

FOR IMMEDIATE RELEASE:

The Preservation of Rural Iowa Alliance

CONTACT INFORMATION:

Carolyn Sheridan, Board President

Phone: 712-262-5229 Cell: 712-363-4034

Email: iowastoprict@gmail.com

THE PRESERVATION OF RURAL IOWA ALLIANCE

PRESS RELEASE - 12/02/2014

Impact of Illinois Commerce Commission Order on Iowa Portion of Rock Island Clean Line Project

ICC failed to grant eminent domain power in Illinois

Large numbers of Iowa and Illinois land owners in opposition to the RICL project

The Illinois Commerce Commission issued on November 25, 2014 an Order approving the construction of the Rock Island Clean Line (RICL) high-voltage transmission line in the state of Illinois but stopped short of granting eminent domain power. In legal terms, this approval is called a Certificate of Public Convenience and Necessity. The Illinois Order, however, contains two very high hurdles: (1) Land Acquisition and (2) Financing.

Regarding **Land Acquisition**; this Illinois approval does not grant RICL eminent domain powers. Instead, Rock Island Clean Line will have to negotiate with landowners to purchase easements across their land. The route proposed by Rock Island and approved by the Illinois Commerce Commission (ICC) requires 443 individual easements in Illinois.

The Preservation of Rural Iowa Alliance (PRIA), president Carolyn Sheridan states, "RICL in Illinois is far from a done deal".

If RICL decides later to seek condemnation authority, the company will then have to seek additional approval from the ICC in a brand new proceeding. "If they are not able to negotiate property deals they will have to come back to get approval to use eminent domain," ICC staffer Mary Bosch explains.

Mary Mauch, co-founder of the Illinois grass roots opposition group (Block RICL), says there are only a handful of easement contracts signed in Illinois although land agents started more than two years ago. RICL representatives and land agents met such resistance that they postponed negotiations until after the ICC ruling when they presumed they would be on the path to eminent domain.

In Iowa, Rock Island Clean Lines easement acquisition effort has been underway for more than 15 months for the 375 Iowa miles of its proposed route. But as of November 6, 2014, Rock Island had obtained only 194 easements out of 1,540 Iowa easements required.

Perhaps a hurdle even higher than the Illinois land acquisition hurdle is the **Financing** Requirement. The Illinois Commission's Order requires that RICL secure funds to cover the total cost of the project before any construction can begin.

The Financing condition in the Order reads: "Rock Island will not install transmission facilities for the Rock Island Clean Line Project on easement property until such time as Rock Island has obtained commitments for funds in a total amount equal to or greater than the total project cost." (Illinois Order, p. 156)

According to Illinois Commerce Commission testimony, Rock Island Clean Line's latest Project cost estimate is \$1.833 Billion.

The Financing Condition means that not one spade of dirt can be turned on this project in Illinois until Rock Island Clean Line has demonstrated to the ICC that Rock Island has at least \$1.833 Billion in hand **to construct the entire line, Iowa and Illinois portions together.**

Moreover, the Project Financing model employed by Rock Island anticipates financing on the basis of contracts with individual wind generators in NW Iowa/SE South Dakota who have, in turn, long-term power purchase agreements in place with customers.

Given that:

- Rock Island could cite to the ICC exactly zero (0) prospective wind generators in NW Iowa and SE South Dakota which have long-term power purchase agreements in place with any customers.
- Sec. §8406(f) of Illinois' Public Utility Act states that unless exercised within a period of 2 years from the grant thereof (11/25/2014), the authority conferred by an Illinois Commerce Commission **certificate of convenience and necessity shall be null and void.**
- Its parent company (Clean Line) faces an enormous financing task: The proposed cost for the other subsidiary transmission projects of Clean Line currently underway totals roughly \$8 Billion.

There is still a long ways to go before the Illinois Commerce Commission will allow Rock Island Clean Line to turn one spade of dirt in Illinois.

The project also still needs approval from the Iowa Utilities Board (IUB), where RICL has only recently finished filing its 16 Iowa petitions for review by Iowa Utilities Board staff. IUB Engineers will review each of the 16 initial petitions (one petition for each of the 16 Iowa counties that the propose project would cross) for deficiencies. There are lots of details; 16 sets of them in fact. Rock Island must demonstrate, for example, that it has properly notified every other utility whose line, pipe, or cable its proposed line might impact. It must demonstrate that all of its plans will meet the applicable codes. If past actions are an example, we might expect this to take four months or even longer.

The Preservation of Rural Iowa Alliance (PRIA), a nonprofit grassroots organization, representing thousands of landowners in the state is concerned with the potential harm the project will cause. Key topics of concern for PRIA include: use of eminent domain by a private investment firm for economic gain, depreciation of land values, uncertain health effects, impacts on livestock, vague easement agreements, and interference with agriculture technology, need for reasonable and practical routing, and integration with overall electrical transmission grid.

PRIA president Carolyn Sheridan states, "The Alliance advocates on behalf of landowners, families, businesses and community members and is committed to using the resources necessary to protect private property rights of land owners. This line would not use any of the thousands of miles of existing right of ways throughout the state, but instead creates a totally new corridor through the middle of prime agricultural land. The ability to use eminent domain to take people's private property for a high-voltage transmission line that will crisscross the state of Iowa and into Illinois, taking mostly prime farm land, is not acceptable."

Sheridan says this is a large group of people with a common goal which is evidenced in unprecedented numbers (nearly 1200) of formal objections filed with the Iowa Utilities Board and the less than 15% voluntary easements obtained from total parcels across the 16 impacted counties in Iowa.

While the processes in Illinois and Iowa differ, people in both states are united in their opposition to this project and the potential devastating impacts to landowners and communities in both states. We will continue to work together in one common goal. Stop the abuse of eminent domain!