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Pope County

London, AR 72847

May 25, 2015

Dept of Energy Section 1222

Clean Line Energy Partners (CLEP)–Plains and Eastern Clean Line Application.

Dear Secretary Moniz,

I know this is a very long letter, but I have been researching this for a very long time. I have spent hundreds if not thousands of hours researching and thinking about this project that CLEP wants to run through my state. I have lost sleep over this and should have used all those hours for anything other than fighting for personal property rights in the face of a few people, CLEP, backed by billionaires who wish to take 17,000 acres of land from hardworking, tax paying, low to middle income families so the billionaires and their investment companies like CLEP's 14 LLC's can make more money. I am not against them making money; I am against them taking other peoples land to do it for a project that is NOT NEEDED.

I teach Physics and Chemistry, I understand ENERGY. The Law of Conservation of Energy and the First Law of Thermodynamics rule: you can't create or destroy it– you can't get out more than you put it. Energy is a tricky thing. CLEP/ WIND developers seem to think wind is free and wind energy is cheap. Wind is just another form of solar energy, for it is the temperature and pressure gradients from the heating of the atmosphere that causes the wind to blow. The generation of electrical energy from this motion requires more energy and materials which require energy to manufacture, to be put in the system. Like Ethanol, the energy equations will be a NET NEGATIVE. I read articles everyday about new innovations in renewable energy and I am very excited about a very promising future. Placing turbines in water mains where gravity is the force behind the flow is fantastic since the water is going to be pumped uphill in that water system anyway! What a way to capture some energy and use it LOCALLY. And then there is the new TESLA battery! Storing Solar is our best bet for a fossil fuel free future. A better Battery is the 'holy grail' of science and engineering – Japan is ahead of us – this is where to DOE should invest!

When I took students to the 2009 International Science and Engineering Fair a panel of 12 Nobel Laureates took questions from students. They politely looked at each other to defer to whoever wished to answer the question but when a student asked about alternative energy, all 12 jumped on their mics simultaneously and said SOLAR. They couldn't wait for their turn to explain why; SOLAR is where we need to go for the new energy economy. I believe the DOE is putting its eggs in the wrong basket by getting involved in WIND POWER or TRANSMISSION LINES. Long Range transmission will soon be a thing

of the past and Wind is in its infancy – the current wind farm model will be obsolete before this line can be built. I am afraid that all the money and attention given to wind is hurting real innovation into better renewable energy sources. The wind can never be the main source of renewable energy; it can only ever play a supplemental role. And as for 720 miles of transmission lines carrying up to 3500 MW that can be taken out by a storm is NOT an upgrade, is NOT more reliable. A 720 Mile long DC extension cord is not an upgrade and does not improve the grid because it can't be an integral part of the grid; it is an add-on with expensive converter stations required and no other on/off paths. This project does not deserve Federal participation. There is NO GOOD REASON TO BUILD THIS LINE, period.

I am all for moving away from fossil fuels. I believe wind generated power is a small part of the new energy economy. Wind is a valuable asset when generated and used LOCALLY, NOT on a UTILITY scale. Bigger is NOT Better! Wind turbine/generator design is changing DAILY with new designs that are smaller and very different. I know bigger wind generators are being built on the current model but I don't believe they are the future. Wind FARMS are NOT the answer! We cannot carpet the Great Plains, or the entire country for that matter, with Wind Farms because the Plains, all our land, is a NON-Renewable resources. We nearly destroyed the Plains a century ago and will never regain what was lost in the dust bowl. We only have to look at other countries who have already built massive wind farms to learn about the unintended consequences and the actually collateral damaged done to the environment, animals and humans by these Wind Generators.

As far as HVDC is concerned, I have nothing against HVDC and actually like the new technology, especially the part about how it works so well UNDERGROUND. This is being done around the world yet, the EIS, on the testimony of a CLEP employee declares it is not possible. It is both possible and actually better in many cases. For one thing existing ROW's can be used, line loss is reduced, tornadoes and thunderstorms are no longer an issue. A good portion of this line could go underground if it was needed but the project is not needed; and according to the Quadrennial Energy Review May 2015:

