

Scout Clean Energy advances ambitious hybrid renewable energy project

Thursday, December 17, 2020 3:47 PM MT

By Justin Horwath
Market Intelligence



A rendering of Scout Clean Energy's proposed Horse Heaven Hybrid Project in Benton County, Wash.

Source: Scout Clean Energy

Scout Clean Energy LLC on Dec. 15 said it will ask a Washington state agency for a permit to build an ambitious hybrid renewable energy project that the Colorado-based developer hopes will provide up to 850 MW of wind and solar power, along with battery storage, in Benton County, Wash.

Scout, a Quinbrook Infrastructure Partners Ltd. subsidiary, first proposed the project as a wind farm in 2016. Now it wants to construct one of the largest hybrid power plants in the nation, the Horse Heaven Hybrid Project. But it is running into local opposition.

Public Utility District No. 1 of Benton County, which serves 50,000 customers in the area, released a white paper that said "we do not support further development of wind power in the [Pacific Northwest]."

The Benton PUD said its power supply, based on hydropower and nuclear power, is already more than 90% non-carbon-emitting. To fill power supply deficits, it goes to the market. The utility said it supports Energy Northwest's efforts to develop small modular nuclear reactor technology. A transition from coal power to natural gas and from natural gas to

nuclear is the best way to transition to carbon-free power, the Benton PUD contends.

"[We] are concerned continued large-scale investments in [Pacific Northwest] wind power projects will contribute to increases in the normally surplus annual energy supplies in the region thereby eroding the hourly energy supply opportunities needed by SMRs to achieve economic feasibility," the paper said.

Under a new law passed in 2019, the state's utilities are required to be carbon-neutral by 2030 and to eliminate fossil fuel-fired resources by 2045.

Against the wind

The Horse Heaven project's developer dismissed the PUD's objections.

"Foremost we believe their position paper is out of step with current technology and inconsistent with state policy — most importantly the 2019 Clean Energy Transformation Act (CETA)," Pat Landess, associate project manager for Scout Clean Energy, said in an email.

"While there is a small yet vocal number of people who oppose this project, it's important to also note that there are many others who support the Horse Heaven Wind Farm because of the significant economic benefits that will be generated, as well as the environmental benefits of developing renewable energy in this region," Landess said.

In a rebuttal statement to the Benton PUD, Nicole Hughes, executive director of the nonprofit Renewable Northwest, said the white paper "appears to be based on little more than a personal preference not to see wind turbines."

"Benton PUD's plan to meet CETA by transitioning from coal to natural gas to nuclear energy makes no sense for customers," she said. "First, there is significant risk in new build of carbon emitting resources. That risk will be borne 100% by customers as the utility will amortize the cost of the investment over the lifetime of the plant and include this cost in rates."

Scout Clean Energy recently acquired new interconnection agreements for the addition of solar and battery storage to scale the Horse Heaven project up to 850 MW.

"Hybrid systems can help stabilize grids, increase efficiencies and lower power costs," the company's project website says.

Inslee's decision

On Dec. 15 Scout announced it will bypass the local permitting process and instead submit an application for site certification through the Washington State Energy Facility Site Evaluation Council, a state board that approves sites for major energy facilities. After a public review process, which will include input from local officials, the board will forward a recommendation to the governor, who will make the final decision. Gov. Jay Inslee, who won a third term in November and who ran unsuccessfully for the Democratic nomination for president, has emerged as one of the most forceful advocates of clean energy among U.S. governors.

Scout Clean Energy said it plans to pursue the federal production tax credit for the project, as well as Washington's state and local sales tax exemption for renewable energy plants.

In October, German renewable energy developer wpd AG agreed to be a long-term investor in the project. Landess said that the first phase of the project, up to 350 MW, could come online as early as 2022, with the final phase completed by the end of 2023.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.