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SunZia seeks anchor tenants for line capacity

SunZia Transmission is seeking anchor tenants to take up to 1,350 MW on a proposed power line project that aims to deliver renewable energy from New Mexico and Arizona to the Palo Verde hub.

The project, which has been under development for about five years, is one of the most advanced major power lines in the West. The project developers expect the Bureau of Land Management to issue a draft environmental impact statement for the project in January and the line is one of seven to be selected last month for a fast-track federal review, Ian Calkins, a project spokesman, said Wednesday.

The project is being spearheaded by Southwestern Power Group, a merchant developer based in Phoenix. Southwestern Power Group is owned by MMR Group, a construction firm based in Baton Rouge, Louisiana. Other project partners include: Shell WindEnergy, which is developing wind projects in central New Mexico, Tri-State Generation and Transmission Association, Tucson Electric Power and Salt River Project.

If built, the SunZia line would run about 460 miles from southwestern New Mexico to outside Phoenix. The developers are considering two major options for the project: two 500-kV AC lines with about 3,000 MW capacity or one 500-kV line coupled with a 500-kV DC line that would have about 4,500 MW capacity. The line would have three substations in New Mexico and two in Arizona where renewable developers could interconnect, Calkins said.

Southwestern Power Group has received interest from developers for capacity on the line, Calkins said. Depending on how much interest is shown in the project, the search for anchor tenants could wrap up early next year, he said.

After getting agreements with at least one anchor tenant, Southwestern Power Group intends to launch an open season for the remaining capacity on the line, a process that would be overseen by the Federal Energy Regulatory Commission. According to a FERC filing last year, the developers had spent \$16 million on the project and expected to spend another \$10 million before permitting for the project was finished.

The SunZia developers are offering delivery at the following points: SunZia East, Midpoint, Hidalgo, Willow 500-kV, Pinal Central and Hassayampa/Palo Verde. The developers expect the line to be operating in 2016.

Interested parties should contact Jeff Rutland at jrutland@southwesternpower.com between by November 30 to request the anchor tenant criteria that the developers will use to determine which parties qualify for anchor tenant discussions.

Although California aims to develop as much in-state renewables as possible to meet its renewable portfolio standard, which climbs to 33% by 2020, the project developers believe the Golden State will still require out-of-state supplies, according to Calkins. "There's room for out-of-state

generation as well,” he said.

Further, there’s a need for various major power lines to deliver renewables in the West, Calkins said. “We support other projects out there,” he said.

Other power line projects in the region include the Southline Transmission Project, running from New Mexico to Arizona. The project involves about 225 miles of new 345-kV line and upgrading about 130 miles of line to double circuit 230-kV. It would interconnect with ten existing substations.

Also, Clean Line Energy partners is proposing the Centennial West project, which would run about 900 miles, starting in northeastern New Mexico, crossing northern Arizona and ending in southern California

— *Ethan Howland*

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