

While Wisconsin Residents Object to a \$700 Million Gas Power Plant, Their Public Officials Submit Supportive Comments Ghostwritten by Industry

By [Matt Kasper](#)

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Region: [USA](#)

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As the public comment period for a new natural gas power plant drew to a close last month, several state lawmakers filed comments urging the Wisconsin Public Service Commission to approve the project. The lawmakers' letters, however, appear to have originated from Dairyland Power Cooperative, one of the utilities looking to construct the power plant, according to [emails](#) obtained by the Energy and Policy Institute.

"You may have already submitted a letter of support to the PSC, which we appreciate. We would ask that you resubmit those letters at this time, as new submittals are now needed to make the comment an official part of the project docket," wrote Nathan Franklin, external and member relations representative for Dairyland to undisclosed recipients. "If you have not yet submitted your comments, we ask that you do so at this time. Comments are due by Friday, October 25. A sample letter template is attached..."

From: Nathan Franklin Nathan.Franklin@DairylandPower.com
Subject: Nemadji Trail EC letters of support
Date: October 14, 2019 at 9:41 AM
To: Nathan Franklin Nathan.Franklin@DairylandPower.com
Cc: Brian Rude Brian.Rude@DairylandPower.com, Steve Freese steve@weca.coop, rob@weca.coop

In February, you were visited by members of your local electric cooperative who asked you to write a letter of support for the Nemadji Trail Energy Center (see one pager attached). Your local electric cooperative buys energy from Dairyland Power Cooperative, who is committing to the Nemadji Trail project on their behalf.

You may have already submitted a letter of support to the PSC, which we appreciate. We would ask that you resubmit those letters at this time, as new submittals are now needed to make the comment an official part of the project docket. You can mail the letter (to: PSC, attn: docket 9698-CE-100, North Tower 6th Floor, Hill Farms State Office Building, 4822 Madison Yards Way, Madison, WI 53705) or use the link below to submit those comments.

<http://apps.psc.wi.gov/vs2015/ERF/comment/filecomment.aspx?util=9698&case=CE&num=100>

If you have not yet submitted your comments, we ask that you do so at this time. **Comments are due by Friday, Oct. 25.** A sample letter template is attached and you can also mail or use the link above to submit those comments.

The 500,000+ consumers of Dairyland Power in Wisconsin appreciate your support. The Nemadji Trail Energy Center will support renewable power when the sun isn't shining and the wind isn't blowing, allowing Dairyland on behalf of its local electric cooperatives to provide stable and affordable electricity to our consumers and engage in the next wave of investments in renewable energy.

If you have any questions, please do not hesitate to call me.

Nathan Franklin

External & Member Relations | Dairyland Power Cooperative
O: 608.787.1439 | C: 608.792.9392 | www.dairylandpower.com



This email may contain confidential or proprietary information. If you believe you have received this message in error, please notify the sender by reply and delete the message.

Dairyland Power Cooperative is an equal opportunity provider and employer.

"Zero By Choice - Everyone Home Safe Every Day"

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Wisconsin State Senators Howard Marklein (R), Jennifer Shilling (D), Jeff Smith (D), Tom Tiffany (R), Patrick Testin (R), and State Representatives Jill Billings (D), Steve Doyle (D), Jodi Emerson (D), Mary Felzkowski (R), Loren Oldenburg (R), and Nancy VanderMeer (R) each signed their names to various [letters submitted to the PSC](#).

The lawmakers urged the PSC to sign off on the Nemadji Trail Energy Center (NTEC), which is a 550-625 MW merchant natural gas plant proposed to be built in Superior, Wisconsin, by both Dairyland Power Cooperative and Minnesota Power, an investor-owned utility company that is a subsidiary of ALLETE. Dairyland supplies electricity to nearly [260,000 customers](#) across Wisconsin, Minnesota, Iowa, and Illinois – including the Freeborn-Mower, Eau Claire Energy, and MiEnergy cooperatives, which sell electricity to customers.

