

My name is Beverly Topp and I live at 26045 Ipava Ave. W., Lakeville, Minnesota. I am the Chair of the Citizens Energy Task Force which was formed in the beginning of 2008 to participate in the Certificate of Need Process for the CapX high voltage transmission line projects proposed for Minnesota.

Sometimes there is a flaw in the basic assumptions upon which large proposals are made and upon which many dollars and hours are spent. I believe CapX is one of those proposals.

Before building a large energy facility in Minnesota, a person must apply for a "Certificate of Need" demonstrating that the facility is needed. Minnesota Statute 216B.243, subd. 2. The term "large energy facility" includes any transmission line of at least 100 kV with at least ten miles in Minnesota. (MN Stat. 216B.2421, subd. 2 (3)).

CapX is comprised of 11 utility companies like Excel and Great River Energy, most of them in Minnesota. Although they are all lumped together to apply for the three high voltage lines crossing Minnesota, they would each, individually qualify to be governed by the Minnesota statutes I just quoted to you. Under those statutes it would be necessary for them to produce electric reliability figures for their segment of the line, justifying why they should be built. They would have to show that existing lines, if improved and upgraded, would not meet the reliability needs; they would have to show how conservation education and future trends would not change the need for that segment of the lines, and they would have to make their best effort at showing what the cost would be to the rate payers in their area. They would also have to show that there are no energy alternatives that could be used to satisfy the need stated to require the large lines.

When CapX applied as the umbrella company for the 11 energy companies, they still were subject to the Minnesota Certificate of Need laws. However, because they were significantly different than any previous applicants under the law, they asked for and received a number of exemptions from having to provide most of the information I just mentioned. So, in effect, CapX was permitted to be different from past applicants and then were given important exemptions from proof of their need because they were different!

So, for me, the first assumption this whole process is based upon, cannot lead to an accurate conclusion.

The Minnesota Legislature has mandated that renewable energy be a part of any new projects for this state and has standards that reach to 25% in 2025 and, for Xcel, 30% renewables by 2020. It also has stated that local economic benefits are very important to energy projects for the state.

Although CapX does not have to identify what their energy source(s) will be for these lines, because they start in the western part of the state and in North Dakota, they are expected to carry long distance coal and wind energy. They cannot produce the local economic benefits of Community Based Energy Development, wind and other small projects that can be located locally throughout Minnesota. I will quote from an article written by George Crocker of North American Water Office, a non-profit organization that has been involved in energy development issues for years and which has worked with the Minnesota Legislature on energy laws.

"The question is not whether or not new powerlines are needed. Rather, the smart question is: How do we strategically enhance the existing transmission infrastructure, both powerlines and substation transformers, in proper sequence and time-frames, to optimize the electrical efficiency of the system, the cost-effectiveness of new infrastructure investments, and the local economic development benefits to consumers who must pay for it all?" "...the power companies are stuck in the old paradigm, in which a relatively few remote, central-station generators send power to distant loads over extra-high voltage powerlines."

"The new paradigm requires smart transmission that enhances existing infrastructure in the right spots, with the location and timing of new extrahigh voltage powerlines being determined by where and when, and the extent to which the lower voltage system gets upgraded in any given region." (George says that with CapX, instead of the tributaries determining the river, the river is determining the tributaries).

"If [the power companies] get their way, they will waste billions of dollars on the wrong projects. They will cause many years worth of unnecessary delay in the paradigm shift to modern, cleaner, safer, cost-effective and more equitable generation technologies. ...[and] thousands of landowners will get stuck with the new powerlines that provide no local value, that stunt community-based energy development, and that invite major new power plant construction in the western coal fields."

The first of two major powerline studies ordered by the Minnesota Legislature and released by the Dept. of Commerce on June 16th, affirm that significant amounts of wind energy from local community based wind projects lower costs to ratepayers, keep our energy dollars inside Minnesota, and move us toward meeting the state's renewable electricity standard. The study found that significant amounts of wind energy can be injected into the existing transmission system at costs far lower than building new transmission lines to more distant wind farms.

"Smart transmission", as George calls it, "can come on-line immediately, incrementally as needed, to accommodate community based energy development throughout our state, which would create thousands of good jobs, enough wealth for healthy communities, and enough tax revenue to educate the children and care for our elders without the bridges collapsing. And it is also an extremely effective climate change/environmental protection strategy."

In closing, I believe the CapX lines, as proposed, are the wrong kind, at the wrong time in history and present many problems in answering the question "who pays and who benefits". And the 1.7 billion cost for just the first phase will divert resources from the real work we have to do to provide enough clean, safe, renewable energy for the future of Minnesota citizens.