

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Joint Application of American Transmission Company LLC, ITC Midwest LLC, and Dairyland Power Cooperative, for Authority to Construct and Operate a New 345 kV Transmission Line from the Existing Hickory Creek Substation in Dubuque County, Iowa, to the Existing Cardinal Substation in Dane County, Wisconsin, to be Known as the Cardinal-Hickory Creek Project

Docket No. 5-CE-146

**SOUL OF WISCONSIN REPLY TO INITIAL COMMENTS ON NOTICE OF INTENT
TO RESCIND THE FINAL DECISION**

Summary of Received Comments

Aside from parties who supported the Final Decision, only two of the 150 + public comments pertaining to the Commission's PSCW July 1, *Notice of Intent and Request for Comments* support the Applicants' initial request to rescind the Final Decision for the *Cardinal Hickory Creek*. Neither of these comments support the Applicant's secondary request for a speedy re-review process.

Even without broad, public announcement of invitation for comment, more than half of the comments as of July 15, 2021 came from households that would not experience direct impacts from the 345 kV Project. This documents the high degree, of wide public concern and great caution demanded of the Commission as it proceeds. The vast majority of the comments expressed dissatisfaction with the Commission's intent to take-up the Applicants' request. They state resounding preference for bias and determinations of error to be addressed by Appellate Court and not be obstructed by actions of the PSC.

Aside from the two parties who sided with the Applicants in the initial review, *there is no evidence of public interest* the Commission can cite in support of the Applicant's initial or comprehensive quests.

With these comments the Commission now knows that its response to the transmission owners requests will be scrutinized like none before it. SOUL wishes the Commission had avoided this predicament, but agrees with public commenter Bob Goonin that, "Your reputation is on the line."

ARGUMENTS

1. Comprehensive economic analysis of the Project has been conducted only once over the last 11 years. The failure of the Applicants to scientifically document significant Wisconsin and Regional benefits is core both to the conduct of the Appeal and to any interest in reviewing the CHC Project.

On page 7 of their comments, Applicants state:

"The Project has been continually studied for well over a decade and, as the record demonstrates, every time it has been studied, the need for the Project has increased. (Direct- Applicants-Dagenais-19 to 20; Rebuttal-Applicants-Dagenais-r-4 to 6, 12 to 13; Dagenais Hearing Tr. 420:2–421:20)"

SOUL notes that the Applicants only cite their paid witnesses, not statement of PSC staff. SOUL notes that the Applicants refer only to "studies," not economic and reliability analysis as required the PSC application requirements.

From 2009 to 2017, MISO Triennial Reviews do not contain economic analysis of the Project as a stand alone, transmission line added to the system. As was the case in 2009, MISO's Triennial Reviews only examine the combined effects of all 17 lines.

In the CHC FEIS, PSC Staff observe that because CHC is the only remaining project, they were able to use MISO modeling to isolate separate, estimated *regional* impacts for CHC. They report that MISO's own modeling forecasts net economic losses in two of MISO's three future scenarios. SOUL observes that FERC's MVP tariff for an MVP Project to qualify for regional cost sharing depends on net benefits in all studied cases.

The only CHC-specific economic analysis that has occurred was when Applicants took the regional development assumptions of MISO MTEP17 and provided the PSCW Wisconsin-specific reliability and economic modeling. The record shows that PSC staff engineers found this modeling to be highly incomplete and dis-affirming of need for the Project. The bulk of Staff testimony is dedicated to describing and defending why they were forced to question the Applicants' modeling. If this was not the case, why did the Applicants place them on the witness stand for extensive cross examination?

Any return to reviewing CHC must include contemporary economic analysis demonstrating that the Project does, indeed, qualify for regional cost sharing and the approximate 85% reduction in cost to Wisconsin ratepayers, about \$550,000,000.

2. As defined in the PSC's application guidelines and WEPA, any need for a transmission proposal must be tested through extensive comparison of benefits that could be had from Alternatives. The Applicants make no mention of Alternatives in their suggestions about how the PSC should address their requests.

On page 7 of their comments, the Applicants continue, claiming:

"After years of litigation, the challengers have still presented no evidence that undermines the need for the Project. "

SOUL observes that public interests cannot be represented by any party who chooses broad generalizations over developed argument. The public's grave concerns about the Project are well documented in four briefs by SOUL. Applicants can make no claim of public interest in the Project because support was statistically insignificant in 2019 and is, again, in 2021.

The Project was evaluated in a contested case hearing after which there was board public and state legislator support for BWARA, the low voltage transmission alternative developed by PSC staff.

In 2019, the Applicants' criticism of the \$900,000 Alternative to their \$621,000,000 Project was that it was not sufficiently studied. Under this logic, the Project was also under-studied. Staff's analysis uses the *Applicants' own economic and reliability modeling and settings*. SOUL details the PSC's staff's extensive discovery and analysis activities leading to BWARA in our Appeal briefs.

After months of using the Applicants' modeling, Staff consistently noticed a high degree of system compromise in the existence of the 1950, Turkey-River-Stoneman and the Stoneman-Nelson Dewey 161 kV lines. As SOUL pointed out in briefing, MISO's modeling eliminated the possibility of making stand alone upgrades to these lines in about 2009 by assuming *they would be taken out of service as a course of MVP development*. In short, MISO modeled-out BWARA as they "planned" the MVP lines.

