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Online Public Comment for Docket: 17-038-U

Public Comment made on 4/30/2018 1:04:53 PM from:
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Public Comments submitted for Docket:
17-038-U
IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN ELECTRIC POWER COMPANY FOR APPROVAL TO ACQUIRE A WIND GENERATING FACILITY AND TO CONSTRUCT A DEDICATED GENERATION TIE LINE

Comments:
Arkansas Public Service Commission

Dear Commissioners,

On behalf of more than 77,000 Americans for Prosperity activists in Arkansas, I urge you not to approve the Wind Catcher Energy Connection Project. This highly risky $4.5 billion project is not necessary, and the incentives driving it - mainly the federal Wind Production Tax Credit (PTC) - are nothing more than corporate welfare that will favor special interests at the expenses of consumers. The stark reality is that, left to itself, the market would not provide the necessary capital to fund this project. That is a powerful indication that this can only be a bad deal for consumers in Arkansas. If there were any potential for meaningful returns on investment, private investors would be swarming. Yet none have come, so the project's backers must turn to another cash cow: the Arkansas consumers and federal taxpayers. Nick Akins, chairman and CEO of American Electric Power Co. Inc. admitted that much in August 2017. "The sense of urgency around getting approvals for this thing is centered on the federal government basically giving a 62 percent-, 63 percent-off sale with the PTCs, and to take full advantage of the PTCs, that's $2.5 billion alone. (PSO wants quick approval from Oklahoma regulators on $4.5 billion wind, transmission project-http://newsok.com/article/5558392 ) Additionally, the size and scope of the project brings unique risks. Both the wind farm and the transmission line must be fully in place and functional in order to deliver the promised benefits to ratepayers. The commission should ask and answer the following questions before moving forward with this project: . What if the project sees delays in construction or hits legal roadblocks and fails to qualify for the PTC? . Why does the Commission not include the massive cost of the PTC to taxpayers in conducting its cost-benefit analysis? . What if the capacity factor never reaches projected estimates on an annual basis or declines more rapidly than anticipated as the project ages? . Because there are little to no increases in power demand, what other generation resources will be forced to retire because this heavily subsidized project will be built? Will those retirements result in losses of local tax dollars to the communities in which those assets are located? . What would the estimated benefits be absent the overtly aggressive assumptions built into model? Could it be a net loss for Arkansas ratepayers? . Is it fair to expose ratepayers to this high-level risk on a project that has failed to provide a compelling argument? Furthermore, the Commission and consumers in Arkansas should be aware of the impacts of the project on SWEPCO's current rate base. According to Mr. Karl Napela the Wind Catcher project would increase the company's rate base by more than 70 percent from $4.44 billion to $7.61 billion.(DIRECT TESTIMONY AND WORKPAPERS OF KARL NALEPA ON BEHALF OF THE OFFICE OF PUBLIC UTILITY COUNSEL. December 4, 2017.
Such a steep increase in the base rate calls for the commission to thoroughly exercise its oversight authority. Additionally, the commission should investigate AEP’s pledge to the New York Pension Fund to massively reduce GHG emissions. (N.Y. Pension Fund Pressures AEP to Lower Carbon Emissions. Feb 9 2018)

Was AEP assuming they would get approval for Wind Catcher when making that pledge? We believe SWEPCO had no authority to make those emission reduction commitments. As a regulated monopoly their statutory obligation is to provide low cost power and ensure all investments are prudent. Nevertheless, and according to the company own estimates Wind Catcher will increase the companies’ renewable capacity from its current 8% to 26%. In other words, Wind Catcher will more than triple Swepco's renewable generation with just one project. (Wind Catcher Energy Connection)

In short, we encourage the commission to carefully consider the numerous risks in the light of the uncertain benefits this scheme proposes. Specially because our state energy policy shouldn't be dictated by New York financiers priorities. Ultimately, solely based on its economic merits, this project shows not to be in the interest of rate payers, nor the workers of the state of Arkansas. Preventing gambling and imprudent decision-making with the funds of ratepayers and taxpayers is at the core of the mission of the Commission. Wind Catcher is not worth the risk for consumers. On behalf of Americas for Prosperity- Arkansas, we respectfully ask you to reject this proposal to protect the interests of rate payers.

Sincerely, Akash Chougule