

Developers: Timing key to Wyo-Colo power line

By MATT JOYCE - Associated Press writer | Posted: Monday, March 15, 2010

CHEYENNE -- Developers of a proposed power transmission line linking southeast Wyoming wind fields and the Colorado Front Range say they believe in the project and are forging slowly ahead, despite a Colorado utility's rejection of Wyoming wind.

New Jersey-based LS Power and the Wyoming Infrastructure Authority are partnering to develop the 180-mile line between substations at Wheatland and Brush, Colo. It's one of six major transmission lines proposed by developers hoping to tap Wyoming's potential wind power resources.

The so-called Intertie project suffered a setback last August when Xcel Energy rejected all bids from wind developers in southeast Wyoming as part of the utility's plan to add nearly 1,000 megawatts of renewable energy for Colorado customers through 2015.

The surprising conclusion prompted the transmission line developers to step back and take a hard look at the project, said Adam Gassaway, project manager for LS Power.

"We believe in the long-term fundamentals of the project, and there seems to be a general consensus in the marketplace that the line's eventually needed," Gassaway said. "It just needs to be timed properly."

Landowners and wind development companies are lined up to build wind farms on the windy plains of eastern Wyoming, said Steve Ellenbecker, executive director of the Wyoming Infrastructure Authority.

"It's a matter of whether the purchase power agreements will come into place in Colorado to enable the project to move forward," he said. "We're in a go-slow mode, where we're doing those things that we can do with a conservative budget to continue to move forward."

Ellenbecker said developers have continued to pursue regulatory approval from the Western Electricity Coordinating Council, which is charged with overseeing the reliability of the Western power grid. The team has also continued to promote the line to Colorado utilities and the Colorado Public Utility Commission, he said.

In assessing its options last year, Xcel found that Wyoming wind bids were comparable to Colorado's in terms of capacity factor, or a wind farm's productivity compared to its maximum potential. It also found that northeast Colorado wind farms historically had better generation patterns, meaning they produce more of their annual electricity during daytime.

"SE Wyoming wind bids were higher priced than the most economic Colorado wind bids and provided generation pattern data that appears no more favorable to the overall system than NE Colorado wind," Xcel's report said.

After Xcel's decision, LS Power hired a consultant to conduct another study comparing Wyoming and Colorado wind resources, Gassaway said. The consultant worked with wind developers to get readings from their meteorological towers, but Gassaway said specific numbers aren't available because of nondisclosure agreements.

The study found that Wyoming wind had a higher capacity factor and would produce cheaper electricity than Colorado wind, Gassaway said.

Intertie developers also believe the Colorado Public Utilities Commission, in approving Xcel's plan, didn't consider the value the new transmission infrastructure the proposed line would provide to Colorado, or its importance in alleviating a transmission bottleneck at the state border.

However, LS Power also found that Colorado's tax regime is more favorable to wind development than Wyoming's.

"We think that Wyoming wind was sufficiently good to prove the fundamentals of our project, but it's not that it's so good that a conservative bidder from Wyoming could always win out in Colorado," Gassaway said. "It really means that Wyoming bidders need to sharpen their pencils and Wyoming needs to stay competitive in the marketplace."

No wind developers or Colorado electricity provider have purchased capacity on the proposed 850-megawatt line yet, Gassaway said. Developers hope to bring the project online in 2014.

Ellenbecker said Xcel is only one of several viable markets in Colorado for Wyoming wind. He said it's also possible the Wyoming-Colorado Intertie could take shape as the first leg of the High Plains Express Project, a larger proposed transmission line running from Wyoming to Arizona with connections in Colorado and New Mexico.