We know that both PSC Staff and ATC were fully aware of the existence of BWARA before the start of the CHC proceeding. The Turkey-River-Stoneman 161 kV line was described as a system liability in a 2000 report to state lawmakers and it was offered by ATC as a low voltage alternative to the Paddock-Rockdale 345 kV line in 2007. In that proceeding, interestingly, Paddock-Rockdale was projected to lose money at .5% per year annual growth and growth has been flat, at best.

It was also established in 2019 that MISO's economic planning is never peer reviewed. As such, PSC Staff input is more reliable, not less.

To help address this known lack of ratepayer accountability, in March of 2019, five state lawmakers asked the PSC to conduct economic analysis¹ of Wisconsin's previously added 345 kV expansion transmission lines and to compare actual economic benefits associated with each of these projects to the projections made by ATC's economic planning. The lawmakers' highly logical request for ratepayer accountability has yet to be addressed by the Commission.

¹ See pdf p. 18, Ex.-CK-Klopp-18

Further, BWARA's abilities to outshine CHC stand to greatly increase with re-review of CHC.

In 2019, ATC's non-transmission alternative expert witness, Dr. Chao, confirmed PSC's staff findings that adding new, in-state generation to the Applicants' modeling significantly lowered Project potential benefits.

A large number of new Wisconsin power plants have since been approved by the PSC-- including a 75 MW solar plant advantageously connected to the Nelson Dewey substation. This substation, as Dr. Chao showed, is critically fed by the 1950 Turkey River-Stoneman line that crosses from Iowa into Wisconsin. As such, the new 75 MW solar facility stands to create many of the Iowa to Wisconsin power transfer benefits that Dr. Chao identified in his Non-Transmission *Alternative* to CHC. SOUL observes that updated economic modeling with this solar plant can only improve BWARA economic performance as BWARA would *double the transfer capability* of the existing Turkey River-Stoneman line. The Commission's 2019 decision failed to acknowledge that Dr. Chao's solar+ storage NTA produced the same transfer capabilities (and benefits) of CHC using the existing 1950 Turkey River-Stoneman line, that is, without BWARA improvements. Intervenors would not allow these oversights to happen again.

3. The Applicants claims that delaying (or not building) CHC would have negative impacts on ratepayers has no foundation in the proceeding.

On page 7 of their comments, the Applicants continue, claiming:

Moreover, the existing record unequivocally demonstrates that any delay to the Project's planned in-service date will harm Wisconsin's ratepayers and the public. (Direct-MISO-Ellis-47 to 49; Rebuttal-MISO-Ellis-11 to 12, 19 to 21; Direct-CEO-Craven- 4 to 8; Rebuttal-Applicants-Pfeifenberger-r-10 to 12)

In 2019, PSC staff, using the Applicant modeling, showed that delaying the Project *increased* its marginal benefits. This finding was not challenged by the Applicants.

In her testimony and in her rebuttal, intervenor Chris Klopp pointed out that MISO chose to not provide additional data to augment the Applicants' economic modeling when PSC staff found it to have deficiencies and to lack clarity.

Nor did MISO or the Applicants provide additional generation projects when asked by PSC staff and CUB witness Mary Neal to defend the relevance of the rapid generation expansion assumptions of the AAT future scenario.

Only after the Project was appealed did MISO, suddenly, become interested in these deficiencies and try to add, hypothetical MW's of remote generation that were waiting on CHC. These narratives, with no accompanying scientifically produced, quantified evidence, have no relevance to the request to rescind. In fact, repeated today, they foreground the liabilities the Commission would be shouldering in agreeing to expedite re-review of CHC. The Commission cannot cite verbal speculation over science without complete erosion of Wisconsin and regional ratepayer faith.

While there have been many announcements since 2019 by Wisconsin utilities to purchase new power plants located close to their service territories there has been no reported interest in buying additional power from plants located out of state. The CHC docket, in 2019, also lacked this highly logical evidence.

On page 7 of their comments, the Applicants continue, claiming:

"The Commission has a duty to protect Wisconsin's ratepayers and ensure that those ratepayers receive adequate, affordable and reliable electric service. Wis. Stat. §§ 196.487(2) and 196.491(3)(d)."

Applicants refer to "ratepayers," a term that is not used in any MISO economic planning as their calculations apply only to wholesale pricing. When SOUL compelled the Applicants to

provide electric bill accountability for CHC (as ATC did in the Rockdale-West Middleton case) the Applicants said ratepayer accountability was not possible.

The Commission cannot act, in this decision, on any imperative to provide ratepayer accountability without fully contradicting its past position that such information would be confusing to ratepayers. The CHC proceeding contains no Applicant-provided evidence of impacts on ratepayers. It does, however, have evidence from expert Witness Bill Powers who showed (using ATC's volumetric distribution methodology from 2009) that potential benefits calculate to potential pennies per month. The PSC staff showed that great majority of future scenarios for CHC add to, not lower bills.

SOUL welcomes any interest the Commission may have, today, to further its abilities to become more accountable to ratepayers in its decision-making. Nothing short of a full, more extensive review of updated economic modeling for CHC can set the Commission on this path.

CONCLUSION

SOUL respectfully requests that the Commission deny the Applicants' Request to Reopen Docket No. 05-CE-146 and to allow appellate court proceedings to continue without obstruction.

In any instance that the CHC Project should become subject to re-evaluation, SOUL requests that the Commission follow the primary prescription of state law and use the same, complete, process used for during the first review. This should entail expectation of a new application, opportunity for new, interested parties to join in the proceeding and to follow the standard time schedule to insure time that parties and PSC staff can participate to full extent.

Respectfully submitted this 19th day of July, 2021

/S/ **Rob Danielson**

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