

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Joint Application of Dairyland Power Cooperative,
Northern States Power Company-Wisconsin, and
Wisconsin Public Power, Inc., for Authority to
Construct and Place in Service 345kV Electric
Transmission Lines and Electric Substation Facilities
for the CapX Hampton-Rochester-LaCrosse
Project, Located in Buffalo, Trempealeau, and
LaCrosse Counties, Wisconsin

PSC Docket No. 05-CE-136

**NO CAPX 2020 and CITIZENS ENERGY TASK FORCE
COMMENTS ON BRIEFING MEMORANDUM AND DECISION MATRIX**

NoCapX 2020 and Citizens Energy Task Force submit this Comment and request that the Commission take a complete view of the criteria under which a decision can be made.

**DECISION MATRIX AND BRIEFING MEMORANDUM DO NOT ADDRESS
INDIVIDUAL CRITERIA FOR CPCN**

The fundamental problem with PSC staff's proffered Decision Matrix and Briefing Memorandum is that both improperly lump most of the need criteria into one section, and they do not address the criteria individually. Wisconsin law requires that the Commission make a determination on each of the criteria. The ostensible purpose of a Decision Matrix and Briefing Memorandum is to review parties' positions and alternative decisions on these criteria. The Decision Matrix and Briefing Memorandum are inadequate and do not provide a basis for a decision the Commission.

The first row of the Decision Matrix, and section 1 of the Briefing Memorandum, p. 10-16, and each of the CPCN criteria, should be separated out and facts laid out for each criteria citing primary documentation. Perhaps this is intentional on the part of staff, transferring the

burden to Intervenors to appeal the resulting inadequately informed decision! Instead of making a decision without adequate information, the Commission should make a decision with a sound footing.

MARKET ISSUES AND CLAIMED BENEFITS OF ECONOMIC DISPATCH ARE NOT RELIABILITY ISSUES

In its Briefing Memorandum, PSC staff's discussion of "Regional Reliability" is limited to economic and market issues, misrepresenting "regional benefits" as "regional reliability benefits." The statutory criteria requires that the project provide "regional **reliability** benefits" and there is no discussion of **reliability** benefits whatsoever. See Wis. Stat. §196.491 (3)(t). Reliability is defined by NERC as system adequacy and operating reliability¹. This is not an argument of NoCapX/CETF – this is an industry definition. Instead of addressing reliability, the entire discussion on p. 15-16 of the Briefing Memorandum is about market. PROMOD is modeling of economic benefits. Beuning, Ex.2; see ICF – Independent Assessment of MISO Operational Benefits, NoCapX/CETF Item 15, ERF [160024](#); 2010 State of the Market Report MISO Electricity Markets, NoCapX/CETF Item 11, ERF [160019](#); MISO Quarterly Report: Fall 2011, ERF [160020](#).

APPLICANTS HAVE NOT DISCLOSED OWNERSHIP AS REQUIRED

Wisconsin requires disclosure of ownership in an application, specifically "[t]he names and addresses of owners and investors, and percent of ownership ". PSC111.55(5). This information has not been provided by the applicants, only stating the parties "expected" to have an ownership interest, and at some time in the future, "once state, federal and other regulatory decisions are made, final ownership will be determined." Application p. 1-19, ERF 150042; see also Lehman, Tr. Vol. 2, p. 163, l. 7-20; p. 165, l. 9-13. The Applicants are not in compliance

¹ See NERC 2011 Long Term Reliability Assessment, p. 491, Appendix III: Reliability Concepts Used in this Report.

with PSC 111.55(6). PSC Staff argues that the Commission determines ownership in the CPCN Order, but if Applicant has not disclosed its plans, how will the Commission appropriately address ownership in its Order?

MARKET IMPACTS WERE RAISED AND CONTESTED

NoCapX 2020 and CETF, as above, repeatedly raised the market drivers of this project and, in addition to the Applicants own exhibits, NoCapX/CETF provided credible industry documentation of these market issues and claimed benefits. See NoCapX/CETF discussion of Beuning Ex. 2; see also ICF – Independent Assessment of MISO Operational Benefits, NoCapX/CETF Item 15, ERF [160024](#); 2010 State of the Market Report MISO Electricity Markets, NoCapX/CETF Item 11, ERF [160019](#); MISO Quarterly Report: Fall 2011, NoCapX/CETF Item 12, ERF [160020](#) and NERC 2011 Long Term Reliability Assessment, NoCapX/CETF Item 18.

