

Pilot State Mega Project Facilitation and Review Team

Concept

To complement industry efforts to evaluate mega-transmission expansion projects, Governors, with DOE assistance, would establish a pilot project Multi-State Transmission Project Facilitation and Review Team. The concept would be tested through a pilot project related to the High Plains Express (HPX) project.¹ The pilot project would test the applicability of the multi-state team concept on a real project that is in the early stages of development. The pilot would test whether organized, early interstate collaboration can successfully address issues such as: reaching a common understanding of the need for the power the project would transport; the allocation and recovery of transmission costs; early integration of environmental concerns; and successful early interaction with federal agencies. Such a pilot project can be a model for how states should collectively organize their participation in other multi-state transmission proposals. If successful, there would be a significant incentive for states and project sponsors to fund similar teams for other multi-state projects.

Early discussions and potential agreement among states on key elements of multi-state transmission projects would reduce conflict over federal corridor designations under EPCRA Sections 1221 and 368 and result in transmission being constructed in a more timely manner. Timely construction of transmission is necessary to reduce congestion and move remote generation to load centers.

The teams would:

- Evaluate **if the power supplied by the proposed expansion is needed**. (Given existing state law, this cannot be a formal determination of need.)
- Agree on **cost allocation principles for the proposed expansion**.
- Encourage and facilitate **early consideration of environmental values** in the location and sizing of the proposed expansion.
- If the project moves to the permitting stage, **coordinate state participation in permitting studies and decisions** (similar to provisions under the existing WGA Transmission Permitting Protocol).
- **Interact with the industry project study teams**.
- As appropriate, **interact with FERC, DOE and other parties** such as generation developers, environmental groups, local governments, sub-regional planning groups and WECC, and other parties which can contribute to the Team's work.

Greater HPX Team

¹ The HPX is a promising target for a pilot project because it directly involves only 4 states and has fewer alternative configurations than other mega projects in the Western Interconnection. Much of the value of a HPX project rests on an assumption that the diversity of potential wind generation along the line would reduce the variability of generation output and increase the value of the electricity product. NREL is involved in a project to model wind resources in the broader Southwest, including the region covered by HPX and adjacent areas. However, the wind resource data will not be available until the first part of 2008. If the data does not confirm the reduction in wind variability, HPX may offer significantly fewer benefits.

Discussion Draft

Team members would be appointed by the Governors and mostly likely include representatives from the following state agencies.

- AZ – Governor’s Office/Arizona Corporation Commission
- CO – Governor’s Office/ Public Utility Commission/Infrastructure Authority
- NM – Governor’s Office/Public Regulation Commission/Renewable Energy Transmission Authority
- WY – Governor’s Office/Public Service Commission/Infrastructure Authority

Approach

- An agreement among agencies in the HPX corridor would be executed defining the scope of the project.
- A pilot project manager would be hired. The project manager would be responsible for overall project management, support for state Team members, and developing a close working relationship with industry study efforts to ensure the pilot project complements and does not duplicate the work of industry studies.

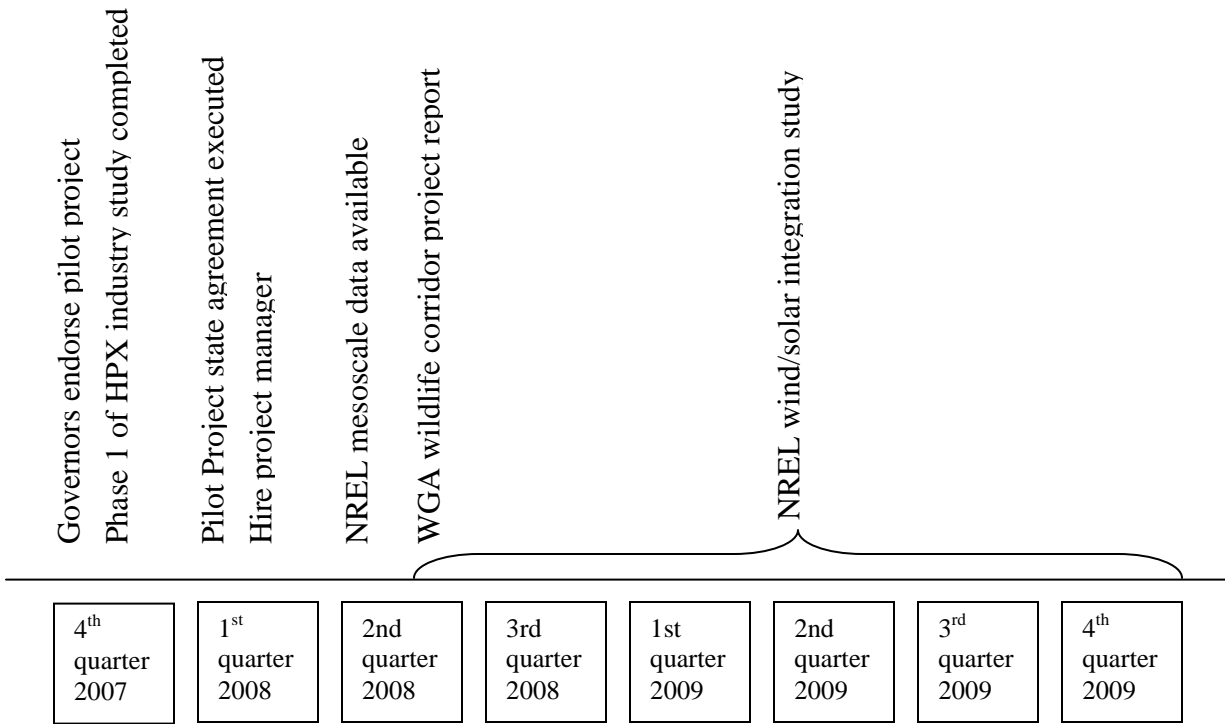
Timeline

The pilot project needs to integrate with several on-going efforts;

- The HPX study effort which anticipates concluding its phase 1 work by the end of 2007.
- The NREL mesoscale wind and solar resource modeling work which is expected to begin generating results in early 2008.
- The NREL wind/solar integration study which will cover the WestConnect² footprint (NV, AZ, NM, CO, and parts of CA and WY).
- The planned open season for the Wyoming-Colorado Intertie, which is in the HPX study area.
- The ongoing development of Project Zia from southern New Mexico to Phoenix which is in the HPX study area.
- The formation of transmission authorities in New Mexico and Colorado.

The following graphic shows a timeline with key events noted.

² [WestConnect](#) is the industry organization in the Southwest. WestConnect is the umbrella group for multiple sub-regional planning efforts (Southwest Area Transmission group, Colorado Coordinated Planning Group, Sierra planning group). WestConnect is also undertaking a control area consolidation study and a potential transmission pricing experiments to eliminate pancaked rates on economy energy purchases.



The map below shows the projects in the greater HPX region that would be addressed by the pilot project.

