## Plainsandeastern

From:

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Sent:

Monday, July 13, 2015 12:27 PM

To: Subject: Plainsandeastern Comment Letter

Attachments:

DOE PlainsandEastern Group Comment Final 07.13.15.pdf

Attached please find a comment letter on the Plains & Eastern RFP.

Regards,

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Ernest Moniz Secretary of Energy United States Department of Energy 1000 Independence Avenue, SW Washington, DC 20585

Re: RFP for New or Upgraded Transmission Line Projects Under Section 1222

Dear Secretary Moniz:

The undersigned organizations are writing to support the Department of Energy's Request for Proposals (RFP) process for new or upgraded transmission line projects under section 1222 of the Energy Policy Act of 2005 (EPAct)<sup>1</sup> and to encourage the Department to exercise its section 1222 authority by selecting a project to facilitate transmission of renewable energy. The demand for low-carbon renewable energy has never been greater, and the global energy economy is transforming in response. Appropriately sited and necessary transmission infrastructure will help to establish our country's leadership in the new energy economy.

The Plains & Eastern Clean Line project (Project) is responsive to the Department's RFP (as acknowledged by DOE), and we support the Department's review of its authorization under section 1222. Clean Line Energy Partners, the Project's developer, states that the Project will connect the abundant wind resources of the Great Plains with cities and communities in the Mid-South and southeastern United States by delivering 4000 megawatts of new wind resources that otherwise cannot be developed due to transmission constraints. Projects like Plains & Eastern address the underlying challenges that EPAct was designed to address—modernizing transmission infrastructure, increasing the use of domestic energy sources, and ensuring jobs for our future through abundant, affordable energy supply. Therefore, we encourage the Department to review the Project in the context of the need for our nation to act quickly and firmly to reduce the carbon pollution that is the cause of climate change.

This past April, the Department released its inaugural Quadrennial Energy Review (QER) report, which focused on energy transmission, storage, and distribution issues. Upon the QER's release, you observed that the "United States' energy system is going through dramatic changes." The national energy economy has shifted dramatically in recent years and will continue this evolution for years to come.

A growing driver of these changes is global climate change. Electricity production is the single largest contributor to climate change in the United States, accounting for 31 percent of the

<sup>&</sup>lt;sup>1</sup> 75 Fed. Reg. 32,940 (June 10, 2010).

<sup>&</sup>lt;sup>2</sup> Chris Mooney, *The U.S.* 's Energy Infrastructure Will Need Major Changes, Says Obama Report, Wash. Post (Apr. 21, 2015), <a href="http://www.washingtonpost.com/news/energy-environment/wp/2015/04/21/major-changes-needed-for-u-s-power-infrastructure-says-obama-report/">http://www.washingtonpost.com/news/energy-environment/wp/2015/04/21/major-changes-needed-for-u-s-power-infrastructure-says-obama-report/</a>.

nation's greenhouse gas emissions in 2013.<sup>3</sup> This is largely because two-thirds of electricity generated in the United States comes from fossil fuels.<sup>4</sup> States also are paving the way through renewable energy standards, the Regional Greenhouse Gas Initiative, California's AB32 legislation, and other carbon-cutting energy initiatives. The Administration has established ambitious targets for greenhouse gas emissions reductions in the near future through the U.S. Environmental Protection Agency's Clean Power Plan and other policies.<sup>5</sup> To facilitate the significant cuts in greenhouse gas emissions necessary to abate climate change and to help states comply with the Clean Power Plan and other low-carbon actions, now is the time for the Department to support responsible renewable energy development.

## **Discussion**

Section 1222 of the EPAct lists criteria for evaluating projects, including location in a National Interest Electric Transmission Corridor, necessity to accommodate an actual or projected increase in demand, transmission congestion relief, consistency with transmission needs as identified by the appropriate Transmission Organization or Regional Reliability Organization, efficient and reliable grid operation, and its ability to fulfill a need no existing facility already satisfies. We support these factors, which provide the foundation of section 1222 review, because they offer important guidance for the Department to identify areas of transmission need and projects that would best serve those needs.

The Department has expanded on the statutory requirements by providing additional standards in the 2010 RFP that are particularly relevant to the Plains & Eastern Clean Line project.<sup>7</sup>

First, the Department considers whether implementing the proposed project would be in the public interest. We appreciate the inclusion of this factor in the Department's standard of review for transmission infrastructure project proposals. Considering that climate change is a defining national priority, all projects should demonstrate that they reduce greenhouse gas emissions. They also should boost economic development, improve systemwide reliability, and provide more access to affordable and secure energy.

