

August 3, 2012

The Montana Environmental Information Center (MEIC) appreciates the opportunity to submit comments on DOE's goals to make WAPA's transmission network more resilient and flexible in the 21st century.

MEIC is a non-profit environmental advocate founded in 1973 by Montanans concerned with protecting and restoring Montana's natural environment. Nearly 5,000 individuals in Montana and around the country support MEIC as members. One of our main focus areas is energy development and policy. MEIC believes the goals in Secretary Chu's March 16 memo to the Power Marketing Agencies (PMA's) are a critical step towards modernizing the grid, protecting the environment, and keeping consumers' rates low.

We encourage WAPA to focus on two goals: integrating variable resources and improving grid efficiency in future strategic and capital improvement plans.

Integrating Variable Resources

The capacity of variable energy resources in WAPA's service territory has increased exponentially over the last decade. Integrating these resources is essential to planning for the future, controlling customer costs and as a hedge against environmental liabilities.

WAPA's 15-state service territory has over 30 gigawatts of installed wind capacity. Electricity generation from intermittent resources will only increase as ten of the states in WAPA's service territory implement their renewable energy and portfolio standards. In fact, there is currently over 4,400 MW of wind presently under construction in WAPA's region. Several of the changes that WAPA has already planned to implement will help integrate an increasing amount of intermittent resources that will be developed in the near future, but Western should do more to align the grid with 21st century renewable energy technologies.

Additional reforms that WAPA should seriously consider to help integrate renewable energy include: participating and supporting an Energy Imbalance Market (EIM), establishing a sub-hourly generator dispatch, and improving coordination with other balancing areas in the West. These changes will help WAPA integrate and take advantage of the vast and permanent supply of clean energy resources in the region while helping maintain system reliability and provide electricity at cost-based rates.

Improving grid efficiency

The least expensive transmission line is the one that doesn't have to be built. Taking advantage of more efficient technologies, Demand Response, and adopting rate designs that incentivize energy efficiency programs will help save customers money and help WAPA plan for the future.

New technologies such as synchrophasers will help WAPA utilize existing transmission facilities more fully and efficiently. Thereby, avoiding the substantial costs of building new transmission facilities that are often passed on to customers.

A tiered rate structure is one of the best ways to incentivize energy efficiency programs and utilization of demand response resources. We encourage WAPA to explore a similar tiered rate structure that the Bonneville Power Administration (BPA) has implemented in their service territory. BPA's tiered rate design has kept costs low for their wholesale customers while providing a price signal to encourage customers to undertake conservation programs. Many of BPA's customer utilities are focusing on efficiency programs and have deferred and avoided the purchase of more costly power. This tiered rate design has also helped encourage BPA customers shift energy use from heavy load hours to light load hours.

Sincerely,

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Montana Environmental Information Center