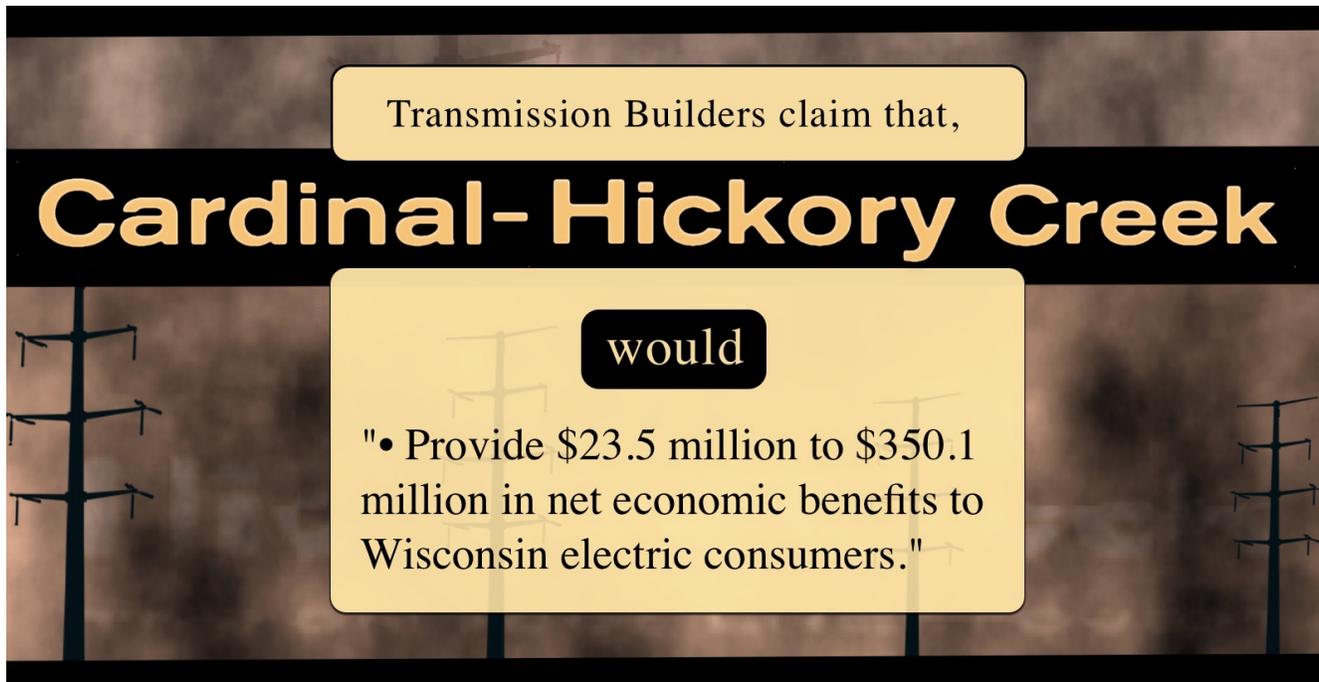


Another, Unaccountable Expansion Transmission Line



Article published in The Dubuque Telegraph Herald, July 22, 2018 with citations

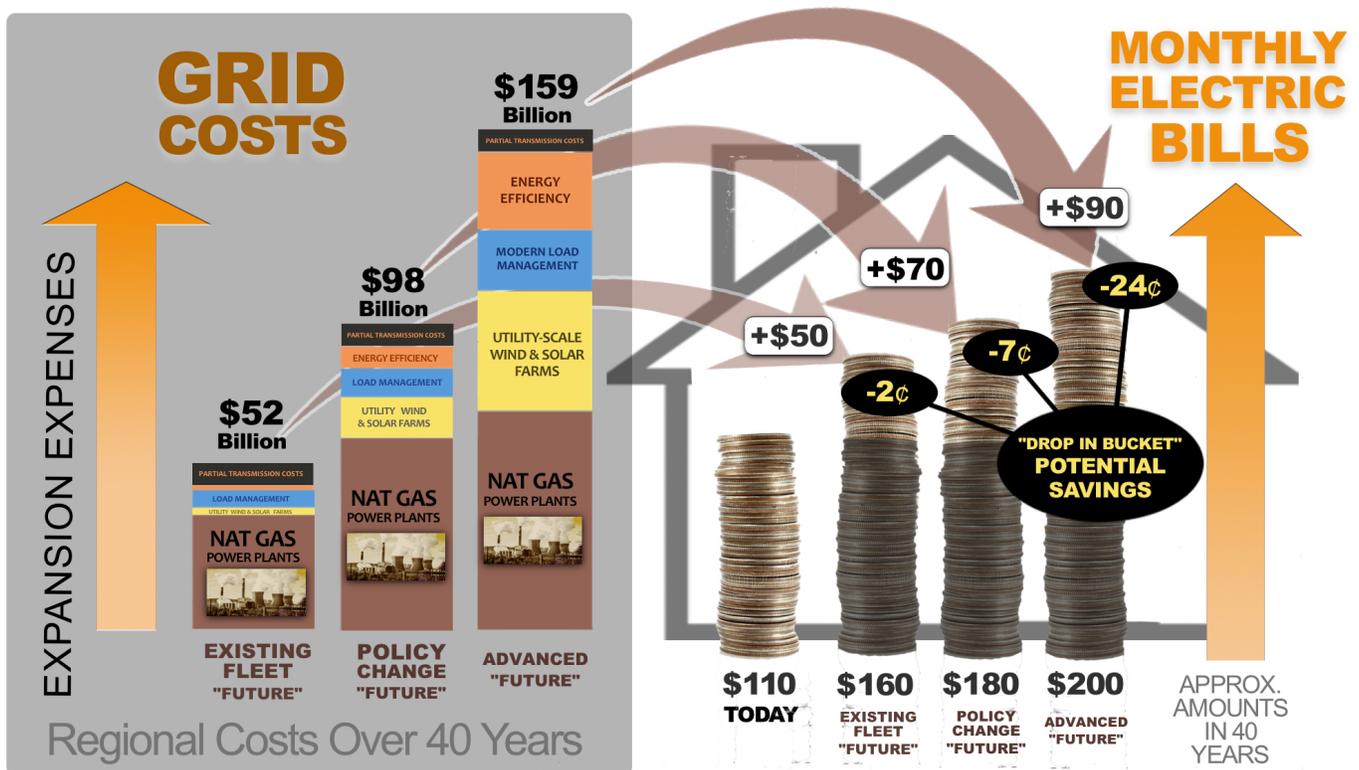
Since 2007, in combination with Midwest-ITC and others, American Transmission Company (ATC) has added 7, costly, high-capacity transmission lines across Wisconsin¹. In every case, ATC promised electric customers energy savings and lowered CO2 emissions². This has not happened³. Instead, electric rates have climbed at 3.5% per year⁴, fixed meter fees have soared 9% per year⁵ and CO2 emission reductions are essentially flat⁶.

