



May 13, 2015 10:30 a.m. UPDATED 6 HOURS AGO

# ITC completes final phase of renewable energy transmission line from Michigan Thumb



By **JAY GREENE**



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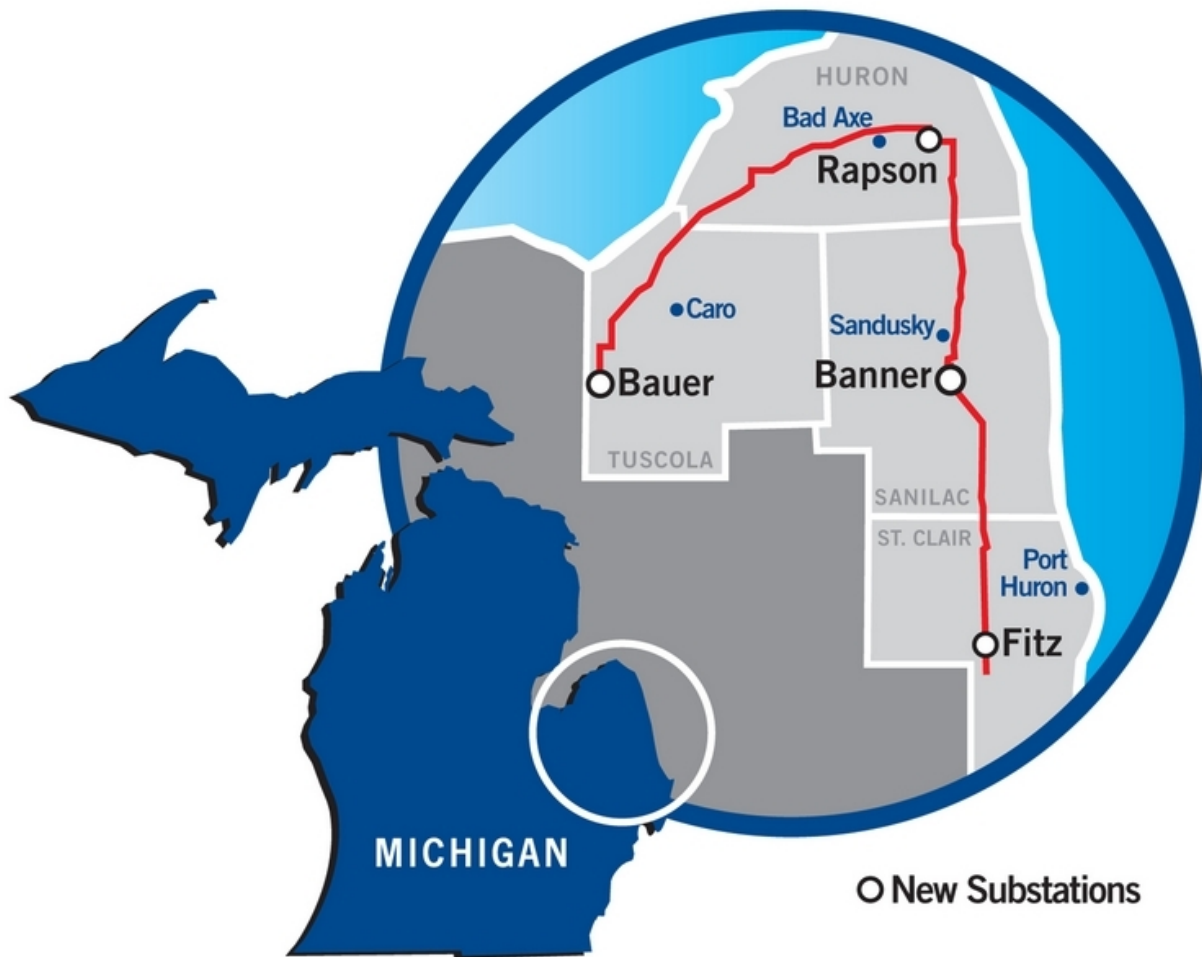


Photo by ITC Transmission

ITC Transmission's \$510 million Thumb Loop project serves as the backbone of a system connecting nearly 10 million Michigan customers to a large source of renewable wind energy.