The companies are seeking a Certificate of Public Convenience and Necessity from the Wisconsin PSC. Wisconsin regulators have to determine only if the site is appropriate and meets environmental standards, whereas Minnesota regulators also had to determine if the plant is the cheapest, cleanest way Minnesota Power can meet energy needs for its ratepayers. Last October, the Minnesota Public Utilities Commission [voted 3-2](#) to approve Minnesota Power's stake in the project, despite [opposition](#) from consumer groups, industrial consumers, and environmental advocates. The administrative law judge also recommended the PUC reject the gas plant. "Minnesota Power has failed to establish that approval of these

affiliated interest agreements is consistent with the public interest because it has failed to demonstrate that the underlying 250 (megawatt) NTEC purchase is needed and reasonable,” [wrote](#) Judge Jeanne Cochran.

Dairyland Cooperative is not alone in manufacturing support for the project in front of regulators.

Last month, the *Star Tribune* [reported](#) that Superior city councilors unanimously approved a resolution in support of the NTEC project. The Council passed the resolution days before the Wisconsin PSC held public hearings in Superior on October 28th and 29th.

Councilor Dan Olson introduced the [resolution](#), which came from the president of the Northern Wisconsin Building and Construction Trades Council. Olson wanted it added to the agenda and passed in response to a “negative DNT [Duluth News Tribune] article and before public hearing at the end of the month,” according to emails provided to the Energy and Policy Institute. Olson is an international representative at the Laborers International Union of North America (LIUNA) and a member of Laborers Local 1091.

Kalan, Terri

From: Dan Olson <laborers@local1091.com>
Sent: Thursday, October 10, 2019 1:19 PM
To: Kalan, Terri
Subject: Fw: NTEC Resolution
Attachments: Superior City Council Resolution.docx

Will you please add this resolution of support to next Tuesday's agenda? Sorry about short notice but want it on after negative DNT article and before public hearing at the end of the month.
Thanks

Daniel Olson
Business Manager
Laborers Local 1091
Duluth MN
218-728-5151 O
218-348-2346 C
International Representative MN/ND
LIUNA

From: Kyle Bukovich <kbukovichcl242@gmail.com>
Sent: Thursday, October 10, 2019 1:10 PM
To: Dan Olson
Subject: NTEC Resolution

Here ya go!

--
Kyle Bukovich
President

*Northern Wisconsin Building
and Construction Trades Council
PO Box 577
Superior, WI 54880*

Cell: 218-591-0157
Office: 218-728-6895
Fax: 218-728-1965

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Several days before Olson added the NTEC resolution to the council's agenda, the Wisconsin Department of Natural Resources (DNR) commented in the NTEC docket. DNR [found](#) in its investigation that "there was not a sustainable source of groundwater to meet the stated needs of the [NTEC] project."

Both [Duluth News Tribune's Jimmy Lovrien](#) and [Wisconsin Public Radio's Danielle Kaedling reported](#) on DNR's investigation and comments.

Clean Wisconsin's Katie Nekola told Kaedling, "This is a terrible site for a huge power plant. DNR is concerned that NTEC would deplete the groundwater in the area by pumping about (3) million gallons of water each day — more than the entire City of Superior uses."

The public officials' support for the NTEC project stands in sharp contrast to the dozens of individuals who attended public hearings last month and the hundreds of customers who submitted comments into the docket.

For instance, Randall and Karen Nevala, who live close to the utilities' preferred site for the plant, [wrote](#) to the PSC about their concerns about pollution, noise, and the water required for the plant. "We live here year-round at a location very close to the identified preferred site (Site 1) for the proposed project, just one house from 31st Avenue East and approximately 0.35 miles from the identified preferred site for the proposed power plant. We are not in favor of the project and urge you not to approve it."

And during the October 28 public hearing, Rene Ann Goodrich, who identified herself as a tribal member of the Bad River Band of Chippewa Lake Superior Ojibwa, attended to [voice her concerns](#) about the lack of tribal input into the plant's Environmental Impact Statement.

Cheaper and Cleaner Options

Since the early stages of the project, the utilities have justified the \$700 million gas plant as a tool to deploy more renewable energy.

"We're trying to diversify our portfolio into things other than coal, and that is wind, solar, hydro and certainly gas," Rob Palmberg, Dairyland's vice president of strategic planning, [told Midwest Energy News last year](#). Palmberg said the gas plant would allow the utility to "fill the valleys when we don't have the wind blowing and sun shining."

The template Dairyland provided to state lawmakers also included that talking point:



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The state lawmakers who submitted comments to the PSC either directly copied that phrase or slightly altered the language.

