

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 12-0560

CROSS SURREBUTTAL TESTIMONY

OF

MICHAEL GOGGIN

SUBMITTED ON BEHALF OF:

WIND ON THE WIRES

October 15, 2013

1 **Q: Please state your name, job title, and business address.**

2 **A:** My name is Michael Goggin, and I am a Senior Electric Industry Analyst at
3 the American Wind Energy Association (“AWEA”). My business address is
4 1501 M St NW, Suite 1000, Washington DC, 20005.

5 **Q: Are you the same Michael Goggin who has testified previously on**
6 **behalf of Wind on the Wires in this case?**

7 **A:** Yes.

8 **Q: To which testimony would you like to reply?**

9 **A:** My testimony is focused on ComEd Exhibit 3.0, the Cross-Rebuttal
10 Testimony of Steven T. Naumann, and Independent Landowners Alliance
11 Exhibit 7.1, the Rebuttal Testimony of Dr. Jeffrey M. Gray, as filed on
12 September 17, 2013.

13

14 **I. ComEd**

15 **Q: What is your response to ComEd’s claim that you provide no**
16 **analysis or specific evidence of why wind generation will not be built**
17 **and available to the ComEd zone without construction of the**
18 **project?**¹

19 **A:** As explained in my testimony, transmission is essential for enabling wind
20 energy development. The region’s transmission is currently highly
21 constrained, as evidenced by the amount of wind energy curtailment seen
22 in the region, greatly limiting the new wind energy development that can
23 occur.

¹ ComEd Exh. 3 at 3

24 **Q: What is your response to ComEd’s claim that you provide no**
25 **evidence that wind generators will enter into contracts with Rock**
26 **Island.²**

27 **A:** While I cannot predict the future with 100% certainty, all available
28 evidence indicates that wind generators will enter into contracts to use the
29 RICL project. Rock Island’s recent Request for Information on its Plains
30 and Eastern project generated overwhelming interest from wind
31 developers in SPP,³ and given that the economics and wind resource
32 quality in the resource area for RICL are roughly comparable, I would
33 expect that this line would generate roughly comparable interest.
34 Moreover, for the RICL project, the demand for RECs to satisfy
35 compliance with RPSs in Illinois and other states is likely to be a further
36 driver for wind generators to sign contracts with RICL.

37 **Q: What is your response to ComEd’s claim that your statement “that**
38 **“many proposed projects in the interconnection queue are unlikely**
39 **to proceed to final development and be placed into service” shows**
40 **that the proposition that RICL will connect Illinois customers with**
41 **this generation is premature.⁴**

42 **A:** One of the primary reasons why proposed wind projects in the queue do
43 not proceed to development is a lack of transmission capacity, so with
44 RICL in place a far larger share of these proposed projects would be likely
45 to proceed to development. As the CREZ lines in ERCOT have come
46 closer to fruition, there has been a large uptick in planned wind projects
47 progressing through the interconnection queue and signing

² Ibid.
³

http://www.cleanlineenergy.com/sites/cleanline/media/news/08_14_2013_RFI_PressRelease_PnE_FINAL.pdf

⁴ ComEd Exh. 3 at 3

48 interconnection agreements.⁵ In addition, the sheer magnitude of the
49 proposed wind projects in the interconnection queue in RICL's wind
50 resource area indicates that even if a sizeable share of wind projects were
51 to drop out, there would still be sufficient wind generation to more than
52 fully subscribe the line.

53 **Q: What is your response to ComEd's claim that comparing average**
54 **PPA prices between the Heartland and Great Lakes region does not**
55 **identify benefits or lack of benefits from RICL.⁶**

56 **A:** PPA prices are an important measure of the all-in cost of wind energy,
57 taking into account the productivity of the wind plant as well as its cost. By
58 showing that PPA prices are lower in the Heartland region served by the
59 RICL project than in the Great Lakes region that includes Illinois, I was
60 demonstrating that the wind resources in the area that would be
61 connected by RICL would be more productive. More productive wind
62 resources provide more benefits for consumers by causing greater
63 reductions in electricity market prices as well as more RECs, give the
64 same amount of capital investment.

65 **Q: What is your response to ComEd's claim that you do not provide**
66 **analysis that the RICL project will keep compliance costs low**
67 **because he does not quantify what the costs would be in the**
68 **absence of the Project.⁷**

69 **A:** While I do not estimate what compliance costs would be in the absence of
70 the RICL project, the laws of supply and demand clearly indicate that

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http://www.ercot.com/content/committees/board/keydocs/2013/2013_08_ERCOT_Monthly_Operational_Overview_FINAL.pdf

⁶ ComEd Exh. 3 at 4

⁷ Ibid.

71 providing additional supply of RECs in the face of large demand for RECs
72 that is not currently likely to be met will greatly reduce the price for RECs.

73 **Q: What is your response to ComEd’s claim that “so long as the wind**
74 **generation resources that the Project contemplates delivering satisfy**
75 **the Illinois RPS locational requirements, those wind generation**
76 **resources can sell RECs that qualify to meet the Illinois RPS**
77 **regardless of whether the related energy is delivered into Illinois.**
78 **Accordingly, the Illinois RPS does not establish a need for the**
79 **Project.”⁸**

80 **A:** As explained in my testimony and above, transmission constraints are a
81 limiting factor for wind energy development in Illinois and states adjacent
82 to Illinois. As a result, the demand for RECs will likely greatly exceed the
83 supply and REC prices will go up, unless there are transmission additions
84 like RICL that increase the supply of wind energy.

85 **Q: What is your response to ComEd’s claim that you ignore wind in the**
86 **PJM queue that could be used to meet ComEd’s RPS requirement.⁹**

87 **A:** As explained in my testimony and above, many proposed wind projects in
88 the interconnection do not proceed to development, largely because of
89 transmission constraints. Wind projects in the PJM queue also face
90 serious transmission constraints, making it difficult for many of these
91 projects to come to fruition.

92 **II. Illinois Landowners Alliance**

93 **Q: What is your response to ILA’s argument that ComEd can use RECs**
94 **certified by PJM-GATS or MRETS and that the Illinois Public Utilities**

⁸ ComEd Exh. 3 At 5

⁹ ComEd Exh. 3 at 7-8

95 **Act does not require the ICC to concern itself with regional or**
96 **national matters.**¹⁰

97 **A:** While ComEd can use RECs from either the MISO or PJM system, based
98 on the analysis presented in my testimony ComEd is still likely to face
99 inadequate supply for meeting the demand mandated by the Illinois RPS.
100 As explained above and in my previous testimony, transmission
101 constraints are greatly limiting the development of wind energy in Illinois
102 and adjacent states. RICL will increase the supply of wind energy in
103 eligible states, reducing the price of RECs.

104 **Q: What is your response to ILA's argument that you stated that RICL**
105 **provides equitable benefits similar to the MISO MVP lines, however,**
106 **those benefits apply only to an AC grid.**¹¹

107 **A:** I made no distinction between AC and DC lines, as the important
108 characteristic for determining the widely spread the benefits of a
109 transmission line are is the amount of energy and capacity the line is
110 delivering. The amount of energy delivered by a high-capacity line like
111 RICL will inherently have beneficial impacts across a large area,
112 particularly for the whole area surrounding the receiving end of the line. In
113 addition, because the RICL project will not be strongly integrated into the
114 AC grid on the wind resource end of the line, it should not cause an
115 increase in electricity prices at that end.

116

117 **Q. Does this conclude your rebuttal testimony?**

118 A. Yes.

¹⁰ ILA Exh 7.1 at 4-5

¹¹ ILA Exh 7.1 at 5-7