

Plainsandean

From: Stanzione, Keri A <kastanzione@tva.gov>
Sent: Tuesday, June 09, 2015 3:13 PM
To: Plainsandean
Subject: TVA 1222 Comments
Attachments: TVA 1222 Comments.pdf

Keri Stanzione
Executive Assistant
to the President and CEO
Tennessee Valley Authority
865-632-2366
kastanzione@tva.gov

NOTICE: This electronic message transmission contains information which may be TVA SENSITIVE, TVA RESTRICTED or TVA CONFIDENTIAL. Any misuse or unauthorized disclosure can result in both civil and criminal penalties. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the content of this information is prohibited. If you have received this communication in error, please notify me immediately by email and delete the original message.



Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1401

June 9, 2015

The Honorable Ernest Moniz
Secretary of the Energy
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

Dear Secretary Moniz:

This letter is to apprise you of TVA's interest in the Plains and Eastern Clean Line transmission project and any similar projects that you might be considering. TVA generally supports these without providing any endorsement that might give competitive advantage to one over another.

TVA operates the nation's largest public power system and supplies power to customers in Alabama, Georgia, Mississippi, Kentucky, North Carolina, Tennessee and Virginia. TVA's mission under the TVA Act focuses on energy production, environmental stewardship, and economic development. Under the Act, TVA is directed to deliver electricity at the lowest feasible rates, consistent with other parts of our mission.

Least-cost planning of electricity resources is always a challenging process. TVA appreciates every available option as we select from them the best portfolio of resources to meet our forecast load, both for the long- and short-term. The promise of Plains and Eastern Clean Line to make additional, competitively priced wind energy available holds value for this reason.

TVA has already contracted for almost 1,600 megawatts of wind power delivered to the Tennessee Valley via the existing current transmission system. TVA released a draft Integrated Resource Plan this year that analyzed 25 future scenarios and strategies, along with a number of additional sensitivity cases, to address demand for power in TVA's service area. Wind delivered via high voltage direct current transmission was selected in 16 of those 25 cases. TVA's detailed future needs and options will be clearer by the time that Plains and Eastern Clean Line expects to deliver energy.

Eastern Clean Line has briefed TVA that to meet its schedule, key regulatory approvals and permits should be received by the end of 2015, and construction should commence in 2016. TVA will allow interconnection only after identified grid upgrades are completed to ensure consistency with TVA's transmission plan, and after the project is verified to comply with existing requirements for efficient and reliable grid operation.

The Honorable Ernest Moniz

Page 2

June 9, 2015

TVA supports the advancement of Plains and Eastern Clean Line and encourages the Department of Energy to complete the remaining review and evaluation needed to move the project forward. The Plains and Eastern Clean Line option holds value for TVA and its stakeholders. Of course, exercise of the option would require meeting requirements for TVA staff, executive, and Board of Directors approvals at a future date. That process would include any statutory requirements such as least-cost planning, need for the resource, fitting within TVA's increasingly cleaner and cost-effective resource portfolio, and any policy considerations within the purview of the TVA Board of Directors.

Sincerely,

A handwritten signature in cursive script, appearing to read "William D. Johnson".

William D. Johnson

President and Chief Executive Officer