OTHER ISSUES IN BRIEFING MEMORANDUM AND DECISION MATRIX

Resolutions not included in list of “Opposing Resolutions” in Memorandum: The Briefing Memorandum is misleading because it misrepresents “Opposing Resolutions” by failing to include at least 4 resolutions, those from the Town of Glencoe (Rineer Ex.2 at 83); Town of Waumandee (Rineer, Ex. 2 at 85); Village of Holmen (Rineer Ex. 2at113) and Village of Trempealeau (ERF160043). These Resolutions opposing CapX 2020 were mischaracterized as “public comments” on p.4 of the Briefing Memorandum rather than page 3 under “Opposing Resolutions.” Additional filings listed as “Comments” might also be resolutions.

Transmission lines crossing the Mississippi into Wisconsin are missing: Each of the originally proposed four crossings of this project utilized existing transmission corridor crossing the Mississippi River between Alma and LaCrosse, but these four transmission lines are not

included in the Briefing Memorandum (p. 6) when considering transmission lines serving local load in the area. Failure to address these four existing lines is a serious factual error.

Line losses inherent in the Hampton-LaCrosse project are not addressed: Table 2 of the Briefing Memorandum shows a “0” under “Transmission Losses Cost” for the Hampton-LaCrosse project. It is not possible that the project does not have line losses, and use of a “0” in this column is misleading – each transmission line has losses, and that should be disclosed in that row and the other loss estimates adjusted accordingly. The actual megawatt of losses should also be included, which ranges from 1-10, which is negligible when considering spending \$507 million to build a transmission line of 2050-4100 MVA capacity, the LaCrosse “need” and 18,000 MW of losses in the Eastern Interconnect.

Magnetic fields not calculated or disclosed for range of capacity that line provides: Magnetic fields levels are calculated based in large part on the capacity of the transmission line. The project has thermal limits of 2050 MVA, 4100 MVA for double circuit. See Stevenson Ex. 18 & 19, Underground estimates ampacity rating; MTEP App A & B, NoCapX/CETF Item 10².

Briefing Memorandum cites to briefs, and not the primary documents: The Briefing Memorandum, and also the Decision Matrix, cite to Briefs rather than the primary documents containing the facts stated (and cited) in the briefs. This misuse of citation of briefs, attribution of statements of fact to parties rather than primary documents, and value-laden misstatements, i.e., “it contends that” or “According to NoCapX...” should not occur, particularly when statement is based on industry document. Citation like this discounts and minimizes the facts presented. For example:

- NoCapX2020/CETF argues provided Applicant documentation that CapX is based on presumption of 2.49% annual growth rate (BM p.13). Citation should be **CapX 2020**

² MTEP 11 – Appendices B & C list capacity of projects. See https://www.midwestiso.org/_layouts/MISO/ECM/Redirect.aspx?ID=113909

Technical Update: Identifying Minnesota’s Electric Transmission Infrastructure Needs, October 2005, p.1, NoCapX/CETF Item 5, ERF [160027](#). (BM p. 13)

- ~~It contends that~~ Since the CapX 2020 transmission plan was developed, load growth has slowed dramatically due to economic conditions. Citation should be “Xcel Energy Resource Plan Update, December 1, 2011, MPUC Docket E002/RP-10-825, NoCapX/CETF Item 5, ERF [160028](#). (BM, p. 13)
- NoCapX2020/CETF ~~argues~~ provided documentation and highlighted applicant and industry documentation that show that the 345 kV project is not needed for regional reliability and that transfer capability and “congestion” relief are market issues. Beuning, Ex.2; see ICF – Independent Assessment of MISO Operational Benefits, NoCapX/CETF Item 15, ERF [160024](#); 2010 State of the Market Report MISO Electricity Markets, NoCapX/CETF Item 11, ERF [160019](#); MISO Quarterly Report: Fall 2011, ERF [160020](#).
- NoCapX/CETF provided industry documentation of oversupply, demonstrated by reserve margins higher than demand. Projected Reserve Margins from the NERC Report (15% reserve margin required) (should be included on BM p. 16):

Year/ Assessment area	Anticipated	Prospective	Adjusted Potential
2011			
MISO	22.1	39.6	39.6
MRO-MAPP	43.5	43.5	43.5
2015			
MISO	19.4	37.3	37.3
MRO-MAPP	28.5	28.5	28.5
2021			
MISO	15.1	32.1	32.1
MRO-MAPP	19.6	19.6	19.6

Source: NERC 2011 Long-Term Reliability Assessment, p. 46-67, NoCapX/CETF Item18.

