adjust the criteria and screens for fast-track in order to make them truly accessible to smaller developers."

COMPANY REFERENCED IN THIS ARTICLE:

California ISO

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