Iowa Environmental Council

521 East Locust Street, Suite 220
Des Moines, IA 50309-1939
515-244-1194 Phone
515-244-7856 Fax
www.iaenvironment.org

January 6, 2017

By Electronic Mail

Dennis Rankin
Environmental Protection Specialist
U.S. Department of Agriculture
Rural Utilities Service
1400 Independence Avenue SW., Room 2244, Stop 1571
Washington, DC 20250-1571
dennis.rankin@wdc.usda.gov

RE: Dairyland Power Cooperative: Notice of Intent to Prepare an Environmental Impact Statement and Hold Public Scoping Meetings

Dear Mr. Rankin:

We are submitting these comments in response to the Notice of Intent to Prepare an Environmental Impact Statement (EIS), as published in the Federal Register on October 18, 2016 by the USDA Rural Utilities Service regarding the Cardinal-Hickory Creek (CHC) Transmission Line Project.

The Iowa Environmental Council (Council) is a statewide, Iowa-based, non-partisan and non-profit 501(c)(3) corporation with a mission of achieving a safe, healthy environment and sustainable future for Iowa. The Council has over sixty organizational members and hundreds of individual members across Iowa. The Council was formed over twenty-five years ago and has focused on increasing clean energy in Iowa for over a decade.

Iowa has an abundant wind energy resource and accessing this resource is a major option to improve the economy and environment in Iowa, including much of rural Iowa. We recognize that utilizing Iowa's wind resource will require the development of high voltage transmission lines. We appreciate the substantial economic and environmental benefits that wind energy offers and recognize that additional transmission lines will enable more wind and more of these benefits. We believe there must be a balance between the environmental benefits of wind generation and the environmental impacts of needed transmission lines. With a proactive and inclusive transmission planning, siting, routing, and mitigation process, we can achieve this balance.

Background on the Council's previous involvement in CHC project routing and support of Mississippi River crossing options

We have worked closely with utilities and transmission developers on the siting and routing of transmission lines in Iowa, including the Cardinal-Hickory Creek project. We appreciate ITC Midwest's willingness to engage with our organization, as well as our partner organizations and other stakeholders, on siting, routing, and potential mitigation needed for the Iowa portion of CHC over the past several years.

During this process, ITC Midwest provided a number of Iowa environmental and conservation organizations, including the Council, with study area maps highlighting identified potential crossing options for the Mississippi River as well as the relevant substations in Iowa and Wisconsin that must be connected by the transmission project. In addition to reviewing maps, our organizations had the opportunity to visit potential crossing locations in-person, to submit written comments on siting and routing options to ITC Midwest, and to meet with ITC Midwest staff on multiple occasions to discuss the project. The Alternatives Crossing Analysis (ACA) prepared in April 2016 and the Macro-Corridor Study (MCS) prepared in September 2016 notes or documents some of this involvement.

During the Council's review process, we have indicated support for the two identified Mississippi River crossing options near Cassville, Wisconsin. In the ACA and MCS, these are referred to as the Nelson-Dewey and Stoneman crossing options. Our support for these crossing options recognized several benefits. These benefits include the use of existing transmission right-of-way and infrastructure for the Mississippi River crossing itself as well as the use of existing transmission right-of-way and infrastructure for significant stretches of the transmission line outside of the River crossing, but not available if other crossing locations were used.

We agree with the major conclusion of the ACA and MCS that the preferred crossing locations are the Nelson-Dewey and Stoneman options. We appreciate the thorough and detailed review that was involved in producing both the ACA and MCS. We recognize that an expanded infrastructure project, such as this transmission line, in the Mississippi River National Wildlife Refuge is a serious undertaking. Given the thorough siting and routing analysis, the limited options for crossing outside of the Refuge, and the broader economic and environmental benefits from expanded access to wind generation, we are supportive of the use of the Refuge for the Nelson-Dewey and Stoneman crossing options.

