

PUC asked to reopen power line debate

Opponents say peak summer electricity demand dropping

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A \$1.7 billion plan by eight regional utilities to build three high-voltage power lines across Minnesota has been slogging through the regulatory process for years.

The utilities say they need the new lines to meet the expected increase in demand for energy and to transmit enough wind energy to meet the state's renewable-energy mandates.

But on Wednesday, as the Minnesota Public Utilities Commission considered the need for the project, known as CapX 2020, opponents asked the commission to consider new evidence that demand for energy is actually dropping.

The commission's decision on the need for the project could come as soon as today.

During a hearing Wednesday at the commission's offices in St. Paul, landowners with property along the proposed power-line routes told the board it should reopen the case to include more evidence. An administrative judge closed the case to new evidence last year after oral and written testimony was submitted during 19 public hearings.

Judge Beverly Heydinger issued findings and recommendations Feb. 27 favoring the CapX 2020 projects with a few modifications.

But several groups of landowners who would be affected by the proposed lines asked the commission to consider information from Xcel Energy Inc.'s annual financial report, which was filed with the U.S. Securities and Exchange Commission on Feb. 27. They noted that Xcel, the state's largest utility and likely the heaviest user of the proposed transmission lines,

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had reported lower summer peak demand usage last year than in 2007 and lower peak usage in summer 2007 than in 2006.

The cumulative demand dropped by more than 11 percent over the two summers, said Paula Maccabee, an attorney representing the Citizens Energy Task Force, a group of landowners from Dakota County and southeast Minnesota.

By using Xcel's actual demand usage, Maccabee said, the group calculated that the need for the new power lines fell below the minimum growth projected by the utilities.

"These estimates were made with no assumption of a continuing recession and with no assumption of increased efficiencies," she told the board.

But an economist for the state Office of Energy Security disputed Maccabee's argument that demand really is dropping.

Electricity demand for Xcel dropped those two summers because of cooler weather, not the recession or a shift in customer preferences, said Steve Rakow, the lead rates analyst for the Office of Energy Security.

Using those numbers as evidence would lead to an artificially low estimate of future demand because weather is variable, he told the commission. "You can't plan around the low end," he said.

The CapX 2020 project involves three separate 345-kilovolt transmission lines that would crisscross the state and take years to build.

Farthest along in the approval procedure is a 237-mile line proposed between Brookings, S.D., and Hampton, a town of 600 in southern Dakota County.

That line is supposed to be one of the main conduits for up to 700 megawatts of renewable wind energy from western Minnesota wind farms, but CapX 2020 officials have resisted efforts by environmentalists to guarantee they will use it only for wind energy, saying that question is best left to a separate regulatory proceeding called a resource plan.

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