- NoCap2020/CETF note that according to the Update-Corridor Study, WWTRS, CVS and SNS³, NoCapX2020/CETF, the 345kV line would instead bring system instability, voltage and dynamic issues, and require the addition of a line to Madison to stabilize the system. (BM, p. 16)

³ King Ex. 8, Update Corridor Study; WWTRS p. 1, 9, NoCapX/CETF Item 17; King Ex. 7, CVS p. 8-9; SNS p. 14. Tipping Point in Transmission System – Following the addition of the Corridor upgrade (and associated underlying system upgrades required with a Twin Cities Metro sink scenario) any future transmission or generation capacity additions will require a facility from LaCrosse to Madison, Wisconsin area. In other words, without a line to the east of LaCrosse the system will reach a tipping point, where additional transmission and generation capacity additions cannot be accommodated due to the need to keep Twin Cities generation online for steady state and dynamic system stability. King Ex. 7, Corridor Update., p. 9-10.

- NoCapX 2020 contends agrees with PSC staff testimony that the local load can be reliably served by reconductoring existing transmission in the area. (BM, p. 16)
- Commission staff witness Carol Stemrich ... It is unlikely possible that this level of load reduction can be achieved through energy and conservation.... (Stemrich, Tr. D2-4). **Commission staff did not address the statutory mandate to analyze conservation, efficiency and renewable options in combination, applicant has not provided sufficient information as required, staff has not analyzed this project in relation to the statutory energy hierarchy, and does not have sufficient information to determine whether or what aspects of need could be addressed using the statutory hierarchy.** (BM p. 18). See Amended Order, 137-CE-140.
- Several members of the public testified that the Commission has a statutory mandate to utilize energy efficiency and conservation, and that the statutory heirarchy should be pursued in lieu of the proposed project... (BM, p. 18)

The Decision Matrix and Briefing Memorandum are flawed and inadequate because they do not address the individual criteria for a CPCN about which the Commission must make specific individual determinations. It is also flawed in its representation of contested and non-contested issues and in its presentation of positions by failing to cite to primary documents upon which parties' positions are based. For its decision, the Commission requires facts, not arguments. The Briefing Memorandum and Decision Matrix should be reworked for analysis by the Commission.

March 30, 2012



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Matrix
Dairyland Power Cooperative, Northern States Power Company-Wisconsin and Wisconsin Public Power, Inc.
Docket 5-CE-136
April 30, 2012

ISSUE	TRANSCRIPT REFERENCE	POSITIONS OF PARTICIPANTS AND OTHER ALTERNATIVES
1(a) Will the proposed project, if constructed, satisfy the reasonable needs of the public for an adequate supply of electric energy as required for Commission approval under Wis. Stat. §196.491(3)(d)2.		
1(b) Will the project substantially impair the efficiency of the service of the public utility; provide facilities unreasonably in excess of the probably future requirements; when placed in operation, add to the cost of service without proportionately increasing the value or available quantity of service pursuant to Wis. Stat. §196.49(3)(b).		
1(c) Does the project provide usage, service or increased regional reliability benefits to the wholesale and retail customers or members in this state and the benefits of the high voltage line are reasonable in relation to the cost of the high-voltage transmission line. Wis. Stat. §196.491(3)(d)3t.		
2a. Has Applicant provided sufficient information regarding conservation, efficiency and renewable options, including whether efficiency and conservation are or are not cost-effective, technically feasible and environmentally sound alternatives to the proposal? (see Amended Order, 137-CE-140)		
2b. Are there technically feasible, and environmentally sound alternatives to building the proposed project, per Wis. Stat. §§1.12(4)		

<p>and 196.025(1). The Commission must evaluate conservation, efficiency and renewable options, individually and in combination and must reject all or part of the project if it does not utilize the statutory energy hierarchy:</p> <ul style="list-style-type: none"> • Energy conservation and efficiency • Noncombustible renewable energy resources • Combustible renewable energy resources • Nonrenewable combustible energy resources <ul style="list-style-type: none"> ○ Natural gas ○ Oil or coal with sulfur content of less than one percent ○ All other carbon-based fuels 		
<p>3. If approved, would the proposed project have a material adverse impact on competition in the relevant wholesale electric service market under Wis. Stat. §196.491(3)(d)7? See also 1(c) above.</p> <p style="text-align: center;">CONTESTED</p>	<p>NoCapX/CETF Brief p. 7 (oversupply) 10-13 (market drivers/benefits), 23(Id.). Beuning Direct, p. 3, l. 2-4, 13-14. ICF – Independent Assessment of MISO Operations Benefits, p. 9, NoCapX/CETF Item 15. King Supp. Dir. Ex. 7, p. 13, Update. King Dir. Ex. 8, p. 48-50, CVS. NERC 2011 Long-Term Assessment p. 46-67, NoCapX/CETF Item 18.</p>	