Council recommendations for scoping for the EIS

For the scoping of the EIS, we strongly encourage USDA RUS to include and evaluate the positive relationships between the CHC transmission project, an expansion of wind generation in the footprint of the Midcontinent Independent System Operator (MISO), and the economic and environmental benefits from this increase in wind generation.

The CHC project is one of a number of Multi-Value Project (MVP) transmission lines that were identified by MISO to meet reliability, economic, and renewable energy needs. According to MISO, the full portfolio of MVP lines would enable significant wind generation (41 million megawatt-hours according to MISO's *Multi Value Project Portfolio*, January 2012). The CHC project, also known as MVP 5, would improve the flow of wind energy in the region, including from Iowa into Wisconsin. The CHC project, similar to the whole portfolio of MVP lines, is a critical step in the process of increasing use of wind energy in the region.

Wind energy's economic benefits in Iowa are both clear and substantial and include jobs, benefits to rural landowners and rural parts of Iowa, and consumer savings. Expanding wind generation will increase and expand these benefits in Iowa. Currently, up to 7,000 Iowans are employed in the wind industry, including manufacturing, operations and maintenance, construction, engineering, and many other sectors. Land lease payments currently total nearly $20 million annually and are expected to double to approximately $40 million annually by 2020, once several planned wind projects are completed. Most or all of these land lease payments are made to farmers and rural landowners in rural Iowa. Wind is becoming a leading source of property tax revenue in counties with significant wind energy construction, which are again Iowa's rural counties. In such counties, property tax revenue from wind helps counties pay for schools, roads and bridges, and critical health services.

Finally, wind energy is saving consumers money. A recent report from the American Wind Energy Association found that adding an additional 10,000 MW of wind energy, beyond what is already built and planned, would save consumers $12.6 billion on net over twenty-five years (*The Consumer Benefits of Wind Energy in Iowa*, October 2016). These savings are due in part to the low cost of wind generation, particularly in the Midwest, compared to other sources of generation. According to Lazard's *Levelized Cost of Energy Analysis* (version 10.0, released December 2016), wind energy has the lowest levelized cost of new electric generation, even without federal tax incentives, compared to other alternatives (e.g., new coal, nuclear, natural gas combined cycle, etc.). Lazard's regional analysis further indicates that the Midwest is the lowest cost region for new wind energy.

In addition to direct economic benefits, wind energy is a zero-emissions source of electric generation that will improve Iowa's and the region's environment. While Iowa has made significant progress on wind energy and now generates over 30% of its electricity from wind, coal still accounts for over 50% of electricity generation. All coal is imported and is a major source of air pollutants in Iowa, including nitrogen oxides, sulfur dioxide, and carbon dioxide. Further reducing the use of fossil fuel generation in Iowa and surrounding states by increasing wind energy will provide cleaner air and water and mitigate climate change. These environmental improvements will benefit the Mississippi River National Wildlife Refuge as well as the full corridor of the CHC project, including both environment and public health benefits.

In our review of the CHC project to date, we believe that the economic and environmental benefits from wind generation that is associated with CHC balance any local environmental impacts from the CHC project. We are also assured by ITC Midwest's due diligence in evaluating siting and routing options and working with environment and conservation stakeholders to date as well as the opportunity to work with ITC Midwest in the future to mitigate any impacts that cannot be avoided in the siting and routing process. We encourage USDA RUS to move forward on the Environmental Impact Statement process as expeditiously as possible in order to allow the CHC transmission project – and the wind energy that relies on it – to begin construction as soon as possible.

We appreciate the opportunity to comment at this stage in the EIS process. If there are questions about this letter, please feel free to follow up with me at baer@iaenvironment.org or 319-321-8449 (cell).

Sincerely,

/s/ Nathaniel Baer

Nathaniel Baer
Energy Program Director
Iowa Environmental Council

cc: SWCA Environmental Consultants, comments@CardinalHickoryCreekEIS.us