

PATRIOT RENEWABLES, LLC

LETTER TO THE EDITOR

February 8, 2010

TRANSMISSION UPGRADES FOR WIND PROJECTS ARE NOT FUNDED BY RATEPAYERS

TO THE EDITOR:

This is the second in a series of articles I am writing to clarify misconceptions about wind power. My goal is to help people separate the wheat from the chaff so they can form an educated opinion on this important subject.

One topic that continues to arise when I speak with people about commercial wind development is the issue of “reliability” and the potential effects wind power may have on Maine’s existing transmission system and its ratepayers. I find that some people are confused about the difference between improvements made as part of the Maine Power Reliability Program and improvements needed specifically for wind power projects. In this letter, I hope to clarify some misconceptions about wind power reliability, and to provide a better understanding of the relationship between Maine’s planned transmission upgrades and the process required for new generating facilities, including wind, to tie into the existing power grid.

Like most other states, the transmission grid in Maine is extremely outdated; much of the major infrastructure was built around 1970 and is still in use today. After four decades of population growth and a doubling in energy demand, the current transmission system will have difficulty handling its load in the near future without improvement. A sweeping blackout that hit seven states and parts of Ontario, Canada in the summer of 2003, and a resulting study by the US-Canada Power Systems Outage Taskforce calling for greater reliability, have led to strict enforcement of reliability standards. Central Maine Power (CMP) has begun a \$1.5 billion project, the Maine Power Reliability Program (MPRP), to modernize the transmission system in Maine and to meet mandatory reliability standards over a 10-year planning horizon. (Maine ratepayers are only funding about 8% of the cost of the project; the other 92% will be paid for by the customers of other New England utilities.) This MPRP project involves upgrades to a 345-kilovolt (kV) transmission line from Orrington to Eliot, as well as upgrades to various substations and the existing 115-kV electric system in Central Maine. The purpose of the MPRP has been misinterpreted by some as a state-funded project designed to solely benefit wind developers. But that is simply not the case. The goals of this project, as stated on CMP’s website, are the following:

1. Maintain or enhance electrical reliability;
2. Maintain or enhance electrical transmission system reliability;
3. Maintain or enhance electrical power quality;
4. Ensure a safe and secure supply of power for commercial and residential service by reducing vulnerability to natural disasters;

5. Improve operating efficiency by reducing line losses through installation of modern transmission equipment or other appropriate solutions which may help keep transmission prices stable for customers;
6. Enhance the prospects for new jobs in Maine based on a more robust electrical infrastructure;
7. Create an average of 2,100 jobs with a peak of 3,327 jobs and add \$289 million to the Gross Domestic Product (GDP) in Maine;
8. Support development of clean, renewable electricity resources in Maine to help reduce greenhouse gases and dependence on high-priced oil and natural gas

The MPRP is intended to reinforce CMP's existing infrastructure to ensure that CMP can continue to provide reliable electric service to its customers. CMP has also stated that it expects the MPRP to produce secondary benefits such as encouraging new businesses by providing the resources necessary for state-wide expansion. And while it is certainly true that improvements to the electric grid can benefit electric generators, including clean, renewable generators, this is not the primary intended benefit of MPRP. Improvements to the grid actually benefit all of us. A study performed by New England's Independent System Operator (ISO New England) demonstrates that additional expansion of CMP's transmission system is needed – well beyond that proposed in the MPRP – in order to facilitate the integration of additional wind generation. Indeed, CMP's own expert witnesses have testified that MPRP has not been proposed on the basis of integrating wind generation. For more information on CMP's Maine Power Reliability Program visit their website at www.maine-power.com.

It is important to distinguish the transmission system upgrades that are required to satisfy reliability standards from system upgrades that may be required for commercial energy projects – including wind, solar, and conventional fossil fuel generators – to connect to the grid. Each new power project is required to pay for detailed studies that analyze the effect of adding their particular generator to the existing grid. Sometimes the studies will determine that a project can be added to the grid as long as parts or areas of the system are upgraded. This is done to ensure reliability of the transmission grid. Examples of these kinds of upgrades include new circuit breakers in substations and upgrades to existing electrical lines. Like the interconnection studies, these upgrades are 100% funded by the developer. In addition, the developer is required to pay the local utility an annual fee that covers maintenance of these upgrades in subsequent years. Contrary to what you might be hearing, the entire interconnection process, including the studies mentioned above, is 100% funded by the developer, and there is absolutely no impact on electric ratepayers for any of this work. In fact, ratepayers often benefit from these developer-funded improvements.

In New England, the interconnection process is managed by the system operator, ISO New England, who coordinates the process with local utilities. The system operator is responsible for ensuring the reliability of the electric grid, and projects cannot connect to the grid if they will degrade reliability in any way. Reliable energy is often something that we take for granted even though it is such an essential part of our everyday lives. But substantial portions of the electric grid can collapse, as was experienced by many in 2003. The State of Maine is taking steps to ensure a strong, dependable and reliable energy future for Maine by both investing in necessary upgrades to the transmission system and adopting policies that support the integration of clean, renewable power into our energy mix.

The effects of developing more renewable projects will be more houses powered by clean, renewable energy produced in the US, reducing our dependence on foreign fuels; fewer harmful greenhouse gasses and carbon emissions, leading to a cleaner environment; and local and national economic development, making Maine a regional leader in renewable energy. As the President said recently in his State of the Union address, “the nation that leads the clean energy economy will be the nation that leads the global economy.” This is the future we are working toward.

I invite any resident in the area who has concerns about Patriot Renewables’ proposed wind project in Dixfield or who would like more information on wind energy to please contact me. I am available at the Old Holmes Market, 29 Main St., Dixfield, and you can reach me at my email address below any time.

Sincerely, Tom Carroll

Tom Carroll is on the Patriot Renewables development team proposing a wind farm in the Town of Dixfield. He can be reached at TCarroll@Patriotrenewables.com.