

Clear View Alliance

www.clearviewalliance.org

Contact: Kim Paxson | 325.446.3662 | kpaxson@ctesc.net

July 1, 2009

Introduction to CREZ – Competitive Renewable Energy Zone

Texas is now the nationwide leader in wind development, but currently lacks the transmission capacity to move electricity from wind farms located in West Texas and the Panhandle to urban areas eastward.

According to the State Energy Conservation Office, “The greatest challenge facing the wind industry is that wind farms can be built more quickly than transmission lines. It can take a year to build a wind farm, but five to build the transmission lines needed to send power to cities. Wind power developers are reluctant to build where transmission lines do not yet exist; and utilities are equally reluctant to install transmission in areas that do not yet have power generators. Senate Bill 20 attempts to solve this dilemma with long-term planning that will meet the state's transmission needs into the 21st century by providing for electricity transmission to wind-rich areas ahead of wind farm development”.

http://www.seco.cpa.state.tx.us/re_wind-transmission.htm

This is changing. Texas is currently in the midst of upgrading its electrical grid with a massive state-wide transmission construction project, yet few Texans are aware of one of the largest infrastructure projects in the state's history.

Timeline

1999 – Texas Senate Bill 7 requires utilities to separate or “unbundled” their power generation, power delivery, energy sales and competitive energy services in preparation to deregulate the retail electric market.

Texas Senate Bill 7 also mandates that Texas add 2,000 new megawatts of renewable energy production by 2009.

2001 – Texas sets a national record for new wind-generated power in a year with 912 megawatts capable of powering almost 1 million homes.

2005 – Texas Senate Bill 20 resolves the disparity between wind energy production and transmission.

Texas Public Utilities Commission (PUC) identifies five areas in West Texas as Competitive Renewable Energy Zones (CREZ) and begins development of a massive plan to move energy produced in the Panhandle and West Texas to the Metroplex and IH-35 corridor.

According to LCRA's web site, “A CREZ is an area where wind generation facilities will be installed throughout West Texas and the Panhandle and from which transmission facilities will be

built to various other areas of the state to deliver *mostly* (emphasis added) renewable power to end-use consumers in the most beneficial and cost-effective manner.”

2006 – Governor Perry announces private companies are willing to make a \$10 billion commitment to increase wind generation by 7,000 megawatts contingent on additional transmission capacity approved by the PUC.

2007 -- The PUC's interim final order outlines four scenarios for building transmission lines.

2008 – PUC sets up a competitive process by which companies compete to build CREZ related transmission lines.

September 12 -- A diverse group files a joint proposal with PUC for the construction of transmission lines with a map identifying proposed routes. This plan is referred to as ERCOT Scenario 2 CREZ Transmission Plan.

http://www.clearviewalliance.org/docs/TexasCREZConsortiumCTPfilingdatedSeptember12_2008.pdf

Participating utilities are:

AEP Texas Central Company
AEP Texas North Company
Electric Transmission Texas, LLC
LCRA Transmission Services Corporation
Oncor Electric Delivery Company LLC
Sharyland Utilities, LP
South Texas Electric Cooperative
Texas-New Mexico Power Company

2009 – January, PUC approves ERCOT Scenario 2 CREZ Transmission Plan. Map illustration the scope of CREZ: <http://www.clearviewalliance.org/docs/TexasCREZConsortiumMap.pdf>

2009 – March, Final PUC order is issued for the construction of 2,334 miles of 345 kV transmission lines, capable of handling 18,456 megawatts. As a fast-track project, completion target is set for 2013. Maximum budget estimated by PUC to be \$4.93 billion.

According to the Texas Wildlife Association 56,581 acres of potential wildlife habitat could be affected in Texas

2009 – April, LCRA, one of the eight transmission service providers, sends out a press release along their route to announcing “LCRA TSC will host six open houses in May to gather public input”.

Excerpt from LCRA's April 18 press release

<http://www.lcra.org/newsstory/2009/crezopenhouse1.html>

“The PUC ordered LCRA TSC to build the new transmission lines in part to increase the reliability of the Electric Reliability Council of Texas (ERCOT) grid and increase the transfer of wind and other power into various parts of the state. Several other transmission service providers also will build CREZ-related lines totaling about 2,400 miles. As ordered by the PUC, LCRA TSC will build, own, and operate about 600 miles of new and rebuilt existing transmission lines and facilities that will total about \$700 million, according to PUC estimates.

