

**Comments from Wind on the Wires
as requested in Iowa Utility Board Notice of Inquiry regarding
high voltage transmission expansion
NOI Docket No.: NOI-2011-0002**

A. Introduction

On August 16th, 2011, the Iowa Utilities Board initiated a Notice of Inquiry on “High Voltage Transmission Projects and Soliciting Comments.” The NOI requested initial comments from potential transmission project owners, with those comments due by October 3rd, 2011. The NOI also established a deadline of November 3rd, 2011 for comments from other interested stakeholders. The NOI specifically directs that this second round of reporting provides “an opportunity to file comments addressing the information provided or commenting on other issues or questions they believe are important to this inquiry. Comments may include policy recommendations to the Board.”

Wind on the Wires, based in St. Paul, MN is a 501(c)(3) not-for-profit advocacy organization working in the Midwest. Wind on the Wires (WOW) members include wind development companies (both large and small), turbine manufactures, supply chain participants, tribal interests and other clean energy advocacy organizations. Several of our members have significant operations in the state of Iowa, including operating wind farms, manufacturing facilities and various operations and maintenance facilities. WOW NGO members are actively engaged in promoting and supporting clean energy policy in Iowa. WOW’s main objective is to promote and achieve positive regulatory and policy initiatives throughout the upper Midwest.

As a stakeholder participating in this process but not a transmission provider, we are providing comments subject to the November 3rd deadline set forth in the original NOI. We appreciate the opportunity to comment on what has been submitted by transmission proponents to date as well as provide additional overall context to the significant energy and economic development opportunities available to the state of Iowa from both transmission and wind development perspectives.

B. Review of previously filed comments from transmission proponents

WOW has had the opportunity to review in detail the comments submitted by proponents of specific transmission projects, including ITC Midwest, MidAmerican Energy, Clean Line Energy Partners and Wind on Rails, Inc. As stated by the companies in their responses, none of the proposed projects have yet filed any formal applications with the IUB in order to obtain a franchise agreement or other necessary permits needed in order to begin construction. However, we feel certain aspects of the reports submitted to date are of particular value to the Board at the current stage.

First, the IUB is justifiably interested in obtaining as much early information as possible regarding the appropriate amount of transmission expansion and resulting rate impacts on consumers. As mentioned by MidAmerican and others, high-voltage transmission projects require a significant capital investment. But these needed investments are unlikely to cause any significant customer rate impacts due to the fact that transmission has a relatively small impact on retail rates. In fact, the expansion plans discussed in proponent's comments indicate that new transmission will lead to other customer benefits that will provide downward pressure on electricity costs in the future. For example, increased reliability, reduced congestion and greater access to low-cost generation will benefit Iowa's electricity consumers for years to come. Additional investment in transmission sets the stage for Iowa load serving entities/utilities to be able to take advantage of those benefits on behalf of their consumers.

A second subject of particular importance to Wind on the Wires, and also referenced in previously submitted comments, is the impact of Iowa's portion of the proposed Multi-Value Projects (MVP) being proposed for broad cost sharing by the Midwest ISO (MISO). Both ITC Midwest and MidAmerican Energy stated in their comments that they will be sharing in the construction of the Iowa MVP projects. As the Board is aware, approval of these projects by the MISO Board of Directors would result in broad cost sharing across the entire MISO footprint. MISO has worked diligently to provide a robust business case for the approval and eventual construction of these lines. Overall, the projected benefits of the MVP portfolio range from \$15.6 billion to \$49.3 billion. In MISO Pricing Zone 3, which includes the entire state of Iowa, the benefits are projected to be 1.6-2.8 times greater than the cost of the projects.

C. Wind Expansion and Resultant Economic Benefits

While Iowa has been a national leader in wind generation and its associated economic development, the Iowa Utilities Board is keenly aware of current transmission constraints that are holding back future wind development in the state. In fact, the initial NOI from the Board specifically declared this NOI process critical in obtaining needed information to address those constraints and continue Iowa’s leadership in wind development. According to data from the Midwest ISO (*August 2011 Reliability Subcommittee & monthly Information Forum Presentations*) in 2010 alone, transmission constraints led to the curtailment of nearly 4% - or approximately 825 GWh of available wind. The following table demonstrates the decline in wind installations in Iowa over the past few years, due at least in part to transmission constraints. While a significant increase is expected in 2012, continued wind expansion depends upon projects identified in this docket moving forward.

Iowa MW of Wind Installed by Year					
Data from American Wind Energy Association					
2011	2010	2009	2008	2007	2006
33	5.1	879	1599.8	341	931

The responses from transmission proponents to date indicate that approval of many of the projects identified so far would greatly increase the ability to develop additional wind resources in Iowa. For example, Clean Line Energy Partner’s “Rock Island” project would enable the development of approximately 4,200-4,400 MWs of additional wind, much of that in northwest Iowa. In addition, the MVP projects described in detail by ITC Midwest and MidAmerican Energy have the potential to bring even more wind that is currently waiting in the MISO queue. It’s important to note after reviewing the comments in this docket as well as information from the MISO MVP process, that the Iowa MVP projects, the Clean Line Rock Island project and other planned transmission appear to be complimentary rather than in competition with each other.

The economic benefits to the state of Iowa resulting from the transmission and wind expansion would be significant, as history has demonstrated. Wind development firms, turbine manufacturers, construction firms and a vast array of other supply chain

participants have located in Iowa and are providing real jobs today. In addition to these manufacturing and construction jobs, Iowa residents and local governments receive a significant economic benefit in the form of payments to landowners and property tax revenues to counties, cities and townships across the state. In this discussion, it's also important to note the specific role of the IUB in considering economic development when approving wind and transmission projects. Iowa Code (Chapter 478) and previous Board decisions have set a precedent that in considering franchise approvals for wind and transmission projects, economic development benefits, including payments to landowners, property tax revenue, construction jobs and purchases of equipment from Iowa manufacturers are relevant to the determination of whether a project is necessary to serve a "public use."

D. Conclusion

Wind on the Wires appreciates the diligence of the Board in opening this NOI and the opportunity to participate in this docket. We believe the information submitted to date clearly demonstrates the need for transmission expansion in Iowa in order to further the state's clean energy and economic development goals. We look forward to participating in future steps the Board takes to complete the information in this docket.

Respectfully Submitted,
Wind on the Wires

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