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
Energy Policy Specialist. Dr. Schwartz’ testimony is solely on behalf of Commerce, nothing in his testimony should be considered a position of the NWPCC with regard to permitting the WREP, or concurrence by the NWPCC with regard to the statements and arguments made; and

Mr. Leonard Bauer, Managing Director of Growth Management Services for Commerce.

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

Mr. Usibelli, as director of the State Energy Office, is responsible for analysis, development and implementation of state energy policies. His testimony reflects positions Commerce has taken with regard to other wind energy projects that have come before EFSEC in the past, including: Kittitas Valley Wind Power Project, Wild Horse Wind Power Project, and Desert Claim Wind Power Project. His testimony focuses on a single issue, that the WREP is consistent with and will help the state achieve state energy policies and goals. While Commerce’s support for previous wind projects has been strong, a key element of his testimony now is that state support for renewable wind energy has only strengthened over time. Whereas previous state policy encouraged the development of wind power, now the law requires Washington’s largest electric utilities (serving 90% of the state’s electricity customers) to purchase or develop new renewably generated electricity with wind being the preferred resource.

At the same time, the recent update of the State Energy Strategy calls for streamlined
siting of renewable resources. None of these policies and laws call for any reduction of existing environmental and site specific requirements, which is why Commerce has always conditioned its support on the completion of a quality EFSEC siting process.

Nevertheless, it is important to understand the strength of the state’s support for wind power. Unless there is overwhelming evidence to not site the WREP, it should be sited, with appropriate mitigation requirements wherever they are needed. Mr. Usibelli’s testimony relies almost exclusively on two statutes: RCW 43.21F, wherein state energy policy and law is articulated, including direction for development of a new State Energy Strategy, and RCW 19.285, wherein Initiative - 937 is codified, which articulates the requirements for Washington state utilities to acquire renewable resources such as wind.

Dr. Schwartz’ testimony also focuses on a single issue, that of the potential integration of the WREP into the high voltage transmission grid operated by the Bonneville Power Administration (BPA). Commerce chose to address this issue, which was not a major concern for the three wind applications mentioned above, because at this time a large amount of wind power already has been developed in the Pacific Northwest, and BPA has reported, at times, difficulty integrating these new resources into its system.

Although Dr. Schwartz is not a transmission operator or engineer he is the State of Washington’s senior representative on multiple state and regional technical advisory and working groups developing policies and plans for adequate and reliable transmission in the future, particularly the need to integrate renewable energy
resources. His message is not solely his analysis, but represents findings from his involvement in all these advisory and working groups. Dr. Schultz’ testimony illustrates two key aspects of how the electricity industry operates. First, resolving grid integration challenges is not new or unique. New technologies have been integrated into existing energy systems throughout the history of the grid. In more recent times, with the development of digital capabilities, new materials and technologies, and with new market structures, the electricity industry has been working to lower costs, create efficiencies, and implement new products and services in new markets. Huge, difficult problems have been solved, and the evidence to date is that significant amounts of wind power, previously thought not possible by some, have already been integrated into the region’s electricity system. Statements by the Wind Integration Team (WIT) organized by BPA and its customers, and statements by BPA, provide key pieces of evidence for Dr. Schwartz that yet more wind can be integrated. Dr. Schwartz says we do not know the limit to how much wind can be integrated, which leads us to his second key point about how the industry works: any limitations to grid integration, if they do exist, are irrelevant to the siting process. It doesn’t matter to EFSEC whether the WREP will be successfully integrated or not. If BPA is sufficiently concerned about its ability to integrate the WREP, i.e. that doing so would create untenable risk to the grid, BPA will not grant interconnection. So regardless of whether the WREP acquires a site certificate, interconnection is dependent on BPA. Constructing the WREP without guaranteed interconnection would be a huge risk, all borne by the applicant. Developers seek permits, sales contracts, and interconnection. For the WREP to be
built, all three must be accomplished. Granting a site certificate is EFSEC’s domain; sales and interconnection depend on other industry processes. It is not the Council’s job to determine whether the WREP will be integrated or what price its power will be sold at, or to whom. Dr. Schwartz rebuts the testimony of Dr. Michaels (Exhibit 30.00) as essentially irrelevant. Dr. Schwartz provides a number of exhibits to support his testimony, including statements by the WIT and BPA about the successful integration of wind, and by the Northwest Power and Conservation Council, showing wind to be the most cost effective renewable resource available at scale.

Commerce has found it necessary to rebut the testimony of Mr. Apostol (Exhibit 21.00) with the testimony of Mr. Leonard Bauer, Managing Director of Growth Management Services at Commerce. Mr. Apostol speaks loosely about “standards” and “guidelines” and their implementation. Regardless of his statements implying that nothing mandated for regulation of the National Scenic Area (NSA) is also mandated for sites outside the NSA, he advocates their application anyway. The testimony of Mr. Bauer speaks to a fundamental principle of land use planning, that it is wholly inappropriate to apply the same standards in different political and geographic jurisdictions, unless the same regulatory result is desired, and according to the Columbia River Gorge National Scenic Area Act, in this case it is not. This is not hypothetical, it is a fact, for which there are real and serious implications, as attested to by local jurisdictions in the area. Mr. Bauer relies on the Act for statutory evidence, and on his own expertise as the official responsible for the State of Washington’s
program of technical and financial assistance to local governments for all aspects of
their comprehensive land use planning.

Respectfully Submitted, Dori Jaffe for

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Tony Usibelli, Assistant Director
Energy Division
Department of Commerce