

December 5, 2011

To: Iowa Utilities Board

Re: Reply Comments submitted by Wind on the Wires


Docket No.: NOI-2011-0002

Ms. Joan Conrad
Executive Secretary
Iowa Utilities Board
1375 East Court Avenue, Room 69
Des Moines, IA 50319

Dear Ms. Conrad:

Enclosed please find Wind on the Wires' reply comments in Docket Number NOI-2011-0002, filed today through the Electronic Filing System.

Sincerely,



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Wind on the Wires
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651-644-3400

**Reply 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 and Review

Wind on the Wires (WOW) appreciates the opportunity to provide brief reply comments to the Iowa Utilities Board (IUB) in the above referenced Notice of Inquiry (NOI) docket. Wind on the Wires, based in St. Paul, MN is a 501(c)(3) advocacy organization working in the Midwest. WOW members include wind development companies (large and small), turbine manufacturers, supply chain participants, tribal interests and other clean energy advocacy organizations, and we have been actively engaged in energy and transmission initiatives in Iowa for several years.

WOW filed original comments in this docket on November 3, 2011 that focused on the significant opportunity for economic development and renewable energy expansion in Iowa. The state has a tremendous track record to date in developing these resources, currently ranking 2nd in the country in installed megawatts of wind capacity. This development has led to manufacturing, maintenance and supply chain jobs throughout the state. However, as noted in the original NOI issued by the IUB, as well as comments submitted by nearly all the parties to date, high voltage transmission expansion in and around Iowa will be a key factor in determining the level of the state's continued renewable energy development.

The focus of these reply comments is in regards to comments submitted by the Iowa Office of Consumer Advocate in this docket. We respect and appreciate the thorough analysis that the OCA undertakes in ensuring Iowa's electricity customers benefit from affordable energy prices. We also believe that the Midwest region's extensive planning process as well as MISO's methodology in calculating the benefits and costs of new transmission is a valuable tool for Iowa and the entire region, and should be summarized again for the IUB in this docket.

B. Regional- and MISO-specific planning

The "Multi-Value Projects" (MVPs) that have been discussed in this NOI to date are the result of extensive, multi-year planning and analysis involving Governor's offices, state

regulators, utility experts, consumer advocates and many other stakeholders. In effect, the planning for the MVP projects being considered today began in 2003 with the MTEP '03 (MISO Transmission Expansion Plan 2003) Exploratory Study. Ongoing MTEP evaluations as well as additional technical work has been integral in building the business case and cost allocation methodology for these new transmission projects.

Governors' offices and regulatory agencies have also taken important steps over the past several years to appropriately plan for needed transmission infrastructure development. The "Upper Midwest Transmission Development Initiative" was the result of five states – including Iowa – recognizing the need to invest in and build new transmission, and to do it in a coordinated way to ensure efficient investment, construction and operation. The "Regional Generator Outlet Study" continued this work and has provided much of the foundation for projects being considered today. Finally, over the past several years, nearly every state in the MISO footprint has implemented some type of Renewable Energy Standard, demonstrating a clear policy consensus for the region.

Looked at in the aggregate, these policy and planning achievements demonstrate that Midwest policy makers see the economic and energy value of developing renewable energy resources, and have implemented well-designed planning and implementation structures to achieve results. Finally, it's important to note that MISO has put together a portfolio of MVP projects that can meet multiple future scenarios. If policy and energy needs change in the future, the system being proposed today would still bring economic benefit, increased reliability and overall lower energy prices to Iowa and the region.

C. Cost-Sharing and Regional Benefits

The Iowa Office of Consumer Advocate raised concerns in submitted comments that the FERC approved cost-sharing mechanism for MVP projects would lead to inefficient and inappropriate buildout of new transmission. We would remind the IUB that cost-allocation for these projects has also been studied in detail by various state commissions and utility experts from across the region. While consent among all the states was less than one hundred percent, the MISO proposal has been approved by FERC and in subsequent re-hearing proceedings has been found to be "just and reasonable."

While the cost of new transmission should be examined thoroughly, the IUB should also pay particular attention to the benefits associated with the transmission buildout. With the overall cost of the entire MVP portfolio at approximately \$5.3 billion, it's important to consider the long-term benefits to the region. Multiple stakeholder processes and modeling scenarios have been refined over time and show that the initial transmission investment will provide a significant return on investment. In Iowa alone, the economic benefits of the MVP projects outweigh the cost by a factor ranging from 1.6-2.8.

Additionally, MISO modeling and studies demonstrate the following when considering the overall benefit of the MPV projects to the region:

- Reliability benefits, mitigating approximately 650 reliability violations for more than 6,700 system conditions, vastly improving the overall robustness of the regional grid.
- Public policy benefits, enabling approximately 41 million MWh of renewable energy.
- Economic benefits in excess of the cost under all scenarios studied
- Qualitative benefits supporting a number of generation policies, including wind
- Job creation, resulting in between 17,000 and 39,800 direct jobs with approximately as many as 74,000 total jobs (much of that likely in Iowa)

D. Conclusion

Wind on the Wires again thanks the IUB for opportunity to submit reply comments in this docket. We believe the information submitted to date by stakeholders has provided the Board with helpful information regarding planned transmission expansion activities in Iowa, and we again urge the Board to consider the energy and economic benefit opportunities available to the state as the projects proceed.

Respectfully Submitted,
Wind on the Wires

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