

BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

In the Matter of Application No. 2009-01

WHISTLING Ridge Energy LLC

WHISTLING RIDGE ENERGY PROJECT

**PREFILED OPENING STATEMENT
DEPARTMENT OF COMMERCE
DORI JAFFE, ASSISTANT ATTORNEY GENERAL**

The Washington State Department of Commerce (Commerce) has submitted testimony in support of a site certificate for the Whistling Ridge Energy Project (WREP).

Commerce has provided three witnesses:

Mr. Tony Usibelli, director of the State Energy Office in Commerce;

Dr. Howard Schwartz, Senior Energy Policy Analyst for the Northwest Power and Conservation Council (NWPCC), contracted to Commerce as a Senior

1 Energy Policy Specialist. Dr. Schwartz' testimony is solely on behalf of
2 Commerce, nothing in his testimony should be considered a position of the
3 NWPCC with regard to permitting the WREP, or concurrence by the NWPCC
4 with regard to the statements and arguments made; and
5
6 Mr. Leonard Bauer, Managing Director of Growth Management Services for
7 Commerce.

8 Professional details and business addresses for Commerce's three witnesses can
9 be found in their Prefiled Direct and Rebuttal Testimonies.

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11 Mr. Usibelli, as director of the State Energy Office, is responsible for analysis,
12 development and implementation of state energy policies. His testimony reflects
13 positions Commerce has taken with regard to other wind energy projects that have
14 come before EFSEC in the past, including: Kittitas Valley Wind Power Project, Wild
15 Horse Wind Power Project, and Desert Claim Wind Power Project. His testimony
16 focuses on a single issue, that the WREP is consistent with and will help the state
17 achieve state energy policies and goals. While Commerce's support for previous wind
18 projects has been strong, a key element of his testimony now is that state support for
19 renewable wind energy has only strengthened over time. Whereas previous state policy
20 encouraged the development of wind power, now the law requires Washington's largest
21 electric utilities (serving 90% of the state's electricity customers) to purchase or
22 develop new renewably generated electricity with wind being the preferred resource.
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24 At the same time, the recent update of the State Energy Strategy calls for streamlined
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1 siting of renewable resources. None of these policies and laws call for any reduction of
2 existing environmental and site specific requirements, which is why Commerce has
3 always conditioned its support on the completion of a quality EFSEC siting process.
4 Nevertheless, it is important to understand the strength of the state's support for wind
5 power. Unless there is overwhelming evidence to not site the WREP, it should be sited,
6 with appropriate mitigation requirements wherever they are needed. Mr. Usibelli's
7 testimony relies almost exclusively on two statutes: RCW 43.21F, wherein state energy
8 policy and law is articulated, including direction for development of a new State
9 Energy Strategy, and RCW 19.285, wherein Initiative - 937 is codified, which
10 articulates the requirements for Washington state utilities to acquire renewable
11 resources such as wind.
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15 Dr. Schwartz' testimony also focuses on a single issue, that of the potential integration
16 of the WREP into the high voltage transmission grid operated by the Bonneville Power
17 Administration (BPA). Commerce chose to address this issue, which was not a major
18 concern for the three wind applications mentioned above, because at this time a large
19 amount of wind power already has been developed in the Pacific Northwest, and BPA
20 has reported, at times, difficulty integrating these new resources into its system.
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22 Although Dr. Schwartz is not a transmission operator or engineer he is the State of
23 Washington's senior representative on multiple state and regional technical advisory
24 and working groups developing policies and plans for adequate and reliable
25 transmission in the future, particularly the need to integrate renewable energy
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1 resources. His message is not solely his analysis, but represents findings from his
2 involvement in all these advisory and working groups. Dr. Schultz' testimony
3 illustrates two key aspects of how the electricity industry operates. First, resolving grid
4 integration challenges is not new or unique. New technologies have been integrated
5 into existing energy systems throughout the history of the grid. In more recent times,
6 with the development of digital capabilities, new materials and technologies, and with
7 new market structures, the electricity industry has been working to lower costs, create
8 efficiencies, and implement new products and services in new markets. Huge, difficult
9 problems have been solved, and the evidence to date is that significant amounts of wind
10 power, previously thought not possible by some, have already been integrated into the
11 region's electricity system. Statements by the Wind Integration Team (WIT) organized
12 by BPA and its customers, and statements by BPA, provide key pieces of evidence for
13 Dr. Schwartz that yet more wind can be integrated. Dr. Schwartz says we do not know
14 the limit to how much wind can be integrated, which leads us to his second key point
15 about how the industry works: any limitations to grid integration, if they do exist, are
16 irrelevant to the siting process. It doesn't matter to EFSEC whether the WREP will be
17 successfully integrated or not. If BPA is sufficiently concerned about its ability to
18 integrate the WREP, i.e. that doing so would create untenable risk to the grid, BPA will
19 not grant interconnection. So regardless of whether the WREP acquires a site
20 certificate, interconnection is dependent on BPA. Constructing the WREP without
21 guaranteed interconnection would be a huge risk, all borne by the applicant.

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25 Developers seek permits, sales contracts, and interconnection. For the WREP to be
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1 built, all three must be accomplished. Granting a site certificate is EFSEC's domain;
2 sales and interconnection depend on other industry processes. It is not the Council's
3 job to determine whether the WREP will be integrated or what price its power will be
4 sold at, or to whom. Dr. Schwartz rebuts the testimony of Dr. Michaels (Exhibit 30.00)
5 as essentially irrelevant. Dr. Schwartz provides a number of exhibits to support his
6 testimony, including statements by the WIT and BPA about the successful integration
7 of wind, and by the Northwest Power and Conservation Council, showing wind to be
8 the most cost effective renewable resource available at scale.
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11 Commerce has found it necessary to rebut the testimony of Mr. Apostol (Exhibit 21.00)
12 with the testimony of Mr. Leonard Bauer, Managing Director of Growth Management
13 Services at Commerce. Mr. Apostol speaks loosely about "standards" and
14 "guidelines" and their implementation. Regardless of his statements implying that
15 nothing mandated for regulation of the National Scenic Area (NSA) is also mandated
16 for sites outside the NSA, he advocates their application anyway. The testimony of Mr.
17 Bauer speaks to a fundamental principle of land use planning, that it is wholly
18 inappropriate to apply the same standards in different political and geographic
19 jurisdictions, unless the same regulatory result is desired, and according to the
20 Columbia River Gorge National Scenic Area Act, in this case *it is not*. This is not
21 hypothetical, it is a fact, for which there are real and serious implications, as attested to
22 by local jurisdictions in the area. Mr. Bauer relies on the Act for statutory evidence,
23 and on his own expertise as the official responsible for the State of Washington's
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1 program of technical and financial assistance to local governments for all aspects of
2 their comprehensive land use planning.
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6 Respectfully Submitted, Dori Jaffe for

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9 Tony Usibelli, Assistant Director
10 Energy Division
11 Department of Commerce
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