Plainsandeastern

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July 8, 2015

Why are utilities not lining up to buy P&E energy?

Dear Secretary Moniz,

After spending two weeks reading the Draft EIS, I was hoping to find answers on the P&E Application Part 2: Who are the P&E customers and how much will they pay for MWh? Apparently P&E is only worried about building a transmission line. The list of customers and the price per MWh are up in the air.

DOE will decide the future of P&E. *Financial feasibility* is one of the questions DOE needs to assess. No one wants to build a line with no customers at the end of the line. Turns out, the question of customers, quality, and price are important. Why would TVA pay more for P&E energy? After years of experience with nearby wind turbines, TVA understands wind power is *poor quality*. TVA Board makes it clear in the 2015 Integrated Resource Plan: TVA does not want P&E energy.

There are many recent articles and studies on wind energy. It seems there are two camps: Clean Line fans and everyone else. The information on the next pages, based on current reliable references, shows P&E is **not financially feasible.**

Why would DOE choose to participate?

Respectfully,

Dr. Luis Contreras

Clean Line Fans

The messy Clean Line issue *- Project for wind energy generates opposition*

http://www.arktimes.com/arkansas/the-messy-clean-line-issue/Content?oid=3908284

There are strong objections to P&E in this article, but there are some positive comments.

"Should the DOE decide its Southwestern Power Administration can partner with Clean Line, Clean Line would then have to get power purchase agreements for its 4,000 megawatts from utilities in Arkansas and Tennessee before it can start construction. As a private-public partnership, the government would own the company's assets — the lines themselves. That means Arkansas would not collect taxes from the lines — another complaint of opponents. Despite that, Clean Line has promised its 12 host counties that it will pay $5 million yearly in ad valorem taxes. Christopher Hardy, a spokesman for Clean Line, said the company is committed to paying the $5 million as long as the project is in operation."

In the P&E Application is no mention of $5 million yearly payment to Arkansas. Hardy is not a Clean Line officer; has he checked with Mario Hurtado? Who pays if P&E sells the line in three years? What is the value of $5 million in 2040?

"The Sierra Club chapter in Arkansas is fully supportive of the Clean Line. ***It is going to undoubtedly lead to retirement of older and dirtier coal plans,*** *said Glen Hooks, chapter director."*

Sierra Club is concerned with coal pollution like everyone else. Unfortunately, 3,500 MW of P&E power will not retire a single coal plant. Intermittent bulk wind power is an oxymoron. Beyond Coal is a great initiative. Endorsing Clean Line is a terrible mistake.

"The project will create jobs – Hardy said it will employ ***hundreds*** *in construction – and Hooks takes the company at its word that it will contribute $5 million a year to affected counties."*

There is no time in the schedule to train hundreds of workers, and no reason to learn new skills for a single project. Temporary, low-pay construction jobs are an illusion. Why would Hooks trust Hardy? Who cares what Hooks thinks? Hooks speaks for Sierra not for Arkansas.

"Hardy said wind power elsewhere sells for around a nickel a kilowatt, a price that ***Hooks said is so cheap that Entergy and the TVA will jump at it.*** *"Entergy recently did an RFP for wind and reopened it because the price was so good they wanted to buy more," Hooks said."*

Cheap energy is unreliable, low quality. Sierra Club is not a utility. Does Hooks speak on behalf of TVA and Entergy? Hooks made this up; the newspaper Editor added the following correction: **Entergy Arkansas spokesperson, Sally Graham, said that Entergy did not reopen its renewable energy bidding, as Hooks stated.** She said that Entergy has selected the Stuttgart 81 MW solar project. Trying to help P&E backfired. Now we know: Entergy is going solar.

"There is still the issue of the use of eminent domain. Clean Line must negotiate with owners of 1,000 parcels in Arkansas. I get what these landowners are talking about, said Hooks, who worked with Millsaps on the oil pipeline issue. I get they have valid complaints, ***and we have really pushed Clean Line to listen to them as much as possible, and use eminent domain as a last resort."***

How has Sierra Club pushed Clean Line to listen to landowners? Was it a condition to join the P&E project? It is nice to know eminent domain is the last resort, but it is still in the list.

"We are committed to treating people fairly *Hardy said. The company will offer "the full market value" for acreage in its easement and would also pay the landowner, either upfront or in annual payments, a price for poles on their property — $500 for a "mono" pole and $1,500 for a lattice pole, which requires a larger base. He said easements would be between 150 and 200 feet wide."*

Why would anyone treat Arkansans unfairly? Did Hardy have a choice and decided to be nice to our friends and farmers?

If you pay full market value for a 9-acre easement of a 100-acre farm, the value of the farm decreases by 40 percent. Paying $500 for a pole is like putting lipstick on a pig. Hooks does not get it.

"We are finding a way to develop the project that causes the least amount of impact to homes, businesses and natural resources for the life of the project *Hardy said."*

Hardy is such a compassionate guy. Next time I see him, I will buy him a beer. Hooks can pay for his drinks.

Everyone else:

The UK study on the cost of wind energy captures what many people know and Clean Line would like to forget. This is what *they* say:

"Wind farms even more expensive and pointless than you thought"
July 6, 2015
http://www.breitbart.com/big-government/2015/07/07/study-wind-farms-even-more-expensive-and-pointless-than-you-thought/

"In this study, we refer to the ***true cost*** *of wind as the price tag consumers and society as a whole pay both to purchase wind-generated electricity and to subsidize the wind energy industry through taxes and government debt," said Ryan Yonk Ph.D., one of the report's authors and a founder of Strata Policy."*

I have to agree with Yonk. Working class people who pay taxes every year pay tax shelters; there is no free-money.

"Among the factors wind advocates fail to acknowledge, the report shows, is the ***opportunity cost*** *of the massive subsidies which taxpayers are forced to provide in order to persuade producers to indulge in this otherwise grotesquely inefficient and largely pointless form of power generation."*

Federal and state subsidies to wind farms and transmission line builders are massive. Spain, Germany and other countries ended up with a large percent of the funds.

"Instead it has been squandered on bribing rent-seeking crony-capitalists to carpet the landscape with bat-chomping, bird-slicing eco-crucifixes to produce energy so ***intermittent*** *that it is often*

unavailable when needed most (on very hot or very cold days when demand for air-conditioning or heating is high) and only too available on other occasions when a glut means that wind producers actually have to pay utilities to accept their unwanted energy. This phenomenon, known as ***negative pricing,*** *is worthwhile to wind producers because they only get their subsidy credits when they are producing power (whether it is needed or not). But clearly not to the people who end up footing the bill: i.e. taxpayers."*

York gets it. Remote, bulk intermittent wind has low-value.

Negative pricing is a weird concept, but many weird things are real. If you have an Emu farm and no one wants to buy them, you may have to pay someone to kill them. Hunters love to shoot anything that moves, and Emus are not very friendly.