

ELECTRICITY: Project that could boost Midwest 'wind belt' faces environmental opposition (Monday, December 1, 2008)

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MINNEAPOLIS -- One of the nation's largest electric-transmission projects -- a \$2 billion buildout of three high-voltage lines slicing through southern Minnesota's "wind belt" -- is providing a test for utilities trying to meet state mandates for renewable energy.

CapX 2020, the project spearheaded by Xcel Energy with support from 11 other regional utilities, would add more than 700 miles of new transmission along a corridor linking wind farms in North and South Dakota to the Twin Cities of Minneapolis and St. Paul, as well as to communities in southern Minnesota and eastern Wisconsin, where electricity demand is rising by 3 to 5 percent annually.

Tim Carlsgaard, the project's Minneapolis-based spokesman, said building the 345-kilovolt lines is the next critical challenge for utilities seeking to provide reliable energy to a growing region. Moreover, he said, the lines are an integral part of the utilities' plan to meet ambitious state targets for renewable energy production over the next 15 years.

"The system is being stretched," Carlsgaard said in an interview last week. "It's running out of gas."

Among the biggest drivers of new transmission in the Midwest are state-based renewable portfolio standards intended to wean regional utilities off coal, natural gas and nuclear power. Most of that clean energy will come from wind farms sprouting throughout the region, with the heaviest concentration of new development in the Dakotas.

Illinois and Minnesota, for example, will require that their utilities produce 25 percent of their electricity output using renewable resources by 2025, with even higher benchmarks for Xcel Energy, Minnesota's largest power provider. In Wisconsin, utilities are required to meet a 10 percent renewable energy mandate by 2015, while Iowa aims to install 1,000 megawatts of new wind energy by 2010 on top of an existing mandate that its two largest utilities provide 105 megawatts of renewable energy. In a ballot measure passed by a two-thirds majority Nov. 4, Missouri voters adopted a 15-percent-by-2021 RPS for that state's investor-owned utilities.

Yet despite a clear need for new transmission to move electricity from new wind farms to homes and businesses, the CapX 2020 project is facing a surge of opposition from environmental groups questioning whether such a large project is necessary in light of new programs aimed at curtailing customer demand for electricity through energy efficiency and other programs.

One such group, the Citizens Energy Task Force, has argued before the Minnesota Public Utility Commission that the sponsoring utilities have not demonstrated a need for the additional transmission, and that the construction of one major line from the Twin Cities suburbs to Rochester, Minn., and across the Mississippi River to La Crosse, Wis., would bisect the Upper Mississippi River National Wildlife & Fish Refuge, causing significant damage to rare and endangered species habitat.

Rather than endorse a major transmission buildout, critics say state regulators should adopt policies encouraging local energy development such as small-scale wind farms that could be serviced by local lines. "We want smaller-scale projects closer to where load is and where there would be less harmful impacts," said Paula Maccabee, an attorney for the task force.

Other organizations such as the Minnesota Center for Environmental Advocacy, the Izaak Walton League of America and St. Paul-based Wind on the Wires have joined the task force in arguing that at least one CapX 2020 line -- from Brookings, S.D., to the Twin Cities area -- should be dedicated to carry wind power, and that regulators should require utilities to enter contracts with wind power developers before the line is built.

"If they don't do that and they just put the line on without contracts, there are coal plants that can come in first," Maccabee said. "That's why it's super important to have wind conditions put in place ahead of time."

New S.D. coal generation

Environmentalists' fears have been stoked by speculation that the new transmission lines will carry new coal-fired generation units planned by a consortium of utilities at South Dakota's Big Stone Power Plant, which sits just across the Minnesota line near Milbank, S.D. The 580-megawatt coal-

fired expansion, known as Big Stone II, received critical air pollution permits last month from South Dakota regulators.

As part of that project, Big Stone's developers have agreed to spend \$365 million to build a "super-sized" transmission line that could carry 800 to 1,000 megawatts of generation beyond the coal plant's expected output. Much of that additional transmission capacity, company officials have said, would be dedicated to clean wind power.

Carlsgaard, the CapX 2020 spokesman, said that one of its 345-kilovolt lines would meet the Big Stone II grid at a substation in western Minnesota, but that the two projects are being pursued independently without plans for a major integration of the two systems. As for environmentalists' demands that the CapX lines carry only renewable energy, Carlsgaard said developers are bound by federal laws to make their lines open to all power sources.

"As a regulated utility, you can't discriminate against others who have equal access as far as who is putting energy on the system," he said.

Despite the continued concern among environmental groups about CapX 2020, other Minnesota utilities are winning points by aggressively pursuing projects to encourage greater development of wind and other renewable resources.

Duluth-based Minnesota Power, for example, has announced plans to convert a 465-mile transmission line currently carrying coal-fired power from North Dakota to carry exclusively wind by 2025. Doing so will require buying the line from North Dakota-based Square Butte Electric Cooperative, and then building a separate wind farm capable of generating between 500 and 700 megawatts of electricity. Wind turbines would likely sit on 47,000 acres in Center, N.D., that are currently under a purchase option with Minnesota Power.

Meanwhile, the five core states of the Upper Midwest "wind belt" -- Minnesota, Wisconsin, Iowa, and North Dakota and South Dakota -- recently formed a transmission collaborative to promote regional electric transmission investment and cost sharing among the states. The collaborative has won key support from the region's utilities as well as from the Midwest Independent Transmission System Operator (MISO), which oversees the region's electric power grid.

[Click here](#) for more information on CapX 2020.

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