

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Priority Access to New Participant-Funded Transmission) **AD11-11-000**
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Prepared Remarks of Tyson Utt on Behalf of Horizon Wind Energy LLC

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Horizon Wind Energy LLC (Horizon), through its subsidiaries, develops, constructs, owns, and operates wind-generation electric facilities across the country. Horizon has developed over 3600 MW and currently operates over 3400 MW in the United States. Horizon appreciates the opportunity to participate in the technical conference.

Transmission is critical for our wind farms; transmission facilities provide the necessary link from our facilities to load centers. As a transmission customer, Horizon explores every opportunity to work with independent transmission developers, utilities, regional transmission organizations and government agencies to find innovative ways in which to expand and enhance the transmission system. Horizon applauds the Commission for examining new transmission ownership infrastructure models and issues related to priority rights over new transmission.

In our experience, customers are willing to take on reasonable risk and incur reasonable costs for transmission development. Regulations and policies should be flexible enough, however, to accommodate the following principles:

- *Right-sized lines.* Transmission lines should be sized to allow for phased access from generators. It is more cost-efficient to build one transmission line that accommodates all definitive phases, rather than repeatedly upgrading the same path each time a phase is constructed and ready for service.
- *Limited but meaningful priority rights.* Customers are willing to spend risk capital, but like any other entity, customers want the commensurate benefits. First movers should have priority rights over customers who have taken on less risk or no risk. Priority rights could be achieved through a number of mechanisms, including but not limited to: different types of transmission service, capacity allocation, preferred rates for customers that take on more risk, dispatch priority, or rights of first refusal for additional capacity. Regardless of mechanism, it is important to integrate those benefits with the rules of the markets into which transmission is connected. For instance, generator dispatch priority on a transmission line is of limited benefit if the market into which the line enters doesn't recognize the rights and curtails all of the generators on a pro-rata basis.

Limited but meaningful priority rights for right-size transmission lines are necessary to incentivize generators to act as first movers in markets that will enable supply to meet the growing demand for renewable energy.