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Power play: Harder to build transmission lines

Denver Business Journal - by [Cathy Proctor](#)

The rising demands for electricity, and political pressure to generate more of it from renewable resources, are driving huge new demand for more transmission lines in Colorado.

But despite the elemental role power lines play in getting electricity from the power plant to where it's used, the routing, permitting and building of the lines can be extremely difficult. Projects often drag on for years in protracted legal disputes waged between land owners and utility companies.

"Everyone wants electric appliances; no one wants to live near a power plant or a transmission line," said Mark Stutz, spokesman for **Xcel Energy Inc.**, the state's largest utility, serving electricity and natural gas to about 70 percent of Colorado's population.

Colorado needs an estimated \$2 billion worth of new power lines to move renewable energy, generated on Colorado's windy plains or in the sunny San Luis Valley, to the population centers along the Front Range. That's according to a 2007 report by the Governor's Energy Office (GEO), called "Connecting Colorado's Renewable Resources to the Markets."

"We've got huge, rich resources of renewable energy in Colorado," said Morey Wolfson, transmission program manager at the GEO.

"We have much more than we'd ever need for our own purposes or for an export market. But what's missing is there's no high-voltage transmission lines that happen to be parked on the Eastern Plains to tap the wind power."

In Colorado, regulated utilities need a Certificate of Public Need and Convenience from the **Colorado Public Utilities Commission** to build a power line. They also need a land-use permit from each local government along the line's route.

Difficulties often arise at the local level, when a utility's needs conflict with the views of residents or a local government about what should be built and where.

"There's no question, on the one hand, that transmission of electricity is a statewide matter and statewide concern from the standpoint that we need adequate availability of electricity," said Sam Mamet, executive director of the Colorado Municipal League.

"But there is also the countervailing view of that affected local governments should have some say-so when these lines traverse through their communities."

When conflicts arise, it can take years to resolve them.

Cases in Telluride and Commerce City stand out among Colorado's utility experts, and there's a third battle under way over a proposed power line from the San Luis Valley to the Front Range.

Nucla to Telluride

The longest-running battle over a Colorado power line appears to be the 10-year fight over rebuilding and expanding the capacity of a 1948-built, 40-mile power line between the Nucla power plant in Montrose County and Telluride.

The **Tri-State Generation & Transmission Association**, based in Westminster, started planning the project in 2000 in order to ensure power flowed through ski season, when power demand is the highest. The main power line into Telluride goes over Ophir Pass, which has an elevation of nearly 12,000 feet.

"It's one of the, if not the, highest transmission lines in terms of elevation in the country," said Lee Boughey, Tri-State spokesman. "In the wintertime, you can have outages on that line due to avalanches, and it's dangerous to send crews up there for repairs."

Tri-State decided to upgrade a second line into the town. In 2002, San Miguel County granted permission to start construction — as long as Tri-State paid for burying about 10 miles of the line that lie along three scenic mesas near Telluride. Tri-State estimates that burying a power line costs about 10 times more than stringing the wires overhead on poles, Boughey said.

"We're a tourist economy, and we rely heavily on our scenic views and vistas," said Mike Rozycki, San Miguel County's planning director. "Our concern was that the upgraded transmission line would have a lot of impact."

Tri-State balked at paying the additional costs for burying the line and appealed the county's decision to the PUC. The PUC has the authority to overrule local permit requirements if the project is deemed to be in the best interest of the state's power grid, due to a change in state law in 2001.

The PUC in 2004 overruled the county's demand that the power line be buried, and confirmed its decision in a 2005 ruling. The county and homeowners along the three mesas appealed each decision, in 2004 and 2005 respectively, to the San Miguel County District Court.

Since then, Tri-State, the county and homeowners have worked on a settlement over who will pay the estimated \$11 million in additional costs to bury about 10 miles of the power line. Final agreements are expected soon, with homeowners associations along the three mesas expected to kick in \$1.2 million, and power customers in the Telluride Mountain Village resort area paying a 7.74 percent surcharge on their monthly bills to help cover the rest of the bill.

If the agreements are approved, Tri-State expects to start construction on the \$40 million power line this summer, Boughey said.

Tri-State and Commerce City

A conflict between Tri-State and Adams County and Commerce City over a 4.5-mile power line that runs along E-470 has been going on since 2005.

Kim McCarl, communications manager for Commerce City, said the city wanted the line buried underground because the area covers a prime location for residential development. "Protecting the viewsheds was really important," McCarl said.

The conflict is over Commerce City's and Adams County's decisions in 2006 that the line should be buried, at Tri-State's expense, and run through the highway easement owned by the E-470 Public Highway Authority.

Tri-State needs the new line to serve rising demand for power in the growing area, Boughey said.

Tri-State balked at paying the cost to bury this power line as well, and didn't like putting its line in an easement owned by another entity. Tri-State appealed to the PUC in July 2007.

"When we place a transmission line, we like to secure an easement for the project and get a permanent property right," Boughey said. "When you locate it in the E-470 easement, you don't get your own easement, you get a permit from E-470. There's more risk on placing the infrastructure. The permit might expire or be revoked, and we'd have to go out and remove [the line]."

McCarl said Commerce City wanted the line along the E-470 easement because it "seemed compatible" with the infrastructure already in place.

The PUC ruled against the governments' requirements in April 2009. One month later, Adams County and Commerce City appealed the PUC's decision in Adams County District Court.

In January, the entities reached an agreement to not bury the line, and run it along the path close to the one originally proposed by Tri-State, Boughey said. Tri-State agreed to pay the legal fees incurred by the city and county, and by property owners who entered the fray.

Construction of the \$8 million line is expected to start this fall.

Sunny San Luis Valley

The third battle is over a proposal from Xcel Energy Inc. and Tri-State for a \$180 million, 150-mile transmission line to carry power out of the rural San Luis Valley, over La Veta Pass and to the Front Range.

The utilities say the line is needed to move solar-generated renewable energy from the valley, and also to improve the reliability of power within it.

An existing line into the valley isn't big enough to handle power demands, the utilities say.

But between 14 and 18 miles of the line's proposed route lie on the Trinchera Ranch just west of La Veta Pass. Louis Bacon, a London hedge-fund manager and billionaire, owns the ranch. He's hired attorneys, engineers and public relations firms to review the project, and they're arguing that neither Tri-State nor Xcel has seriously considered alternative routes that won't go through the ranch.

Representatives of Trinchera Ranch have suggested the utilities build the new line along a northern route, which Xcel and Tri-State estimate will add at least 125 miles and millions of dollars to the project.

The PUC is expected to rule on the need for the line in late April. After that, the utilities would need approval of local governments to build the line.

The project also is undergoing a federal environmental impact study because Tri-State needs federal funds to pay for its portion of the project.

Jim Tarpey, a PUC commissioner, has proposed changing the way power lines are planned in Colorado. He wants utilities to do more long-range planning, 10 or 20 years' worth, while getting local governments more involved earlier.

Tarpey hopes that better communication earlier in the process will avoid extensive — and expensive — conflicts later.

"Transmission, while it's a small piece of the overall puzzle, has the potential for raising power costs very high," Tarpey said. "If we are looking far enough out, we can build a transmission corridor that is the right size for growth."

CPROCTOR@bizjournals.com | 303-803-9233

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