The new Twin Buttes-to-McCamey D-to-Westwind-to-Kendall project will consist of three new, double-circuit, bundled-conductor, 345-kilovolt transmission lines. The lines will be built primarily on double-circuit capable lattice structures”.

By early October (note: according to LCRA, this date has now been set for October 28), LCRA TSC must submit to the PUC an application to amend its Certificate of Convenience and Necessity, which is required before construction can begin. The application package will include information about a preferred route and alternative route(s) for the new lines. The route must be approved by the PUC before LCRA TSC can begin construction. PUC will select which route will be constructed.

Packets showing the study area are mailed to property owners on the proposed routes.

May 4-14, 2009

LCRA sponsors informal open houses in San Angelo, Christoval, Junction, Harper, Comfort and Kerrville. Property owners learn for the first time of the 345 kV transmission line and find their property on large aerial maps. LCRA representative are on hand to discuss the process for obtaining easements widths of 160 ft to 200 ft across private lands. The power of Eminent Domain is explained.

[From LCRA's website](#): “LCRA TSC pays fair market value for transmission line easements and supplemental easements. The fair market value is determined by conducting an appraisal of the easement to be obtained. A copy of the appraisal report is provided to a property owner at the time an offer is made to purchase the easement.”

May 12-16, 2009

Email exchanges between landowners grow. It becomes clear that LCRA's study area is based on a relatively straight line between the proposed locations of McCamey D and Westwind stations. A number of Kimble County residents conclude the study area is too small to take advantage of PUC's stated criteria for routing new transmission lines.

The idea of Clear View Alliance, a grassroots citizen group is born.
www.clearviewalliance.org/

May 21, 2009

Public meeting held in the Kimble County District Courtroom with approximately 250 people in attendance.

June 9, 2009

Farm Bureau invites LCRA representatives to a forum held in the Kimble County District Courtroom. LCRA representatives answer over 50 questions submitted by the public. Estimated attendance is around 250 people. Texas Representative Harvey Hilderbran is in attendance.

June 23, 2009

Kimble County Commissioners Court passes a [resolution](#) urging LCRA and PUC to

“adopt the proposed alternate route following, utilizing and/or paralleling existing 138kV transmission line(s) traveling through Menard, Mason and Gillespie Counties (as identified in Exhibit A attached hereto and incorporated herein by reference) to minimize the sacrifice of new lands and adhere to PUC's and LCRA TSC's preference to follow, utilize and/or parallel existing easements and rights-of-way, as recommended by the CVA and citizens of Kimble County”

The county resolution states, “the costs associated with any new, permanent transmission line should not be the SOLE determining factor for the respective line’s location — rather equal or even greater weight should also be given to anticipated detrimental impacts such a line is expected to have on landowners, the environment, land use and local economies”

In the event PUC and LCRA TSC do not expand the current study area, the resolution

-- “urges and demands a detailed environmental impact study (in lieu of a lesser-detailed environmental assessment) of each proposed route in and through Kimble County”

-- “urges PUC and LCRA TSC to “utilize the smallest appropriate single or monopole structures (instead of lattice tower structures) having the least significant economic degradation and negative aesthetic impact in the implementation of the CREZ transmission line plan”

-- “bury all transmission lines underground that will cross Kimble County in developed, populated, riparian, historical and recreational areas as part of the CREZ transmission line plan”

-- and “to reduce or minimize any potential harmful effects and health hazards associated with high-voltage transmission lines, to adopt rules dictating that any and all 345 kV transmission lines constructed through Kimble County maintain a minimum distance of at least 1,400 feet from the centerline of the proposed route or easement to any existing habitable structure and/or its surrounding buildings and structures.”

Ongoing

October 28, 2009

Deadline for the filing of LCRA’s application to PUC to modify its Certificate of Convenience and Necessity (CCN) to allow land acquisition and construction to begin.

LCRA will announce a preferred and an alternate route to the public and notify landowners in the path of the transmission line.

The public can begin its first opportunity to officially become an “Intervener” to the case with the PUC.

April 2010

PUC will make a final ruling and instruct LCRA to begin purchases/condemnations of easements and construction of the transmission line. LCRA has the power of Eminent Domain to condemn private lands if a landowner refuses to sell the power company easement rights.

Sometime in 2013

Deadline for completion of all CREZ related 345kV transmission lines