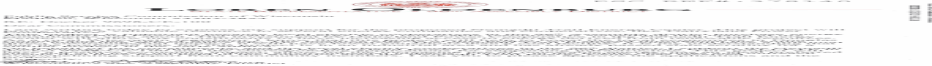


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Letter to PSC from Senator Testin and Representative VanderMeer.



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Letter to PSC from Representative Oldenburg.

However, energy analysts have refuted this industry talking point on several occasions.

Sierra Club expert witness Michael Goggin, Vice President at Grid Strategies, filed [rebuttal testimony](#) in the WPSC docket to explain that increasing renewable energy generation does not justify adding a combined cycle gas plant:

“Across large regions such as the MISO footprint, changes in the fleetwide output of many wind and solar plants are gradual and predictable, even at very high renewable penetrations ... If anything, investing in a resource like [a combined cycle gas generator] will only harm renewables by precluding the development of more flexible resources like battery storage in the near future.”

In the Minnesota PUC docket, Minnesota Power similarly argued that NTEC is needed to integrate high levels of renewable energy. Michael Jacobs, a senior energy analyst for the Union of Concerned Scientists and an expert witness for several clean energy organizations and environmental groups in the case, said Minnesota Power’s methodology in proving the need for NTEC is “fatally flawed.” Jacobs further pointed out that the utility “used distinctly less favorable cost numbers compared to other IRPs from the same time” in regards to the declining costs of battery storage.

In September, Rocky Mountain Institute (RMI) reports analyzed the need for natural gas infrastructure projects in two reports titled, “[The Growing Market for Clean Energy Portfolios](#)” and “[Prospects for Gas Pipelines in the Era of Clean Energy](#).” RMI found that wind, solar, and energy storage technologies are cost-competitive with new natural gas power plants. The RMI analysts conclude that since renewables are cost-competitive and will become cheaper, gas projects being built now may become stranded assets.

Sierra Club recently used RMI’s methodology and algorithm to [compare the costs](#) of specifically building the NTEC power plant to a clean energy portfolio, and did the same with Xcel Energy’s plan to switch from coal to gas at the Becker power plant. Sierra Club found that the clean energy portfolio is a cheaper option than either gas plant by hundreds of millions of dollars.

Proposed gas plant	Proposed capacity / in-service year	Gas plant cost	Clean energy portfolio cost	Total savings - clean energy portfolio (net present value)	Gas plant stranded year*
Nemadji Trail Energy Center	625 MW / 2024	\$52/MWh	\$38/MWh	\$231 million	2032
Becker/ Sherburne replacement	800 MW / 2027	\$55/MWh	\$46/MWh	\$360 million	2037

*Stranded year: The year in which the cost of building and operating a new clean energy portfolio (that provides the same services as a gas plant) becomes cheaper than the future operating costs of the gas plant.

Environmental Groups Appeal Minnesota PUC Decision

After the Minnesota PUC voted 3-2 to approve Minnesota Power's portion of the NTEC cost and energy supply last year, Sierra Club, Minnesota Center for Environmental Advocacy and the Union of Concerned Scientists, along with Honor the Earth, [appealed](#) the decision.

On October 10, the Minnesota Court of Appeals heard [oral arguments](#) on their appeal. The groups argued that the PUC did not conduct an environmental review required by the Minnesota Environmental Policy Act (MEPA). The PUC contends that MEPA rules do not apply because the NTEC plant was not a project developed by Minnesota Power, since the utility plans to buy power from an affiliated company constructing the plant with Dairyland Cooperative. The PUC also said that MEPA rules do not apply because the physical construction is in Wisconsin.

However, the environmental groups argue MEPA rules should have been followed by the PUC regardless of where the physical activity is happening, since a Minnesota agency is involved in the project's development. The groups also told the court that even though Wisconsin is undertaking an environmental review, the PUC should have reviewed and analyzed an impact statement before making a decision.

The court has 90 days from October 10 to make a ruling.

*

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Matt Kasper is the Research Director at the Energy & Policy Institute. He focuses on defending policies that further the development of clean energy sources. He also frequently focuses on the companies and their front groups that obstruct policy solutions to global warming. Before joining the Energy & Policy Institute, Matt was a research assistant at the Center for American Progress where he worked on various state and local policy issues, including renewable energy standards. His work has appeared in The Guardian, the New

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