Understandably, electric customers and businesses are regarding the Cardinal Hickory Creek proposal with broad consternation and intensified inquiry. How does this expansion without customer accountability happen?

ATC and others that build expansion transmission lines are special entities with special rights. They are guaranteed more than 10% annual profit⁷, are authorized to spread costs among 42 million unaware electric customers⁸, have no economic or environmental performance tests to meet after approval⁹, have laws freeing them from traditional financial liabilities, and can condemn private land. It is not surprising these companies build steadily until ratepayers, lawmakers and state utility commissions step in.

Since 2009, utility commissions in 16 other states have paused or denied ten expansion transmission lines emphasizing that with electricity use flat¹⁰, *No Wire Alternatives* based on accelerated energy efficiency, load management and local renewable sources are more economic and environmentally accountable¹¹. If Resolutions formally adopted by more than 120 Wisconsin municipal governments and 7 counties requesting this direction are fair measure¹², Iowa and Wisconsin will soon join this trend.

Builders also use selective, misleading wording in publicity. ATC dismisses 10 years of flat energy use from planning consideration as “one dimensional,¹³” offering instead, “build it and use will come” logic. The unfounded growth in electricity use they assume (0.4% to 0.9%, compounded annually), is used to justify \$50 to \$150 billion in mostly natural gas power plants without mention of massive impacts on our bills¹⁴. ATC publicizes \$23.5 to \$350 million in *non-guaranteed, net savings* failing to mention the term of 40 years. This computes to a *potential*, 2-24 cent decrease in a monthly bill that would be \$50 higher after 40 years. ATC “economics” reason that more investment toward energy efficiency is only appropriate *after* billions are spent on regional power plants. This wastes the equivalent of eight years of electricity use compared to pursuing efficiency first and making many power plants unnecessary¹⁵.



We are at a fork in the road.

With use flat, we can either blindly commit to more utility expansion and debilitating debt or follow states who have shifted emphasis to increased efficiencies and self-sufficiency over coming decades. This involves rightsizing our energy system through energy improvements in homes communities and local substations. For much less cost, households can cut use 30% *guaranteeing* savings and CO2 reductions *at the fastest possible rate*¹⁶.

Importantly, avoiding new debt allows us to steadily pay down the past utility debt currently forcing our utilities to undervalue local solar and lower efficiency rebates. The portion of a typical monthly electric bill going to debt on previously approved power plants and transmission lines is about \$50-\$60. Electricity is about \$30¹⁷.

ATC's application does not cite impacts on our bills or the primal influence of utility debt. It is time to place problem-solving at the heart of this important discussion.

By law, condemnation of private land demands proof that a new transmission line is in the best interests of the public. Iowa and Wisconsin utility commission staff are currently judging if the CHC application contains sufficient information to warrant a full review. Take a moment to explain to your state lawmakers that you expect responsive, customer and land resource accountability from the public utility commission their laws oversee.