*"There are multiple technology innovations that could provide new long-distance transmission options. A serious physical challenge of high-voltage transmission lines is that the physics and safety factors require certain distances between the conducting wires and the ground and persons. Opponents of new transmission lines have called the **resulting towers unsightly, intrusive, or "visual pollution."** Ways to reduce additional issues with siting include the **use of existing transmission line corridors**, as well as technology fixes, such as higher-capacity-conducting materials, **high-voltage underground lines, and even superconducting cables (also underground)**. Encouraging progress has been made on higher-capacity conductors that can be restrung on existing towers and on underground high-voltage direct current cables. These technologies should be considered and used when appropriate."*

http://energy.gov/sites/prod/files/2015/04/f22/QER-ALL%20FINAL_0.pdf

If we are going to use wind power let the so called 'windy' states, utilize their own wind energy. Let new technology allow the not so 'windy' states to utilize their wind energy IF THEY WANT TO. Energy.gov has new stats on the wind potential of the South Eastern US, they very region CLEP claims

does not have access to wind generated power. BTW, TVA already has Wind generated power on line and doesn't need some from OK. This line is NOT needed to get wind power to the TVA as the application states.

If you believe CARBON is responsible for Climate change . . . the LAST thing you should do is cut down trees or CLEAR CUT 8000 acres in ARKANSAS! This line's promised benefits will not outweigh the harm caused by this 8000 acre clear cut.

Just because some billionaire backed NON-UTILITY developers think they can make lots of money if only they can get thousands of acres of land through FEDERAL EMINENT DOMAIN, does not mean what they are doing is NEEDED, NECESSARY OR EVEN A GOOD IDEA. Claiming the project is Green, Clean and Wonderful does not make it so. This project will do more harm than good to the environment – see comments on the EIS.

The DOE should not be backing something like CLEP that wants to use last centuries technology - overhead transmission lines – to take new, not yet developed (and may never be develop sans tax incentives), unreliable, intermittent wind generated power to the TVA that doesn't want the headache of having to take power on line in unpredictable ways – having to adjust their grid when the wind is blowing in OK. The TVA IRP does not proclaim a NEED or DESIRE for this source of power in their new plan. Here's what the TVA had to say about CLEP before the IRP was released:

TVA analyzes historic and forecasted wind patterns to determine expected wind deliveries at our system peak. Our forecasting and planning processes reflect adjustment to wind generation at our summer peaks based on this analysis. Clean Line has told us that a production profile provided by the independent meteorology firm, 3Tier Oklahoma, shows that panhandle wind energy produces at about a 50 percent capacity factor between the hours of 4:00 p.m. and 7:00 p.m., thus contributing to meeting peak demand. TVA's current wind resources produced about 25 percent average capacity factor over that peak period last summer, with significant variation each day (between 5 and 65 percent capacity factor). TVA will take the seasonal and time-of-day energy patterns of wind into account when evaluating adding additional wind energy to its portfolio. Because wind is an intermittent resource that lacks some of the dispatch capability of other resources, it does not eliminate the need for base load or dispatchable power plants like nuclear, natural gas, coal and hydropower. Adding intermittent generation resources like wind can be challenging to manage, particularly as the volume of generation from those sources increases. Wind patterns are fairly predictable, but not entirely so; in addition, weather and other factors can affect output. To maintain reliability, a wind energy purchaser must keep adequate capacity and spinning reserves to cover the variability inherent to wind. Spinning reserve is typically calculated as the amount of capacity available to cover the loss of the largest generation source on the system. Utilities across the country have been integrating more wind into their systems over the last several years, and TVA already integrates 1,515 megawatts of off-system wind power. The industry has growing experience with this issue, but it does make ensuring reliability more complex.

How are the people of Arkansas supposed to support giving up their hard earned privately property to a development company for an intrusive HVDC overhead transmission line to transport wind power that doesn't exist to the TVA who doesn't want or need it? How can the DOE ask them too?

CLEP claims they are assuming all market risk for its project and that should also include the financial risk of **voluntary land acquisition** not the use Federal Eminent Domain. Looking at their other projects they can expect at least 80%-90% condemnation in AR. They claim they will assume market risk but they also have told state regulators that they may "have to" apply to regional planning authorities for cost allocation of its projects in the future. In fact, CLEP has been busy behind the scenes in the past, trying to drum up support for cost allocation of its projects. CLEP's "build it and they will come" strategy may also extend to getting its projects permitted, customers signed up, and then dumping the entire thing into the regional planning process as a needed "can't fail" project. SWPP doesn't want or need this new transmission line and doesn't want it forced upon them. Further examination of CLEP's business model notes that the rates it may charge customers include all project costs, **plus profit**. Speaking of customers, there are NONE. NO, not ONE Contract!

