BPA Ruling Suppresses Renewable Energy Development in Montana

Discriminatory “Montana Intertie Rate” upheld

Portland, Ore. – Today the Acting Administrator of the Bonneville Power Administration, Elliot Mainzer, released BPA’s Final Record of Decision on the biennial regional rate case. Renewable Northwest Project (RNP) is disappointed that BPA has decided not to remove the duplicative transmission charge for energy coming out of Montana. Eliminating this rate represents a zero cost approach to increasing Montana’s opportunity for export of clean, renewable energy to Western energy markets. Currently, Montana is limited in its ability to export one of its newest cash crops due to transmission constraints.

“While we’re pleased that BPA recently announced it is restarting the environmental analysis of a transmission upgrade in Montana, we think the state’s renewable resources are of such high value that BPA should be pursuing all policies that encourage their development.”

“Removing this rate would benefit consumers in the Northwest by promoting the access to Montana’s high-value renewable resources,” Yourkowski continued.

The ruling creates more obstacles for investment and development of renewable energy in Montana. Stated Tom Kaiserski, Program Manager of the Energy Promotion and Development Division of the Montana Department of Commerce, “Eliminating this rate pancake would have been beneficial to Montana energy development east of the intertie. After more than three years of study, the evidence clearly demonstrated that there would be essentially no increase in the cost of delivered power to BPA costumers. This decision from BPA discriminates against our state’s resources, and hurts Montanans who could benefit from the jobs and development currently stifled by this duplicative transmission charge.”

Recent wind farms in Montana, both planned and constructed, are extremely price competitive with other Pacific Northwest energy resources (the latest prices for Montana wind energy on NorthWestern Energy’s system, for example, range from $54/MWh to below $40/MWh for a new wind farm under negotiation with the utility). Developers are keen to build more wind farms and export the electricity to West Coast cities. The state has benefitted from $1.6 billion in capital investment in renewable energy thus far.
Renewable Northwest Project is a regional nonprofit advocacy organization promoting responsible development of renewable energy resources in the Pacific Northwest. For more information, please visit www.rnp.org.