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13 July 2015

Comments on Application by Clean Line Energy Partners, LLC, to Secretary, U.S. Department of Energy under Section 1222 of the Energy Policy Act of 2005.

Dr. Ernest Moniz
Secretary
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Dr. Moniz:

We appreciate this opportunity to offer comments on the application by Clean Line Energy Partners, LLC to solicit your participation in designing, developing, constructing, operating, maintaining, or owning the proposed Plains & Eastern Clean Line Transmission Line Project ("Clean Line Project" or "Project").

With all due respect, we urge you to deny Clean Line's application.

We support the U.S. Department of Energy ("DOE") in working toward its *"objective of integrating more renewable resources onto the grid,"* [1] However, after reviewing Section 1222 of the Energy Policy Act of 2005, Clean Line's application and updated application, and many related reports, we find no factual or legal basis for your participation in this Project.

[1] Contract No. 1 among Clean Line Energy Partners LLC, Plains and Eastern Clean Line LLC and Plains and Eastern Clean Line Oklahoma LLC, and United States Department of Energy and Southwestern Power Administration for Advance Funding and Development Agreement, Plains and Eastern Clean Line Transmission Project, 20 Sept. 2012.

Summary Conclusion

Clean Line's Plains & Eastern Transmission Line Project does not meet certain criteria required by Section 1222(b) of the Energy Policy Act of 2005.[2] With this failure to meet all criteria, DOE has no basis for further participation in the Project.

Basis

The above conclusion is based on reviews of the Energy Policy Act of 2005 (Public Law 109-58) [3] and its history, especially the application of Section 1222(b), DOE's Request for Proposals for New or Upgraded Transmission Line Projects Under Section 1222 of the Energy Policy Act,[4] Clean Line's Application,[5] Clean Line's Update of its Application,[6] DOE's Draft Environmental Impact Statement ("EIS") for the Project,[7] and numerous related reports and documents.

Section 1222(b) requires the Secretary to consult with the Administrator of either the Western Area Power Administration ("WAPA") or the Southwestern Power Administration ("SWPA") in determining that the Project meets certain criteria:

> *"(b) NEW FACILITIES.—The Secretary, acting through WAPA or SWPA, or both, may design, develop, construct, operate, maintain, or own, or participate with other entities in designing, developing, constructing, operating, maintaining, or owning, a new electric power transmission facility and related facilities (''Project'') located within any State in which WAPA or SWPA operates if the Secretary, in consultation with the applicable Administrator, determines that the proposed Project—"*

Criterion (1)(A) and (1)(B) of Section 1222(b)

This first criterion specifies that the Project must fulfill one of the following two requirements:

> *(1)(A) is located in an area designated under section 216(a) of the Federal Power Act and will reduce congestion of electric transmission in interstate commerce; or*
>
> *(B) is necessary to accommodate an actual or projected increase in demand for electric transmission capacity;*

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[2] "Regulatory Information; Notices; Request for Project Proposals," 75 Federal Register 111 (10 June 2010), pp. 32940-32942.
[3] Energy Policy Act of 2005, http://energy.gov/sites/prod/files/2013/10/f3/epact_2005.pdf
[4] "Regulatory Information; Notices; Request for Project Proposals," 75 Federal Register 111 (10 June 2010), pp. 32940-32942.
[5] Clean Line, 2010. Project Proposal for New or Upgraded Transmission Line Projects: Under Section 1222 of the Energy Policy Act of 2005. July, 2010
[6] Clean Line, 2011. Update to Plains & Eastern Clean Line Proposal, August, 2011.
[7] U.S. Department of Energy's Draft Environmental Impact Statement for the Plains & Eastern Clean Line Transmission Line Project (Draft EIS).

Criterion (1)(A): Clean Line admits in its Application that the Project does not meet this criterion: [8]

> *"… the proposed route of the Plains & Eastern Clean Line is* ***not within an area designated under 216(a) of the Federal Power Act*** *…"* [Emphasis added.]

Criterion (1)(B): Clean Line makes no claim in its Application that the Project meets Criterion (1)(B). Rather Clean Line devises its own version of this criterion and claims the Project fulfills this far narrower interpretation of the criterion: [9,10]

> "*The Plains and Eastern Clean Line is necessary to accommodate the actual and projected increase in demand for additional electric transmission capacity* ***to deliver renewable energy from western SPP [Southwest Power Pool] to load centers in the southeastern United States."*** [Emphasis added.]