May 30 2014 CLEP APPLIED TO FERC for Negotiated Rate Authority:

FERC FILING AUGUST 2014

ii. Commission Determination 25. We find Plains and Eastern's description of how they plan to broadly solicit interest from potential customers satisfactory. In addition to committing to engage in an open solicitation process, Plains and Eastern commit to filing one or more detailed post allocation reports with the Commission pursuant to FPA section 205 disclosing the results of the capacity allocation process, and describing the process in sufficient detail to demonstrate its capacity allocation was consistent with its Commission-approved process and the Policy Statement. As described above, a developer has discretion as to the timing of its request for approval of the selection process. In this case, Plains and Eastern have proposed a detailed process it intends to use to select customers and allocate capacity. We find the proposed criteria will allow Plains and Eastern to distinguish among potential customers in a not unduly discriminatory or preferential manner, and we will allow Plains and Eastern to select and rank its customers according to these criteria, subject to Plains and Eastern complying with the commitments it has made. We note that Plains and Eastern must make a subsequent compliance filing providing the details necessary to provide full transparency as to how Plains and Eastern applied their screening and ranking factors, and the weight applied to each factor, to determine whether Plains and Eastern have followed the process approved herein. **Thus, we will direct Plains and Eastern to make a compliance filing disclosing the results of the capacity allocation process within 30 days after the close of the open solicitation process.** Further, we will also direct Plains and Eastern to file, through eTariff, a rate schedule for service under the Tariff for the transmission provider to which they hand over operational control, prior to commencement of service.

The Commission orders:

(A) Plains and Eastern are hereby granted authority to sell transmission rights on their proposed merchant transmission project at negotiated rates, subject to the Commission's acceptance of the compliance filing and rate schedule directed in Ordering Paragraphs (B) and (C) below, as

discussed in the body of this order. **(B) Plains and Eastern are hereby directed to make a compliance filing disclosing the results of the capacity allocation process within 30 days after the close of the open solicitation process, as discussed in the body of this order.**

There has been NO report filed after the Open Solicitation Process

CLEP Press Release on May 22, 2014 – a week before the FERC Application!

http://www.cleanlineenergy.com/sites/cleanline/media/news/Plains_Eastern_Open_Solicitation_Final_Press_Release.pdf

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PLAINS & EASTERN CLEAN LINE ISSUES NOTICE OF OPEN SOLICITATION TRANSMISSION LINE PROJECT FROM OKLAHOMA PANHANDLE TO THE MID-SOUTH AND SOUTHEAST BEGINS PROCESS TO ALLOCATE CAPACITY TO CUSTOMERS HOUSTON

(May 22, 2014) – Plains and Eastern Clean Line LLC and its affiliate Plains and Eastern Clean Line Oklahoma LLC (Plains and Eastern) commenced an open solicitation process for capacity on the Plains & Eastern Clean Line transmission project. Plains and Eastern intends to allocate up to 100% of the project's capacity to customers through an open and transparent capacity allocation process. Interested parties can learn more about the Plains & Eastern Clean Line open solicitation process and how to participate by visiting <http://www.plainsandeasterncleanline.com>.

There is NO Report and there are NO customers.

CLEP promises prove to be empty. They claim thousands of jobs for AR but the truth is, and you can read it in the EIS, is about 15-30 permanent Full time jobs in AR and those would be due to the converter station, which we don't want or need. Not even one thousand temporary construction jobs are projected in the EIS for OK, AR and TN and only 24% of those will be local!

CLEP claims fossil fuel plants will close due to this project – yet, they admit the power on the line will have to be sustained by fossil fuels, likely NATURAL Gas but also COAL. The 3500 MW capacity is just that a capacity – NEVER will 3500 MW be from WIND alone! MOST of it will be Gas and Coal. SO why should the people of ARKANSAS support this project so a tiny bit wind power can get from OK to TN???? Oh, they claim AR will get 500 MW of wind power; No, AR might get up to 500 MW of power off the line, mostly gas and coal but more likely – ENTERGY will SELL power on the line rather than buy. AR is already an electrical power Exporter! We don't need this possible 500 MW of NOT Clean power.

