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Energy

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Utilities seek delay in transmission line buildout, citing uncertainty over their share of cost burden

by [Bob Geiger](#) Staff Writer

A group of utilities is seeking a two-year delay in finishing the 240-mile Brookings Project high-voltage transmission line — fearing that federal energy regulators will make them eat 90 percent of the cost for the \$700 million-plus project.

Utility officials quietly filed for the in-service delay — from 2013 to 2015 — with the Minnesota Public Utilities Commission (MPUC) on May 17; they expect an initial recommendation from a regional transmission regulator in July. The line is expected to stretch from Brookings County, South Dakota, to the Hampton substation southeast of the Twin Cities,

Project opponents celebrated the delay, alleging the additional power is not needed because energy demand has flattened — in part because of the slumping economy.

“It makes one question if the public utilities are really sure about what they are doing in the first place and what exactly it’s going to cost — clearly not,” said Jeremy Chipps, a spokesman for the Citizens Energy Task Force (CETF), which opposes the line.

The 11 utilities with interests in the proposed transmission line say that’s not true.

“We still absolutely want this to proceed. When we were granted the certificate of need, they determined that the line was needed,” said Laureen Ross McCalib, manager of regional transmission regulation for Maple Grove-based Great River Energy.

However, Ross McCalib said significant concerns do exist about cost allocation for the project, which is expected to cost \$700 million to \$725 million.

Until 2009, Carmel, Ind.-based Midwest Independent Operator System (MISO), which polices energy transmission in the Midwest, had called for equal cost-sharing, or allocation, between utilities and end-users.

However, in mid-2009, the Federal Energy Regulatory Commission (FERC) suggested that 90

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percent of the cost should be paid by utilities building power plants or transmission lines — and ordered MISO to file a proposed final cost-allocation recommendation by July 15.

“The utilities participating in the development and construction of the Brookings Project cannot, as a group, make final investment decisions without a better understanding of how the costs ... will be treated under the MISO tariff,” the utilities stated in their May letter to the MPUC.

If MISO does recommend that 90 percent of the cost of line construction be paid by the utilities, “that isn’t manageable or acceptable to the generators,” said Ross McCalib.

Five of the 11 so-called CapX2020 utilities are involved in building in the Brookings Project. They are Central Minnesota Municipal Power Agency, Great River Energy, Missouri River Energy Services, Otter Tail Power Co. and Xcel Energy.

The CapX2020 transmission lines include a \$1.7 billion grouping of five transmission lines — four 345-kilovolt lines and one 230-kilovolt line — in Minnesota and adjoining states.

The need for that project was based on annual expectations of 1 percent annual growth in energy use, per estimated from the U.S. Energy Information Administration. CETF’s Chipps said that growth has not yet materialized and the MPUC should be more skeptical of need for big-buck projects.

“Times have changed, technology has changed and the need for this project now lies in great question,” said Chipps, referring to decreasing energy demand that is the base for a lawsuit in the Minnesota Court of Appeals.

The CETF suit seeks to turn back the clock so utilities must start the lengthy certificate of need process for new transmission from the beginning.

“Inept shoulder rubbing in its highest form is in play, with the MPUC taking whatever they’re told as face value and as the truth,” Chipps charged. “It’s amazing what the utilities can do with a room full of attorneys and teams of lobbyists.”