

**Workshop on Designation of National
Interest
Electric Transmission Bottlenecks
U.S. Department of Energy**

July 14, 2004 - Salt Lake City, Utah

Panel No. 3: Adapting the NIETB Process to Serve Regional Needs

**Transmission for Regional Economic
Development from New Resources**

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Commissioner - North Dakota Public Service Commission

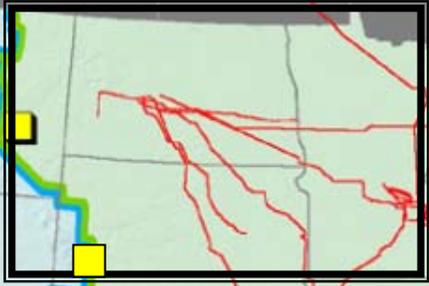
Chair – Organization of MISO States

Regional Transmission & Economic Development: Upper Great Plains Example

- Significant economic development opportunities through energy resources (only partially developed)
- Energy Resource Assets: Lignite & Wind
 - Low-cost remote resources largely undeveloped
 - Transmission constraints limit exports to 1,950 MW (fully subscribed)
 - Transmission expansions required for:
 - Meeting the Midwest's reserve margins
 - Supplying competitive & clean power to customers
 - Economic development for the Upper Great Plains
 - \$1 billion capital investment (500 MW coal / 100 MW wind)
 - \$667 million transmission investment would save \$387 million in energy costs annually (MTEP-03, June 2003)

The National Transmission Grid

Upper Great Plains Area



WESTERN
INTERCONNECT

EASTERN
INTERCONNECT

ERCOT
INTERCONNECT

 Major Transmission Lines (345kV and above)

 AC-DC-AC Ties



Regional Transmission Constraints & Energy Resources

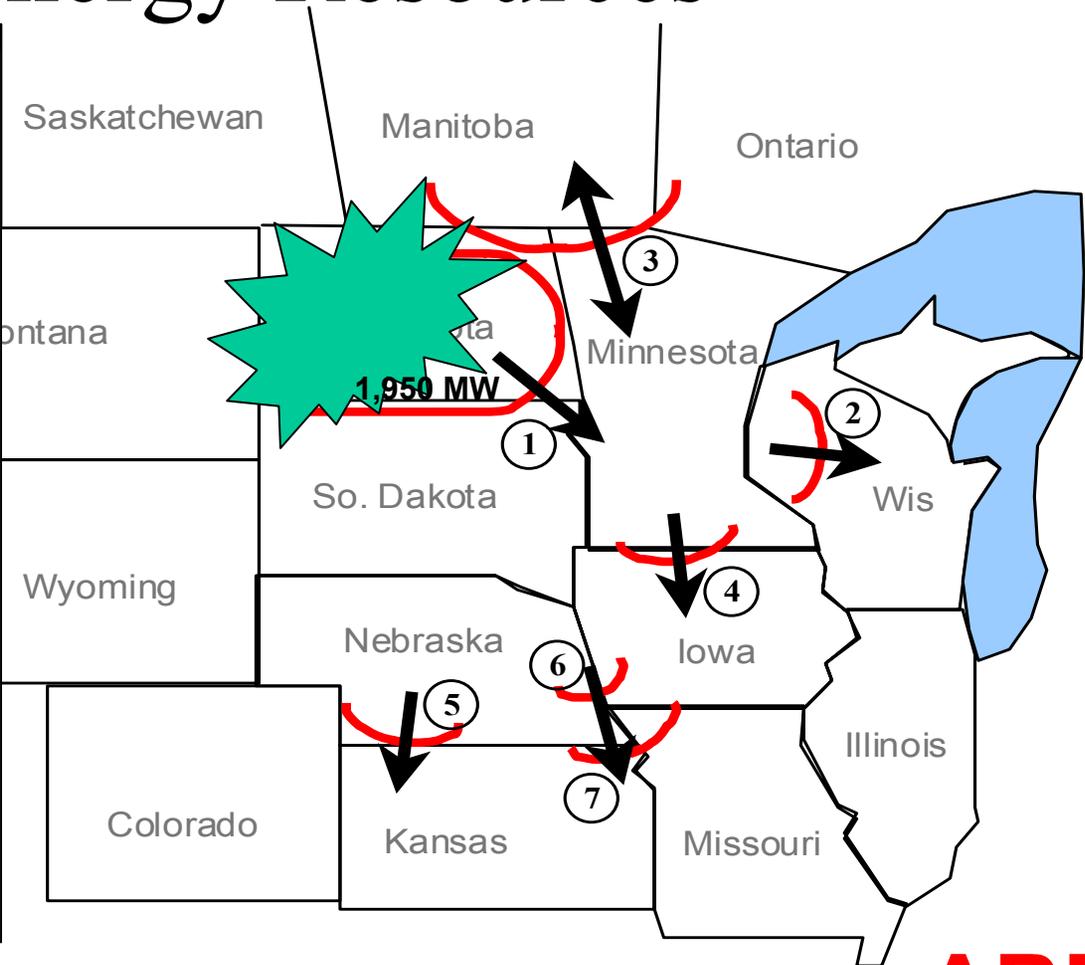
North Dakota's Low-Cost Electrical Energy Resources

Developed
4,100 MW of lignite
70 MW of wind

Undeveloped
90,000 MW of lignite
138,000 MW of wind

Transmission
Public Power, IOUs & WAPA

Markets at Load
Minneapolis Metro Area



What are we doing about it?

- North Dakota's Lignite Vision 21 Program
 - Expansion of its core lignite energy industry
 - Financial incentives to develop new lignite plants
 - Several projects proposed
- Upper Great Plains Transmission Coalition
 - Regional stakeholders: coal and wind
 - Transmission Planning involving MISO and other regional stakeholders
- Participation in Transmission policy venues
 - FERC
 - MISO
 - OMS
 - NIETB Process

How can DOE Help?

- NEITB Process
 - DOE has been supportive of remote generation with stranded resources
 - DOE has provided leadership via its National Grid Study
- Recommendations
 - Flexibility: one size doesn't fit all
 - Use stakeholder groups to define NEITBs
 - Provide guidance and financial mechanisms
 - Ensure involvement of PMAs
 - Reliability, Economics, and Economic Development
 - Simple, cost effective, and timely!!!