

Plainsandeastern

From: lindsay_garcia@alexander.senate.gov
Sent: Thursday, June 11, 2015 2:58 PM
To: Shimek, Jaime; Plainsandeastern
Cc: Owens, Tyler; Seligman, Meyer (Appropriations); allison_martin@alexander.senate.gov
Subject: Senator Alexander Letter to Secretary Moniz and Comments on Plains and Eastern Clean Line Transmission Project
Attachments: Senator Alexander Comments on Plains and Eastern Clean Line Transmission Project.pdf

Good afternoon,

I have attached a letter from Senator Alexander expressing his concerns with the proposed Plains and Eastern Clean Line Transmission Project. We have also put the letter in the mail.

Please let me know if you have any questions.

Thanks!

Lindsay

Lindsay Garcia

Counsel
Office of U.S. Senator Lamar Alexander
455 Dirksen Senate Office Building
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United States Senate

WASHINGTON, DC 20510

June 11, 2015

The Honorable Ernest Moniz
United States Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 205850

Dear Secretary Moniz,

I write to express my serious concern with the Plains and Eastern Clean Line Transmission Project.

The Plains and Eastern Clean Line Transmission Project proposes to build a single 700-mile direct current transmission line from Oklahoma, through Arkansas, to deliver wind power to Tennessee and other southeastern states. The proposed project raises several concerns that must be carefully evaluated by the Department of Energy.

First, according to the Tennessee Valley Authority's (TVA) Draft Integrated Resource Plan, TVA would not have a need for this wind power until the 2030s, at the earliest. In other words, the project proposes to fill a need that is not present at this time and could force a comparatively expensive source of energy on Southeastern utilities that don't need the additional generation.

Second, the Department needs to take the true cost of wind power into account. Wind only has an average capacity factor of about 35%. Therefore, when considering the costs of wind power, the Department should also take into consideration the cost of all of the backup generation needed to support the grid during the 65% of the time wind isn't producing electricity. Additionally, wind is not effective at meeting the peak demands of the grid, because the wind blows when demand is low (at night) and does not blow when demand is high (during the day). Therefore, the true cost of wind must include the energy storage and dispatch infrastructure that wind energy requires to support a stable grid.

Third, the wasteful wind production tax credit has provided billions in subsidies to the wind industry over the past 22 years. The tax credit has been in place for 22 years and has been extended 9 different times. The subsidy costs the tax payers more than \$6 billion over ten years each year it is extended.

The subsidy to Big Wind is so generous that in some markets, wind producers can literally give their electricity away and still make a profit. This phenomenon is called "negative pricing," and it has the effect of making baseload power plants, like nuclear plants, less competitive and more likely to close.

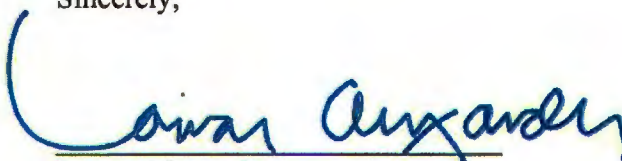
The Department should take into account the impacts of the wind production tax credit when evaluating this proposed project.

Fourth, the Department should take into account the potential problems with relying on a single transmission line from Oklahoma to Tennessee. According to the National Climate Data Center at the National Oceanic Atmospheric Administration, from 1991 to 2010, Oklahoma and Arkansas averaged over 100 tornados per year. Over the same time, the states averaged nearly six major tornados each year. A single tornado could take down part of transmission line, cutting off the wind farms from TVA. The proposed path of the project makes an inherently unreliable source of energy even more unreliable.

Finally, while the states of Tennessee and Oklahoma have approved the project, Arkansas continues to oppose the project. The use of Federal eminent domain authority would strip Arkansas of their traditional property rights. The Department should carefully consider Arkansas' concerns and resist efforts to undermine states' rights.

I appreciate the Department's consideration of my comments, and I urge the Department to take my concerns into consideration as you evaluate the proposed Plains and Eastern Clean Line Transmission Project.

Sincerely,

A handwritten signature in blue ink, reading "Lamar Alexander", written over a horizontal line.

Lamar Alexander
United States Senator

CC: 1222 Program, Office of Electricity Delivery and Energy Reliability, U.S. Department of Energy