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Joint statement of response to litigation filed against Cardinal-Hickory Creek Transmission Line Project

The Cardinal-Hickory Creek Transmission Line Project is vital to the future of our region's renewable energy and clean energy economy. Yet the litigation being pursued by the Environmental Law & Policy Center and affiliated organizations in state and federal courts could push that future farther down the road. These actions may delay the delivery of low-cost, renewable energy to electric consumers, risk system reliability and increase costs to ratepayers.

Ironically, ELPC continues to publicly support the development of renewable energy generation across the Upper Midwest by promoting itself as being "on the forefront of the clean energy economy." Accomplishing that requires construction of the Cardinal-Hickory Creek Transmission Line to provide an essential link for achieving a sustainable energy future.

The pace of change in the electric utility industry and the transition to renewable energy continues to accelerate as traditional coal-fired plants are retired and more carbon-neutral projects are proposed. Requests to interconnect new renewable generation sources with the transmission system are at an all-time high while new projects are backlogged due to a lack of transmission capacity. The Cardinal-Hickory Creek project is needed to allow low-cost, renewable resources to connect to electric consumers.

Additional information:

The lawsuits filed by the opposition are detrimental to the development and delivery of renewable energy for the following reasons:

- **The lawsuits may result in a delay in delivering cost-effective, renewable energy to Wisconsin and throughout the Upper Midwest**
 - Consumer demands and declining costs are key drivers in the move toward renewable energy resources.
 - As of May 27, 2021, there are 58 generators, with a combined capacity of 10,116 MW, that are dependent on this project; 55 of these generators use renewable fuel sources. *(Updated June 4, 2021)*
 - Because the Cardinal-Hickory Creek project has not yet been built, the amount of electricity that generators can deliver to the grid may be limited since there is not sufficient transmission to transmit electricity to customers. These generators are located in Iowa, Wisconsin, Missouri, North Dakota, South Dakota, and Minnesota, highlighting the regional nature of the benefits brought by this project.
 - The Cardinal-Hickory Creek project will help ensure the cost-effective, renewable energy that consumers are seeking is available and affordable.
- **A project delay would slow progress toward meeting decarbonization goals**
 - Governments, corporations and other organizations pursuing sustainability goals are fueling the demand for clean, renewable energy. These goals can only be accomplished by building the necessary electric transmission infrastructure to connect renewable energy production with consumers.

- Traditional baseload generating plants are being retired throughout the Upper Midwest at an unprecedented pace, especially coal plants.
- Buzz around vehicle electrification is intensifying. In the near future, fast vehicle charging stations will require large amounts of electricity from the transmission grid.
- **A project delay increases risks of compromised grid reliability and resilience**
 - Continued investments in transmission, such as the Cardinal-Hickory Creek project, are essential to ensure greater system resiliency and reliability during extreme weather events. The unprecedented storms we experienced over the past year are now preceded, and we must prepare for the next time.
- **A project delay potentially increases project costs to ratepayers**
 - The governmental agencies and utilities involved in the project have already incurred significant legal fees to defend the legitimate regulatory approvals of the project.
 - Any delays to the project caused by opposition litigation will only increase costs through higher material and labor costs in future years.
 - All of these increased costs caused by delay may be passed along to electric consumers.

Additional background:

Following years of public involvement and regulatory review, ITC Midwest, American Transmission Co. and Dairyland Power Cooperative received Wisconsin (September 2019) and Iowa (May 2020) state regulatory approvals for the Cardinal-Hickory Creek Transmission Line Project. Additional regulatory approvals have been obtained from federal agencies, including the U.S. Fish and Wildlife Service and the U.S. Army Corps of Engineers, for permission for the line to cross the Upper Mississippi River National Wildlife and Fish Refuge and the Mississippi River. Final permitting from these federal agencies has been received or is in process.

In response to project approval, organizations led by the Environmental Law & Policy Center (ELPC) have filed several lawsuits in Wisconsin state court and U.S. federal court in opposition to the project. In February 2021, various environmental groups sued the United States to block approvals from the U.S. Fish and Wildlife Service and USDA Rural Utilities Service for the Cardinal-Hickory Creek project. Most recently the plaintiffs have challenged the nationwide and regional permits issued by the Army Corps of Engineers under the Clean Water Act (CWA) that apply to the Cardinal-Hickory Creek project wetland and stream crossings.

The latest environmental litigation against the Cardinal-Hickory Creek project also appears likely to threaten the main federal permitting system relied upon by electric transmission owners across the country.

The utilities are continuing with pre-construction activities on the Wisconsin segment, while actual construction began on April 29 on the Iowa segment. The project is anticipated to be in service by late 2023.

Note to editors:

Additional information about the project is available at www.cardinal-hickorycreek.com.

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About ATC

Formed in 2001 as the nation's first multi-state transmission-only utility, American Transmission Co. is a Wisconsin-based company that owns and operates 10,081 miles of electric transmission lines and 582 substations in portions of Wisconsin, Michigan, Minnesota and Illinois. Our transmission network enables the movement of electricity produced from all forms of generation resources to areas where it is needed –

helping to keep the lights on, businesses running and communities strong. Visit our website at www.atcllc.com.

About ITC Midwest

ITC Midwest LLC is a subsidiary of [ITC Holdings Corp.](http://www.itc-holdings.com), the largest independent electricity transmission company in the U.S. ITC Midwest operates more than 6,600 circuit miles of transmission lines in Iowa, Minnesota, Illinois and Missouri, and holds utility status in Wisconsin. ITC Midwest is headquartered in Cedar Rapids, Iowa, and maintains regional operating facilities in Dubuque, Iowa City and Perry, Iowa; and Albert Lea and Lakefield, Minnesota. For further information visit www.itc-holdings.com. ITC is a subsidiary of Fortis Inc., a leader in the North American regulated electric and gas utility industry. For further information visit www.fortisinc.com.

About Dairyland Power

Dairyland Power Cooperative, with headquarters in La Crosse, Wisconsin, provides wholesale electricity to 24-member distribution cooperatives and 17 municipal utilities. A Touchstone Energy Cooperative, Dairyland's service area encompasses 62 counties in Wisconsin, Minnesota, Iowa and Illinois. For more information, please visit www.dairylandpower.com.