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NOTES

- 1 Listed from PSC WI final reports, p. 44 <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=44>
- 2 Compiled excerpts from transmission builder brochures and application materials, p. 46, <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=46>
- 3 In its most recent *Strategic Energy Assessment*, the Public Service Commission of Wisconsin has conducted a fairly extensive examination of utility investment impact on electric rates in the section, *Rate Metrics and Cost Drivers* starting on pdf p. 51 http://bit.ly/PSC_2024_Draft_SEA Costs due to transmission and distribution have been climbing at the rate of 10% per year from 2008-2016. Data from Figure 25, *Eight-year Annual Growth, Rate of Revenue Requirement Components—Major IOUs (%)* is extracted and graphed here on pdf p. 51: <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=51>
- 4 WI Average Residential Rates, p.47 <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=47>
- 5 Annual Average Increase for Wisconsin For-Profit Utilities p. 13 <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=13>
- 6 EIA, State Carbon Dioxide Emissions data charted and linked, <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=47>
- 7 *Lower profit recommended for ATC, other Midwest power-line utilities* Milwaukee Journal-Sentinel, July 11, 2016, <http://bit.ly/Lower-ATC-Profit-Recommended> *ATC profits nicely as it keeps the lights on*, Aug 8, 2012, The Capital Times, <http://bit.ly/ATC-Profits-Nicely>
- 8 MISO has 42 million customers in its service territory <http://bit.ly/MISO-FACTS> *FERC approves region-wide allocation of transmission costs under specific circumstances*, by Davis Wright Tremaine LLP, November 2011, <https://www.lexology.com/library/detail.aspx?g=32e85968-2ea0-4aee-af92-718debd13bcd>
- 9 Economic benefit projections for expansion transmission lines in Wisconsin do not have to meet performance standards specified by state laws such as traditional evaluation using annual energy and demand growth rates based on 10 year historical trends or demonstrating break points where project costs are not recovered over 40 years. After a transmission line is approved, state laws do not require that the economic performance of the line be tested. As energy growth rates have been much lower than transmission builders assumed, a number of expansion lines such as the Paddock-Rockdale 345 kV appear to be adding to costs rather than producing savings, <http://bit.ly/Paddock-Rockdale-Loss> Wisconsin law discourages utility proposals from having to meet specified CO2 reduction targets. Wisconsin utilities met the state's 10% renewable energy requirements in 2013 so there are no, outstanding environmental criteria transmission builders must meet.
- 10 Graphs from state and federal data. 2006-2016 WI electricity use declined -.1 % per year while peak demand 2005-2015 declined -.4% per year. p. 48, <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=48>
- 11 See list with links, p.35 <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=35>
- 12 See Map and lists with links to resolutions, http://bit.ly/AdoptedResolutions_EPIC
- 13 Spring/Summer ATC Cardinal Hickory Creek Newsletter, "Myth: This project isn't needed because electric demand in Wisconsin is flat Fact: This is not a one-dimensional project simply to address increasing energy use. It is designed to improve electric reliability, access to lower-cost power and access to cost-effective, in demand renewable resources. It would also improve the flexibility of the grid to address the retirement of traditional power plants and the addition of new sources of electricity generation." <https://www.cardinal-hickorycreek.com/wp-content/uploads/2018/06/C-HC-Newsletter-SpringSummer-2018-final.pdf>
- 14 Graphic compiling CHC Applicants/MISO MTEP planning assumptions, p.49 <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=49>
- 15 Approximately 7.8 years of electricity would be saved between the CHC applicants' assumed .6% per year

compounded growth in electricity use over 40 years compared to a counter investment of doubling the rebate fund in the current Focus on Energy program (an additional 60 cents per month customer returning at least \$1.80 mo savings). The utility expansion path would add approximately 5.1 years of electricity use over 40 years. At a conservative 60% performance of the current Focus on Energy program reduction of -.6% per year, the doubled rebate pool would provide a reduction of about 2.7 years of electricity over 40 years. This computes to 5.1 years of additional electricity used compared to a 2.7 years saved or a spread of about 7.8 years.

- 16 Wisconsin households currently invest about \$1 per month into our Energy Efficiency program, Focus on Energy, with about 60 cents going into the rebate pool. This program has an established record of reducing electricity use from .5% to .76% per year. (p. 13 <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=18>) If the Focus on Energy rebate amount about was tripled to about 1.20 cents per month or total of EE investment of \$2.40 per mo as approved by the Wisconsin Legislature in 2009, this alone would achieve a compounded energy reduction rate on the order of .66% per year and 30% reduction in use in 40 years. Even higher reductions are realized through conservation if Focus on Energy were to develop pro-active, conservation education programs to teach consumers a host of energy savings practices. SOUL of Wisconsin's WISCONSIN METER WATCH program teaches conservation practices that can reduce energy use from 13-30% http://soulwisconsin.org/Documents/13X13_EfficiencyHandout.pdf
- 17 The suggested range of 40%-60% for "fixed" costs due to long-term debt on utility scale infrastructure investment in power plants, transmission and distribution comes from anecdotal comments made by WI utility insiders substantiated with at large studies. A pertinent chart estimated 55% is expected and linked here: <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=42> The "all-in" LMP cost for MISO wholesale power in 2016 was about .029 / kWh. <http://soulwisconsin.org/Resources/FootnoteHarbour.pdf#page=40> At this rate and Wisconsin residential average use of 700 kWh per month, electricity cost is comfortably under \$30 per month.