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Leaders celebrate start of MATL work

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About 130 industry and government leaders from Montana and Alberta celebrated here Monday the start of construction of a 214-mile trans-border transmission line, with the developer estimating the line will prompt \$1 billion in wind farm development.

The 300-megawatt Montana Alberta Tie Line, or MATL, will span farmland in northern Montana and southern Alberta between Great Falls and Lethbridge. It will cost \$215 million to construct while creating 150 jobs and contributing \$10 million to local economies in both countries, Calgary-based developer Montana Alberta Tie Line Ltd said.

"Thank you for believing in Montana wind," Gov. Brian Schweitzer told MATL's Bob Williams, who guided the project through the regulatory process.

In 2005, Montana was producing just 1 megawatt of wind electricity — less than Rhode Island, "not even a decent-sized ranch," Schweitzer scoffed.

Today, the state is producing 376 megawatts of wind power and, thanks to new transmission projects such as MATL, is on the verge of becoming a leader in the West in wind energy development, said Schweitzer, who has heavily promoted the industry.

MATL will connect the electrical grids of the United States at Great Falls and Canada at Lethbridge, providing access to the power grid of up to \$1 billion in wind power projects planned by three wind developers that have reserved space on the line.

NaturEner already has announced plans to construct an \$800 million wind farm north of Highway 2 in Montana.

Rocky Mountain Contractors Inc. in Helena, a subsidiary of Bismarck-based MDU Resources Group, has been hired as the job's general contractor, it was announced at the ceremony.

"This is a big project," said Greg Darkenwald, senior project manager for the company.

It's been 20 years since a transmission line of this size has been constructed in Montana, he said. If the work goes as scheduled, the line will be "energized" in 18 months, in 2011, he said.

Work is expected to begin in a month with soil testing, he said.

Ironically, wind will be one of the challenges in building the line because the job involves erecting 60- to 100-foot-tall poles and raising workers high in the air in buckets, Darkenwald said.

Rocky Mountain Contractors has hired Pondera Engineers of Post Falls, Idaho; Power Engineers of Billings; and Construction Solutions Inc. of Bismarck as subcontractors.

The poles, an estimated 1,600 in total, will carry a 230-kilovolt power line capable of transporting 300

megawatts of power either north or south, which is enough to power about 35,000 homes.

Besides Schweitzer, Monday's kick-off ceremony included local and state officials who backed the MATL line, which overcame legal challenges from farmers in both countries.

"Today, we celebrate another link between Alberta and Montana," said Leonard Mitzel, a member of the Alberta Legislative Assembly representing the Cypress and Medicine Hat areas.

The province and state already share 200 miles of border and six border crossings, he noted.

It's appropriate the MATL ceremony was conducted at the History Museum, said Johan van't Hof, president of Toronto-based Tonbridge Power Inc., parent company of Montana Alberta Tie Line Ltd.

"We've truly made history here," he said.

Four years in the making, MATL will be the first "merchant" transmission line constructed in United States, van't Hof said.

Historically, rate payers of utility companies paid for the cost of adding new lines, which served their own customers, van't Hof said. With merchant transmission projects, a private company, such as Tonbridge, builds the line. It then finances the work by selling shipping space to the users — the power generators needing to get their electricity to market.

In this case, the users are NaturEner, Wind Hunter and Invenergy.

"I think this is rapidly becoming the way to allocate costs fairly," van't Hof said later of the merchant line model.

Tonbridge is now teaming with wind developer Gaelectric to study a southern extension of the MATL from Great Falls to Townsend or Garrison, but that project is in the early stages.

Tonbridge has the authority to use eminent domain to build the line but van't Hof says he doesn't plan on going that route. He described the practice, which once was commonly employed by utility companies, as punching somebody in the face at the start of a relationship.

To date, agreements to place the poles on private land have been reached with about three dozen landowners.

A recent report by the U.S. Department of Energy said the United States needs 12,000 miles of additional transmission line to achieve 20 percent wind electricity by 2030, Cascade County Commissioner Peggy Beltrone said. The MATL project would be among the first of those miles to be constructed, she said.

"Its going to shine a light further on this great resource we have here in Montana," said Beltrone, who passed out buttons featuring wind turbines and a heart indicating the county's support of the transmission line.

MATL makes sense because it's less expensive to build transmission lines to remotely located areas such as Montana, where the wind is the best, than constructing wind farms closer to load centers where the wind may not be as strong, she said.

The Canadian developer of MATL is getting a hand in financing the project from the U.S. government.

Timothy Meeks, administrator of the Western Area Power Administration, which operates 17,000 miles of transmission line in 12 states, received \$3.25 billion in federal stimulus funds for transmission

lines for renewable energy. WAPA received 200 inquiries into the loan money with MATL "rising to the top" because it was shovel-ready with contracts in place for the energy.

Tonbridge received a 30-year, low-interest loan of \$161 million. "We can see the economy of the project," said Meeks, who traveled to Montana from Lakewood, Colo. to attend the event.

WAPA is in talks with six other potential partners in its 12-state territory about transmission projects, he said.

Additional Facts

Montana Alberta Tie Line

Shippers

NaturEner USA/NaturEner Canada: 300 megawatts northbound.

Invenergy (Judith Gap owner): 180 megawatts southbound.

Wind Hunter LLC: 70 megawatts southbound.

Western Area Power Administration: 50 megawatts southbound.

Taxes

Montana counties of Cascade, Glacier, Pondera and Teton will receive an estimated \$750,000 in property taxes annually, combined. Construction will provide 150 jobs in both the United States and Canada, and direct local spending on the project is projected at \$10 million.

Landowners

There are 113 directly impacted landowners in Canada and 250 in Montana. Agreements have been reached with 31 landowners in Canada and negotiations with all remaining landowners are ongoing.