CLEP did not survey the route on the ground! They didn't even know they crossed the Trail of Tears, Schools, Campgrounds, homes! Did they contact our Tourism, Parks and Rec Dept.? NO. Tourism is a huge part of our economy and this project wants to run a 200 foot clear cut all the way across our state right through some of the most beautiful country in the USA and the economic impact would be huge! Why should Arkansans support a project or give up their private property that will harm our tourism industry

so that a few people in Houston can get richer; because it is good for the environment? NO, it is NOT good for the environment of Arkansas or the USA.

So private property being taken away from citizens who do not wish to sell so it can be given to a company to make money on is the biggest issue with pursuing this project besides the fact that the project itself is unnecessary.

If a business takes our land and makes money on it, we, the landowners, lose land, lose land use, lose property value, lose inheritances, and the loss of future profit potential. Why? So a few people can make money developing a scheme to get the Federal Government to give them other people's wealth, damaging their livelihoods and future earning potentials. CLEP sees our land and just some land, we the people, see the land as our investment in the future and in future generations. Our wealth is not in the bank, it is in our land. If you wouldn't take money out of our bank accounts for this project why would you take money out of our hands, by taking our land? Rural land ownership is something urban people do not understand. It's not like you can just go buy another house or rent another apartment, we have invested our lives and fortunes for generations in our land and want to pass it on to future generations.

Tourism in AR is a Billion Dollar industry. Irreparable harm will be caused by this project. Tourism in the Ozarks in western AR and Duck Hunting in eastern AR will suffer economic hardship if this project goes through. This is not acceptable; the harm will outweigh the promised good. The AR Tourism and Recreation Commission was not properly involved in the siting process. This project needs to be stopped.

Property Value losses would be unacceptable. There is real research, but mostly for 'normal' size AC transmission lines and mostly done by utilities and realtors who hope the impact is small. HVDC is new and 3 times are large.

The EIS cited OLD, URBAN research, the results of my 'literature review' with more current data and non-urban studies yielded the following IN GENERAL:

In urban residential areas 10% devalue closest to lines, diminishing quickly moving away from the line and devaluation decreases over time maybe because the area deteriorates.

In agricultural land 10-20% depending on terrain/crop/size/siting.

In recreational and 10-20%, size/siting

In Rural Residential 10-30% depending on size/siting/proximity - could be MORE.

Factors that affect the devaluation

1. SIZE of the property. The SMALLER the property the LARGER to effect! e.g. 3-40 acres farms or impacted far more than 40-1000 acre farms **2. SITE** - intrusive or intrusive to the property usage? e.g. in the middle or perimeter **3. Sole purpose Residential** property takes the greatest hit. E.g. rural residential assets are the quietness and the view. Take those away and the

property has lost most of its value as a RURAL RESIDENCE. **4. Size of the power lines.** HVDC with 120-200 ft. towers have a far greater impact due to their size.

Rural Residential - studies are lacking - but impact is the greatest due to the factors listed above. **The proposed route in AR is PRIMARILY on SMALL ACRE RURAL RESIDENCES.**

1. Size - these properties tend to be 1-10 acres
2. Site - the power lines will be in sight and will interfere with land use.
3. Sole purpose Residential - this is a HOME - who would choose this property over one without a power line?
4. HVDC are so large they will ruin the value of a few acres with a house. How much? It's conceivable that the property will become unsalable.

But what about the neighbors, who receive ZERO compensation?

These towers are 3 times the size of the average AC HV line like we have coming out of ANO. They will be seen for miles and heard outside of the ROW. Therefore the ADJACENT Property is negatively impacted as well. **It's the small acre, rural landowner that will LOSE the most wealth by being on or near a line like this. An investment of 200,000 could drop 50% overnight. This is SOCIAL INJUSTICE.**

REAL DATA - Right now, right here! *A landowner on the proposed route went to his bank for a loan to build a house on his family's land. The banker denied the loan based on the prospect of CLEP Plains and Eastern transmission line crossing his property on the proposed route. He was told if he built his home and the line came through as proposed, he would be 'underwater' on his mortgage and never recover the loss. He has since then had the situation assessed by the county assessor and a real assessor and they confirm, he would be in the negative. They project a loss of 75% of the property value due to the placement of the line on his property. This is unacceptable.*

My family has already lost property and future earnings (wealth) due to Federal Eminent Domain.

