Washington State Department of Commerce
Howard Schwartz, PhD
Rebuttal Testimony
Exhibit No. 35R.00

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	EXHIBIT 35R.00

PREFILED REBUTTAL TESTIMONY
WITNESS #2 – HOWARD SCHWARTZ

Q Please state your name and business address.

A My name is Howard Schwartz and my business address is 1011 Plum St. SE, Olympia, Washington, 98504.

Q Have you submitted prefiled direct testimony prior to this rebuttal?

A Yes, as Exhibit 35.00.

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Q Please describe the nature of this rebuttal testimony.

A I am testifying in response to the prefiled direct testimony of Dr. Robert Michaels, Exhibit 30.00.

Q Dr. Michaels testifies that constructing the Whistling Ridge Energy Project (WREP) is unlikely to result in large amounts of energy at a reasonable price, so would not be in the public interest to construct. (Ex. 30.00 p5) Do you agree with this argument?

A No. This argument is irrelevant, rendering most of the supporting testimony irrelevant. The existence of Renewable Portfolio Standards (RPS) in Washington and Oregon makes any argument about price moot, and every kilowatt of renewable capacity more important.[1]

The cost of an individual project does not matter when the issue is whether there is enough renewable generation available for utilities to meet their RPS targets. If utilities think that power from the WREP is too high, they won't buy it. The market will determine its economic viability, not a general analysis of the value of wind in Pacific Northwest electricity markets.

[1] While it is true to say that the price is irrelevant, that does not mean the price is inordinately high either. I testified previously that the Northwest Power and Conservation Council identified wind as the most cost effective renewable resource that can be constructed in the quantities required by the RPSs. (Ex. 35.00 p4 referencing Ex. 35.02 p5)

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Q Dr. Michaels also testifies that large amounts of wind are difficult to integrate into the Bonneville Power Administration (BPA) transmission system, making the WREP a potential threat to system reliability. (Ex. 30.00 p30) Does this argument have merit?

A No. Large amounts of wind generation can be integrated – already have been. We don't know if there is a limit, but if there is, the transmission operator, in this case the BPA, will tell us. In the meantime, there is no reason to believe that BPA cannot integrate WREP into its system.

While his discussion about the electricity system is generally accurate, he does make one important technical mistake: several times he refers to wind generation as "random." (e.g. Ex. 30.00 pp 5,11) This is erroneous. "Random" would mean that the wind starts and stops without *any* pattern. The fact is that wind is amenable to forecasting and forecasting tools are improving every day. That is why wind generators can schedule their transmission needs up to one hour ahead and why Dr. Michaels can also speak about wind generation being greater at night than in the day and being lowest at times of extreme cold and extreme heat. (Ex. 30.00 p 12) As a result of the improving ability to forecast wind generation, transmission operators are increasingly better able to dispatch other resources, and thus increasingly better able to integrate wind.

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Q Dr. Michaels argues that because wind is "of little or no value" as a peak resource and is "unsuitable as a baseload resource," (Ex. 30.00 p 30), it is of less value than other resources in meeting Pacific Northwest power needs. Is this true?

A No. Since the primary power needs that regional utilities have is renewable resources that meet their RPS requirements, the lack of value as a peaking or baseload resource is irrelevant. It doesn't matter that wind is neither a peak nor baseload resource; it is a third kind of resource, an intermittent one that has virtually no operating costs and no emissions. Like other generating resources, it has its pluses and minuses and, because it is required by law (Initiative 937, codified as Chapter 19.285 RCW), the electricity system is learning how to include it in its portfolio of resources.

Respectfully Submitted,

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