<sup>&</sup>lt;sup>3</sup> Sources of Greenhouse Gas Emissions, U.S. Envtl. Prot. Agency, <a href="http://www.epa.gov/climatechange/ghgemissions/sources.html">http://www.epa.gov/climatechange/ghgemissions/sources.html</a> (last updated May 7, 2015).

<sup>&</sup>lt;sup>4</sup> What Is U.S. Electricity Generation by Energy Source?, U.S. Energy Info. Admin., <a href="http://www.eia.gov/tools/faqs/faq.cfm?id=427&t=3">http://www.eia.gov/tools/faqs/faq.cfm?id=427&t=3</a> (last updated Mar. 31, 2015).

<sup>&</sup>lt;sup>5</sup> U.S. Dep't of Energy, Quadrennial Energy Review: Energy Transmission, Storage, and Distribution Infrastructure S-7 (2015) [hereinafter QER], *available at* <a href="http://energy.gov/sites/prod/files/2015/05/f22/QER%20Full%20Report\_0.pdf">http://energy.gov/sites/prod/files/2015/05/f22/QER%20Full%20Report\_0.pdf</a>.

<sup>&</sup>lt;sup>6</sup> Energy Policy Act of 2005, 42 U.S.C. § 16421 (2012).

<sup>&</sup>lt;sup>7</sup> See Request for Proposals (RFP) for New or Upgraded Transmission Line Projects Under Section 1222 of the Energy Policy Act (EPAct) of 2005, 75 Fed. Reg. 32,940 (June 10, 2010).

<sup>&</sup>lt;sup>8</sup> *Id.* at 32,941.

Second, the Department considers whether the proposed project would "facilitate the reliable delivery of power generated by renewable sources." Increasing the production of electricity produced by renewable energy is critical to reducing carbon pollution that causes climate change and ensuring long-term domestic energy security.

In unveiling the QER, you emphasized that working toward the American energy economy of the future "places a high premium on investing wisely in the energy infrastructure we need to move energy supplies to energy consumers." As the QER notes, "some significant renewable resources are located far from population centers, and construction of adequate [transmission] infrastructure is key to accessing those resources." The Department should take the need for affordable access to "stranded" high value resources into account in its review of the Plains & Eastern Project.

Third, the Department emphasizes the economic, environmental, and other impacts of the proposed project in each state that it would traverse. <sup>12</sup> This analysis complements broader public interest review by focusing on local and regional impacts. Any substantial alteration of the energy grid has nationwide consequences. Transmission infrastructure also directly impacts the residents of the states it traverses. This makes a separate consideration of these interests in particular appropriate in determining whether to select a proposed project.

In evaluating state-level impacts, we encourage the Department to look to Clean Power Plan compliance (e.g., achieving state targets, facilitating interstate/regional coordination), state renewable portfolio standards or goals, expanding regional markets for renewable energy, promoting states' renewable energy industries, and economic and environmental benefits to the region from reduced reliance on fossil fuels. While emphasizing that we have not reviewed all of the costs and benefits of the Plains & Eastern Project, we do note that Clean Line states that the Project would connect approximately 3500 megawatts of capacity, primarily from wind generation, to the Tennessee Valley Authority electric grid.

The Department's final two factors are the technical and financial viability of the proposal. Any investment in an infrastructure development project is only as sound as the infrastructure itself and the finances supporting it. Accordingly, conducting comprehensive reviews of both the technical and financial viability of the Plains & Eastern Project before making a final determination on the proposal is a necessity.

<sup>&</sup>lt;sup>9</sup> *Id.* 

<sup>&</sup>lt;sup>10</sup> Mooney, supra note 2.

<sup>&</sup>lt;sup>11</sup> QER, *supra* note 5, at 1-7.

<sup>&</sup>lt;sup>12</sup> 75 Fed. Reg. at 32,941.

<sup>&</sup>lt;sup>13</sup> *Id.* 

## Conclusion

For the foregoing reasons, we, on behalf of the undersigned organizations, support the Department's ongoing effort to promote transmission of renewable energy by exercising its authority under EPAct Section 1222. We also support the Department's review of the Plains & Eastern Clean Line project proposal, giving particular attention to the potential environmental and economic benefits, balanced against measurable costs.

We thank you for your consideration.

Respectfully,

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