Once for I-40 here in AR which can be justified as being for the greater good yet the long term impact to our family is hardly fair. The property would have yielded a 20% increase in value if it were not for I-40 bisecting it diagonally. That is money my family and the next generation will never see. We would be living there today if it were not for I-40. The noise is so bad you can't hold a conversation outside on the porch and the headlights at night never stop. Our kids do not want to live there now. Also land was taken by the Corp of Engineers for Kiesinger Dam on the Osage River in MO that was not really needed but taken anyway. To this day, 50 years later, the Corp has not and is not using that land – that would have been my inheritance. It forced my family to move away from their home even though the home was on a bluff, never in danger of flooding and the land has never been used by the Corp.

I have read Section 1221 & 1222 – CLEP application doesn't even qualify under this statute.

(2) is consistent with--

(A) transmission needs identified, in a transmission expansion plan or otherwise, by the appropriate Transmission Organization (as defined in the Federal Power Act [16 U.S.C. 791a et seq.]), if any, or approved regional reliability organization;

CLEP project is not a part of any RTO plan. NO RTO has identified need for this project.

CLEP is NOT an RTO! Clean Line says that it planned its project using the same studies that RTOs use to make regional transmission plans, therefore Clean Line's findings that its project meets identified transmission needs are just as good as any RTO determination.

An RTO looks like this:

j) Required characteristics for a Regional Transmission Organization.

A Regional Transmission Organization must satisfy the following characteristics when it commences operation:

(1) **Independence.** The Regional Transmission Organization must be independent of any market participant. The Regional Transmission Organization must include, as part of its demonstration of independence, a demonstration that it meets the following:

(i) The Regional Transmission Organization, **its employees, and any non-stakeholder directors must not have financial interests in any market participant.**

(ii) The Regional Transmission Organization must have a decision making process that is independent of control by any market participant or class of participants.

(iii) The Regional Transmission Organization must have exclusive and independent authority under section 205 of the Federal Power Act (16 U.S.C. 824d), to propose rates, terms and conditions of transmission service provided over the facilities it operates.

CLEP is about making money – they are not independent – they are not a RTO.

I understand the DOE will also consider several “factors” that were created especially for the 2010 Request for Proposals. None of these DOE-created “factors” are found anywhere in Section 1222, nor are there any regulations, definitions or other objective criteria by which these “factors” may be measured. It seems all this is being made up on the fly. Where are the Rules and Regulations, Policies and Procedures for implementing Section 1222. Sec. 1221 was shot down in Federal Court – I believe 1222 will be too, if they project gets approved. There is no Good reason for the DOE to have anything to do with the CLEP proposal.

My research has also revealed very disturbing things, like Jimmy Glotfelty’s role in the DOE, AWEA and now founder of CLEP. At an Energy Committee meeting at the AR State Legislature, I heard him, with his own mouth; say that he helped craft the template with Congress for what become the Energy Policy Act of 2005. I also heard him lie to the committee about when he left the DOE. Jimmy Glotfelty created the

office overseeing this application, Daniel Poneman – issued to the RFP's and CLEP is the only applicant. This kind of 'funny' business has got to stop. We the People are fed up!

CLEP is not a utility, they have never built a transmission line before, but they have worked in the Wind Industry before, read their employee profiles. Are they just the land agent for the foreign 40% CLEP owners Britain's National Grid? How can the DOE justify giving Arkansans' land to these people for their profit? This is not for the greater/Public good!

There are so many good reasons the DOE should deny CLEP's application:

CLEP does not qualify under Sec 1222; why isn't that the end of this fiasco?

CLEP project is NOT NEEDED; there is NO demonstrated need! ; Why isn't this the end of this fiasco?

Either one of these two reasons is just cause to deny the application.

But there is more . . .

Conflict of Interest – the revolving door has got to stop. Abusing the system for their private gain has got to stop. Glotfelty, Poneman. CLEP executives are former Wind industry players and there are the lobbyist buying power and influence. We are fed up!

Social/Economic Injustice has not been addressed. The damage to the lower income small acre rural landowner, as well as all the adjacent property owners, is unacceptable.

There are hundreds, and thousands if you include people working against CLEP's other projects in other states, of people who have done their research and determined that these projects will only benefit the private bank accounts of the 'developers' and their investors. They wish to gain by taking from us, the little people, who happen to live on this land, the land they think they are entitled to. These projects will not save the planet, shut down coal or benefit the environment in the long or short term but rather cause more harm than good to the environment and the US citizens in their way.

There is no just cause for DOE partnership with CLEP.

Sincerely,

Cynthia Callahan