

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

DATC Midwest Holdings, LLC

)

Docket No. ER12-1593-000

**MOTION TO INTERVNE AND COMMENTS OF
CLEAN LINE ENERGY PARTNERS LLC**

This Motion to Intervene and Comments are filed pursuant to Rules 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §§ 385.212 and .214 (2011), and the Notice issued on April 24, 2012.

I.

Correspondence or communications with respect to this pleading should be addressed to the following:

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II.

Clean Line is an independent developer of high voltage, long-haul transmission lines. Clean Line focuses exclusively on connecting the best renewable energy resources in North America with robust electricity demand centers through the use of high voltage, direct current (HVDC) transmission. Clean Line provides transmission solutions to generators and load-serving utilities to efficiently interconnect clean energy with consumers and has a project under development that will be located in the vicinity of the HVDC line proposed by DATC Midwest Holdings, LLC (DATC).

As the United States moves to achieve its ambitious renewable energy goals, a dramatic expansion of the transmission grid is by far the most efficient way to incorporate renewable resources. Clean Line hopes to play an instrumental role in accelerating the delivery of renewable energy from remote resource areas to distant load centers and in achieving the country's environmental policy goals. The need for lines like those that Clean Line is developing will continue to grow as electricity demand increases in the United States and as the demand for clean power sources accelerates. Technology improvements in wind and transmission make the efficient transportation of wind energy more feasible now than ever before.

All four of Clean Line's projects will facilitate the reliable delivery of power generated by renewable resources, and the development of these projects will support national efforts to significantly increase renewable electric generation capacity. These projects will meet the needs of generators and utilities for new transmission capacity and will enable the construction of thousands of megawatts of new, cost-effective, renewable electric generation capacity.¹ The addition of this generation capacity will create new jobs, stimulate domestic manufacturing, and reduce pollution and water consumption.

¹ Clean Line Energy Partners LLC presently has four major transmission projects underway in the United States. They are (1) the Rock Island Clean Line, a high-voltage, direct current ("HVDC") transmission line that will connect 3,500 MW of wind power from Iowa, South Dakota, Minnesota and Nebraska with load centers in Illinois and states farther east; (2) the Grain Belt Express Clean Line, an HVDC transmission line that will be capable of moving up to 3,500 MW of renewable power from new generation projects in western Kansas to the service area of the Midwest Independent Transmission System Operator ("MISO") and the eastern United States; (3) the Plains & Eastern Clean Line, an 800-mile, HVDC line that will transmit up to 7,000 MW of renewable power from the Oklahoma and Texas Panhandles, and potentially Kansas, to Tennessee Valley Authority and the southeastern United States; (4) the Centennial West Clean Line, an HVDV line that will gather up to 3,500 MW of power from renewable energy generation projects in eastern New Mexico and surrounding areas and will transmit it to load centers such as southern Nevada, Southern California, Arizona, and other areas in the Southwest.

III.

On April 20, 2012, DATC filed to establish a formula rate and request rate incentives for its Midwest Portfolio projects. According to DATC, its \$4 Billion Midwest Portfolio will improve the interconnection and integration of the region's wind resources, thereby encouraging future wind development, and will include an HVDC path for the wind farms of Iowa to the load centers.

IV. Comments

The United States is home to vast quantities of clean, renewable energy resources. As several studies have pointed out,² significant transmission is necessary to ensure the continued development of these resources and that HVDC infrastructure is the preferred method to deliver carbon-free electricity to consumers far removed from the resource areas. Clean Line generally supports the development of transmission projects to facilitate the delivery of renewable energy.

With Order No. 1000, FERC has sought to encourage the development of transmission and ensure that there is no undue preference among those competing to develop needed transmission infrastructure.³ One way such undue preference could be realized is through differential eligibility for cost allocation or certain other rate incentives. Among the rate incentives that DATC seeks in this filing is the authorization to seek recovery of its project costs should the project be abandoned for reasons beyond its control. DATC specifically seeks this incentive for its project without a condition that its project actually be approved in the Midwest Transmission Expansion Plan

² *Eastern Wind Integration and Transmission Study*, prepared for The National Renewable Energy Laboratory by EnerNex Corporation, January, 2010, http://www.nrel.gov/wind/systemsintegration/pdfs/2010/ewits_final_report.pdf. *Joint Coordination System Plan*, http://www.midwestmarket.org/publish/Document/20b78d_11ef44fc9c0_-7c6d0a48324a/JCSP08-Executive_Summary.pdf?action=download&_property=Attachment

³ Order No. 1000, Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, 136 FERC ¶ 61,051 (2011) at 226.

(“MTEP”). In other words, DATC seeks approval to recover its development costs even if its Midwest Portfolio projects are not ultimately approved in the MTEP.

This is a significant policy decision for the Commission. It is one thing to permit the recovery of development costs for a project that has been approved through a regional planning process and is then abandoned for reasons beyond the developer’s control, but it is entirely another to permit such recovery for projects that have been proposed but not yet approved. Independent transmission developers such as Clean Line can spend tens of millions of dollars developing their projects, costs that are incurred whether the developer pursues a business model of RTO cost allocation or direct contracts with transmission customers. Without a mechanism to permit the recovery of these costs, however, such developers assume the risk that their projects may ultimately not be built due to reasons beyond their control and they are left without customers or RTO cost allocation mechanisms to recover such costs. While Clean Line does not oppose DATC’s request, should the Commission approve DATC’s request to recover its development costs even if the Midwest Portfolio project is not ultimately approved through the MTEP, the Commission should, as a matter of policy, define the circumstances that would permit all transmission developers to recover their development costs, even if their proposed project is not ultimately approved through a regional planning process.

V.

As a developer of transmission, Clean Line has a direct and material economic and legal interest in this proceeding that cannot be adequately represented by another party. Accordingly, Clean Line’s intervention is in the public interest.

VI. Conclusion

To ensure that there is no undue preference for transmission projects that seek RTO cost allocation rather than direct customer contracts, the Commission should, as a matter of policy, define the circumstances under which all transmission developers would be permitted to recover their development costs even if their proposed project is not ultimately approved through a regional planning process.

WHEREFORE, for the reasons set forth above, Clean Line respectfully requests that the Commission permit it to intervene in the proceeding and be made a party for all purposes.

Respectfully submitted,

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