



September 17, 2009

MATL energy line a go

By JOHN S. ADAMS Tribune Capitol Bureau

HELENA — Officials with the U.S. Department of Energy have reached a financing deal with a Canadian energy company, paving the way for construction of the \$213 million Montana-Alberta Tie Line.

According to the DOE, Tonbridge Power Inc. of Toronto will receive up to \$161 million in federal stimulus loans to construct the 230-kilovolt transmission project, which will be capable of delivering 300 to 600 megawatts of mostly wind-generated energy to markets outside Montana.

The Western Area Power Administration will use borrowing authority under the federal American Recovery and Reinvestment Act, also known as the stimulus package, to help build the transmission project between Great Falls and Lethbridge.

Almost two-thirds of the 214-mile transmission line will be located on United States soil, creating American jobs while allowing for the continued expansion of renewable energy production, according to the DOE.

"By integrating renewable energy sources onto the electrical grid now, we are helping to shape America's future economy, powered by clean, secure and affordable electricity," Energy Secretary Steven Chu said in a statement. "This project will help put Americans to work and build the transmission networks needed to bring renewable energy to consumers across the West."

Bob Williams of Montana Alberta Tie Ltd., a Tonbridge subsidiary, said the financing deal allows the company to move forward with final construction preparations.

"We are ready to get going on the next phase of the project, which really involves getting the rest of the work that has to be done before construction finished up," Williams said.

Some of that work includes conducting legal surveys along the transmission corridor and performing geotechnical analyses to determine suitable tower placements.

Construction should begin this fall, Williams said.

Gov. Brian Schweitzer, a strong proponent of the project, called the announcement good news for Montana.

"We've thought for some time that the Montana-Alberta Tie Line makes a lot of economic sense, not just for Montana but for the entire region," Schweitzer said Wednesday.

He also praised the project's job-creation potential in the state. Schweitzer said he expects construction of the transmission line to generate 50 to 75 jobs directly related to wind farms along the line, and up to three times as many jobs indirectly connected to the project. Schweitzer said the MATL project will employ, "people that are supplying products, people that spray weeds, people that maintain roads and all of the rest of the things that come with the transmission and wind farms."

Williams said contracts for construction, equipment and supplies for the transmission project will be awarded to U.S. contractors and suppliers where possible. He noted the company hired Rocky Mountain Contractors of Helena as the general contractor on the project. Final engineering work will be performed by Power Engineers of Billings, and Pondera Engineers of Post Falls, Idaho.

Williams said there will be economic benefits to the state, beyond the new jobs.

"Equally, if not more significant, is the economic activity that will occur because of the development of new wind energy that is otherwise stranded and trapped because there's not enough transmission," Williams said.

He said the entire northbound capacity of the transmission line — up to 300 megawatts — has been awarded to Spanish-based wind-power company NaturEner, which owns the 210-megawatt Glacier Wind Farm in Glacier and Toole counties. Earlier this week, NaturEner announced plans for an additional \$800 million, 309-megawatt wind farm just north of that project.

The 300 megawatts of southbound transmission capacity along the Montana-Alberta Tie Line has been awarded to two other wind companies. Chicago-based Invernergy, which owns and operates the 135-megawatt Judith Gap wind farm, has claim to 180 megawatts of transmission capacity and Texas-based Wind Hunter has been awarded 120 megawatts of capacity, Williams said.

Mark Jacobson, Invernergy's director of business development, said the company is in the middle of negotiations so he can't provide specifics about future plans for wind generation. He added the company's 180-megawatts of capacity along the proposed transmission line will be used for future projects, which currently are in development.

"We're glad that (MATL officials) were able to make it through their permitting hurdles and obtain financing, and we think additional transmission in Montana can only be a good thing and relieve existing congestion and open up opportunities for renewable export," Jacobson said. "We look forward to exploring opportunities to make our project viable. Getting that line built is the first important step — getting a power buyer is the next step."

A spokesman for Wind Hunter did not immediately return a phone call Wednesday seeking comment on the company's plans for future wind generation in Montana.

Montana's two U.S. senators praised Wednesday's announcement.

"I am very pleased that the federal government is helping move the MATL project forward," Sen. Max Baucus said. "This transmission project will create good-paying jobs in Montana, increase the possibilities for clean wind energy development in our state and further stabilize the overall transmission system. The MATL project is a good example of the innovative ways we can make clean energy possibilities a reality by working together."

Sen. Jon Tester also praised the project for combining job creation with renewable energy development.

"I believe that this project will quickly lead to just the kind of investment and economic activity we had in mind when we passed the Recovery Act," Tester said.

Tonbridge previously obtained the necessary permits from the U.S. and Canadian governments, but three Alberta landowners are challenging the line's route. The landowners previously lost an appeal with the Alberta Court of Appeal and are waiting to hear if the Supreme Court of Canada will hear their case.
