

AESO defends need for power lines

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Sturgeon County – The Heartland Transmission Project, one of several projects identified as being Critical Transmission Infrastructure (CTI), has come under much criticism in recent months by those who are opposed to the lines crossing their property and by those who see no need for the lines at all.

Among the most vocal of local critics has been the Sturgeon Blue Line Group who brought anti-power line activist Joe Anglin and St. Albert Lawyer Keith Wilson to Morinville last Thursday to speak on power lines and what the group perceives as the trampling of Albertans' property rights through the approval of a number of recent PC bills.

But while The Sturgeon Blue Line Group and their supporters see no need for the infrastructure, the Alberta Electrical System Operator AESO holds fast to their belief that Alberta is in need of some critical work in its power delivery system.

Greg Retzer, Director of Transmission for the AESO said there are four projects currently identified as critical: The Heartland Transmission Project, two High Voltage Direct Current (HVDC) lines running from Edmonton to Calgary, two lines from Edmonton to Fort McMurray and a substation in the southern portion of Calgary.

Retzer said the estimated value of the four projects is less than the numbers being suggested by critics and that if all of the more than 200 projects being discussed in AESO's long-term plan went forward, the cost would be \$14.5 billion.

"For these four critical transmission infrastructure, our current forecast and information that we've been able to get from the transmission facility owners is that these four projects will cost approximately \$5.6 billion," Retzer said. "All of the projects – 200 plus, over the next ten years, we believe the cost would be \$14.5 billion."

Retzer said the four projects will provide the backbone to Alberta's electrical system, a system the province hasn't really made a significant investment in for the past 20 years.

"Over that period of time we've had a large influx of new Albertans come join us in the province," Retzer said. "We've had a large increase in the demands for power. Really where we are is we need to go ahead and reinforce the overall backbone system as it relates to reliability to get ahead of future growth needs, and to be able to meet reliability concerns for all Albertans."

AESO's critics contend the argument that no major investment has been made in 20 years is invalid due to the longevity of power lines being in the 80 to 100 year range, something Retzer concedes with a caveat.

"I think that if they are well maintained, certainly you can see power lines that are 50, 60, 70 years old," Retzer said. "Here in Alberta we built the first what's called a 240 kilovolt line back in the early '60s, so they're approaching 50 years. We expect that they're well maintained. They could last for another 20 to 30 years."

Retzer said the real motivation behind the CTI projects is the demand for growth, both in large urban areas and the province as a whole. "Throughout certain parts of the province, such as Fort McMurray and Northeast Alberta – our current infrastructure is not able to support the forecast of what we see coming for both the load and supply need over the coming years."

The AESO director of transmission said the current system is preventing some companies from being able to provide power through the system.

"In Southern Alberta we have a number of large scale wind generation companies who would like to provide generation," Retzer said. "In Southern Alberta we have a large issue where we have a number of generators who aren't able to connect because we don't have transmission lines there today. So they aren't able to come to market because we don't have transmission lines in place to be able to carry it from the source of generation to the source of load."

Retzer said part of the need for the critical infrastructure is to bring electrical supply from Southern Alberta and electricity generating areas west of Edmonton to other parts of the province. He said the four projects are set up to provide the core backbone and infrastructure to be able to supply green energy in the south and east part of the province to load needs in the north.

What Retzer is quick to deny is the suggestion the backbone infrastructure will be used to deliver electricity to the United States while the cost is put on the backs of Albertans.

“The critical infrastructure projects are for Albertans, and it’s really to strengthen the Alberta system within the province,” he said. “We are on the record to saying we are looking at other future ties and looking at connections between other jurisdictions.”

Retzer said TransCanada’s merchant line, identified in AESO’s long-term plan, is currently on hold. “But it is one that should it be built it would be paid for 100 per cent by Trans Canada,” he said. “It’s very different from the critical infrastructure projects.”

But while the expenditure for a merchant line is yet to materialize, Albertans will pay for the four critical infrastructure projects, including the Heartland Transmission Project. However, Retzer disagrees with critics that the recovery will cause Alberta hydro bills to double or triple as the project’s critics contend.

“What we’ve done internally to the AESO and through the economic analysis that we’ve completed is for every billion dollars spent on transmission, the cost to consumers is really one dollar per month,” Retzer said. “As these transmission projects, should they move forward and as they move forward today – consumers bills do increase incrementally.”

AESO plans to recover the cost of the new infrastructure over a 38-year-period, charging an incremental increase each year.

An AESO fact sheet from November 2009 indicates the Bill 50 projects estimated to cost \$5.6 billion will result in no increase to transmission charges until 2012, when rates will increase by 1 per cent. Subsequent years between 2014 and 2017 will see transmission rates increase from 29 per cent in 2013 to 59 per cent in 2017. AESO’s chart indicates the residential transmission charge will increase from \$9 per month in 2010 to \$14 in 2017.

[AESO’s fact sheet on transmission charge increases can be found here.](#)