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NEWS

Joint transmission planning effort under way by four Minnesota electric utilities

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(Minneapolis, Minnesota) Great River Energy, Minnesota Power, Otter Tail Power Company and Xcel Energy recently began working together to develop a vision for transmission infrastructure investments needed in Minnesota during the next 15 years. The companies are calling the effort Minnesota CapX 2020, short for Capital Expenditures by the year 2020.

"The existing transmission system in Minnesota is adequate to meet today's demand, but to maintain reliability in the future, increased investment in transmission infrastructure is critical," said Will Kaul, vice president for transmission, Great River Energy.

Doug Jaeger, vice president for transmission, Xcel Energy, said the planning effort now under way by the state's four largest transmission owners is in response to customers' increasing demand for electricity, which currently is projected to result in an estimated 5,300 megawatts of generation being added to the system by 2020.

"A collaborative effort and plan are needed to reduce the risk of investing in new infrastructure and to preserve reliability for customers," Jaeger said.

As they prepare long-term recommendations, the companies are seeking input from a variety of sources, including regulators, power producers and other utilities.

A preliminary CapX 2020 report is to be completed in October and a final report in March. The reports will be presented to the Minnesota Public Utilities Commission, the Department of Commerce and other interested parties.

"The East Coast blackout on Aug. 14, 2003, underscored the interconnectedness of the electricity grid, and it focused attention on the need for new transmission investments and a comprehensive plan," said Tom Ferguson, vice president of power delivery and transmission at Minnesota Power.

The CapX 2020 study will determine the projected transmission facilities needed to serve customer demand levels in 2020 in and around Minnesota from projected generation resources. It also will look at ways to relieve transmission congestion.

Transmission projects identified in the Minnesota Biennial Transmission Plan filed with the state in September 2003 will be a source for information, and the state's Renewable Energy Objective will be used to determine the magnitude of renewable generation included in the model.

"We hope this plan will serve as an educational tool to help regulators and our customers understand the kinds of developments Minnesota will need in coming years, and that it will help outline possible methods for recovering the costs of adding transmission," said Rod Scheel, vice president for asset management at Otter Tail Power Company.

The study will be coordinated through a Mid-Continent Area Power Pool planning group and the Midwest Independent Transmission System Operator transmission planning process.



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