In its Application, Clean Line provides no estimates of actual or projected increase in demand for electric transmission capacity that are directly relevant to the Project. Absent such data, it is impossible to prove that Clean Line's Project *"is necessary to accommodate an actual or projected increase in demand for electric transmission capacity,"* as required by criterion (1)(B). This is also true of Clean Line's revised version of criterion (1)(B): In the absence of quantitative estimates of actual and/or projected demand, it is impossible to show that the Project *"is necessary to accommodate the actual and projected increase in demand for additional transmission capacity to deliver renewable energy from western SPP to load centers in the southeastern United States."*

Regarding the potential impact of the Project on reliability in the southeastern region of the U.S., the National Electric Regulatory Commission (NERC) identified very long HVDC transmission lines as long-term reliability issues for the southeastern region, specifically SERC-E, SERC-N, and SERC-SE, as follows: [11]

> ***Long-Term Reliability Issues***
>
> ***…***
>
> *Another potential emerging issue is that very long HVDC lines are being considered by independent transmission developers in economic projects such as shipping wind to the southeast. The capacity of a single line is typically greater than the largest single-contingency-generation loss in a system. The capacity of two poles will probably be larger than that of the largest multiunit generating plant. On very long lines, the risk of losing both poles may be appreciable, and that risk plus the high power level could impact reliability. An emerging issue may be the ability of present study criteria to adequately model the impact of these lines on a system.*

[8] Clean Line, 2010. *Op.cit.*, p. 5.
[9] Clean Line, 2010. *Ibid.*, p. 5.
[10] U.S. Department of Energy's Draft Environmental Impact Statement for the Plains & Eastern Clean Line Transmission Line Project (Draft EIS), Summary, p. S-17.
[11] National Electric Regulatory Commission (NERC), 2014 Long-Term Reliability Assessment, November 2014.

In its Update, Clean Line tacitly acknowledges SWPA's concern that the claim of necessity for the Project was not adequately supported in the Application and describes the Update as providing additional information to support the claim of necessity:[12]

> *In the course of conversations with Southwestern* [SWPA]*, Clean Line has sought to verify the eligibility of the Plains & Eastern Clean Line under two of the criteria established in Section 1222: 1) That it "is necessary to accommodate an actual or projected increase in demand for electric transmission capacity,.."*
>
> *"This Update provides additional information since the date of the Clean Line Proposal that supporting* [sic] *the conclusion that the project meets these criteria."*

In the Application, Clean Line describes a variety of ways in which the Project is needed, none of which are directly relevant to the requirements of criterion (1)(B):[13]

> *In addition to the general demand for more transmission oriented to renewables, there is and will be a specific demand for transmission to address the following concerns:*
> - *Additional Transmission is Needed to Develop Wind Resources in the Southwest Power Pool;*
> - *Additional Transmission is Needed to Relieve Congestion in Western SPP;*
> - *Additional Export Capability is Needed from SPP; and*
> - *Additional Transmission is Needed to Import Power in the Southeast.*

The basis for Clean Line's claim that the Project is necessary can be broadly described as estimates of yet-untapped wind energy; interactions with unidentified wind developers about the possibility of purchasing transmission capacity and/or building wind farms in the future to tap such wind energy; and a memorandum of understanding with the Tennessee Valley Authority ("TVA") to *"conduct collaborative and independent studies to identify HVDC benefits to TVA"* with TVA agreeing to *"provide a letter expressing support for transmission expansions such as the Project, but … not specifically endorse the Project."*[14]

In TVA's recently released "Integrated Resource Plan ("IRP")," TVA describes long-term purchase contracts with wind farms in Tennessee, Illinois, Kansas, and Iowa. Further, the IRP describes evaluations of five strategy scenarios and concludes that *"wind resources appear in the late 2020s in some scenarios, and generally the* ***HVDC wind option is not selected until early 2030s****.* [Emphasis added]*"* [15]

The speculative nature of Clean Line's Project is further reflected in this statement in DOE's draft EIS for the Clean Line Project: [16]

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[12] Clean Line, 2011. *Op.cit.*, p.3.
[13] Clean Line, 2010. *Ibid.,* p. 7.
[14] Tennessee Valley Authority – Clean Line Memorandum of Understanding: The Plains & Eastern Clean Line, Oct. 24, 2011; amended Aug. 26, 2014.
[15] Tennessee Valley Authority, Integrated Resource Plan, 2015 Draft Report. http://www.tva.com/environment/reports/irp/index.htm [Accessed March 10, 2015.]
[16] U.S. Department of Energy's (DOE's) Draft *Environmental Impact Statement for the Plains & Eastern Clean Line Transmission Line Project* (Draft EIS), p. 2-85.

"Neither the Applicant nor DOE knows the exact location of wind power facilities that would be connected to the Project."

In matters concerning the generation, transmission, consumption, and regulation of electricity, it is important to note that the term "demand" is regarded as having a specific, well-defined meaning. For example, "demand" is defined by the North American Electric Reliability Corporation ("NERC") as follows: [17]

(1) the rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts, at a given instant or averaged over any designated interval of time; and
(2) the rate at which energy is being used by the customer.

Numerous sources, including DOE, provide quantitative and semi-quantitative estimates of demand for the entire U.S., individual states, regions, and footprints of various planning entities. With respect to *"actual or projected increase in demand for electric transmission capacity,"* DOE's most recent study of transmission constraints and congestion found *"a high level of generation capacity relative to peak demand"* and "*few reports of specific transmission constraints in the Southeast."*[18] **In short, DOE found little or no actual or projected increase in demand for additional generation or electric transmission capacity in the southeastern United States.**

Objective of Clean Line Project

Clean Line describes what can be said to be the actual objective of its high-voltage direct current ("HVDC") transmission projects, including the Eastern & Plains Clean Line Project, in formal comments on DOE's draft "National Electric Transmission Congestion Study" of 2014: [19,20]

"Unlocking constrained resource areas and facilitating thousands of megawatts of new wind development is precisely the challenge that Clean Line set out to address when it began developing transmission projects in 2009."

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[18] U.S. Department of Energy, 2014. Transmission Constraints and Congestion in the Western and Eastern Interconnections, 2009-2012.
[19] Comments on draft National Electric Transmission Congestion Study, from Diana River of Clean Line to David Meyer, DOE, Oct. 20, 2014.http://energy.gov/sites/prod/files/2014/10/f18/CScomments-DRivera-CleanLine-attach-102014.pdf [Accessed March 10, 2015.]
[20] It may be useful to note that DOE's National Electric Transmission Congestion Study of 2014 " does not apply congestion labels to broad geographic areas, such as the "critical congestion areas," "congestion areas of concern," and "conditional congestion areas" identified in earlier studies."

While compatible with DOE's *"objective of integrating more renewable resources onto the grid,"* [21] Clean Line's objective does not comply with criterion (1)(B) of Section 1222(b) – *"to accommodate an actual or projected increase in demand for electric transmission capacity."* It is important to note that Section 1222(b) places no limitations on the type of energy, whether renewable or nonrenewable, that is to be transmitted in projects considered or carried out under this Section. Such a limitation occurs first and only in the Request for Proposals (RFP) for New or Upgraded Transmission Line Projects Under Section 1222 of the Energy Policy Act of 2005 proffered by DOE, SWPA, and WAPA in 2010.[22] The RFP labels Section 1222 criteria as "eligibility criteria" and presents the following new criteria that are to be met by proposals that meet eligibility criteria:

1. Whether the Project is in the public interest;
2. Whether the Project will facilitate the reliable delivery of power generated by renewable resources;
3. The benefits and impacts of the Project in each state it traverses, including economic and environmental factors;
4. The technical viability of the Project, considering engineering, electrical, and geographic factors; and
5. The financial viability of the Project.

Respectfully submitted,

Pat Costner, Director
Save the Ozarks

[21] Contract No. 1 among Clean Line Energy Partners LLC, Plains and Eastern Clean Line LLC and Plains and Eastern Clean Line Oklahoma LLC, and United States Department of Energy and Southwestern Power Administration for Advance Funding and Development Agreement, Plains and Eastern Clean Line Transmission Project, 20 Sept. 2012.
[22] Fed. Reg. 75 at 32940-32941.