Novi-based **ITC Transmission** has completed the third and final phase of a \$510 million project to build a high-voltage transmission line to tap into lower-cost renewable energy produced by about 327 wind energy turbines in the Michigan Thumb.

The privately financed project, which created a 140-mile, 345,000 volt double-circuit line with four substations through Tuscola, Huron, Sanilac and St. Clair counties, now transmits up to 1,000 megawatts of renewable energy to nearly 10 million Michigan households and businesses, said Linda Blair, president of **ITC Michigan**.

Blair said the transmission line has plenty of room for growth with a transmission capacity of up to 5,000 megawatts.

ITC is a subsidiary of **ITC Holdings** (NYSE: ITC), the nation's largest independent electricity transmission company that was spun off from **DTE Energy Co.** in 2003.

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#### SNAPSHOT OF THUMP LOOP TRANSMISSION PROJECT

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**Value:** Estimated \$510 million

**Miles of wire:** 1,680 miles, enough to stretch from the Thumb to Salt Lake City, Utah

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Joe Welch, ITC's CEO and chairman, said the Thumb Loop project will deliver renewable energy to Michigan and help improve system reliability, expand transmission generation capacity and improve market competition.

Welch said the project shows how well state government and private companies can collaborate in planning to help achieve renewable energy goals.

"This project brings an increase in transmission system capacity and reliability while providing more efficient transmission of renewable energy. It also created jobs and will have a meaningful near and long-term impact on the economy of the region and the entire state," Welch said in a statement.

Gov. Rick Snyder said the project has helped add low-cost renewable energy to the state's electricity grid and will save customers money.

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"It is a good example of why we need to evaluate transmission in our overall planning to ensure an adaptable, affordable, reliable and environmentally protective energy future," Snyder said in a statement.

The Thumb Loop construction phase of the project, which was completed ahead of the late 2015 deadline, contributed more than \$366 million to the state's economy, including employment of local

contractors, vendors and suppliers, Welch said.

Before the new transmission line began providing power, the Thumb region had a small transmission line capable of carrying about 100-120 megawatts of renewable energy through it, Blair said.

“(The line) was incapable of accommodating any major wind resources,” Blair said. “We began a planning process with the state eight years ago to prepare” for additional transmission capacity to meet the state’s renewable energy goals.

Construction on phase one – 62 miles of lines in Tuscola and Huron counties - began in 2011 and went into service in September 2013. Phase two included 20 miles of lines in St. Clair and Sanilac counties and went online May 2014.

The final phase included 56 miles of line in Huron and Sanilac counties and the Banner substation near Sandusky.

Blair said the \$510 million investment will be paid for by electric customers in the Midwest region, which includes 15 states that make up the Midwest Independent Transmission System Operator (MISO).

The additional utility bill costs will be nominal, she said, with transmission costs accounting for about 4 percent of an average customer’s bill, an amount that hasn’t change much since 2003.

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Michigan’s Thumb region has several wind energy farms in operation and others in the planning process, including private projects developed by DTE, **Consumers Energy Co.**, **NextEra**, **Exelon**, **Geronimo** and **RES Americas Inc.**

DTE owns and operates 162 of the 327 wind turbines in the Thumb.

“The loop will stabilize the grid in the Thumb area and will allow us to bring new renewable wind energy to our customers,” said Scott Simons, DTE’s interim manager of media relations, in a statement to *Crain’s*.

"Completion of the Thumb loop project demonstrates how planning for Michigan's energy future requires long-term vision and careful consideration of numerous variables."

For example, DTE had planned to shut down its **Harbor Beach Power Plant** in late 2012, due to the plant's age and pending emissions regulations. But MISO studied the impact of that closure on grid reliability in the Thumb and asked DTE to delay the closing of Harbor Beach until late 2013, when the first phase of the Thumb Loop project became operational.

“With as much as 60 percent of Michigan's coal generating capacity to be retired in the next 15 years, careful, long-range planning will be key to ensuring reliable, affordable energy for Michigan's future,” Simons said.

In 2008, Michigan legislators enacted a renewable energy standard that requires utilities to produce 10 percent of power from wind, solar or other renewable energy sources, by the end of this year.

Legislators this year are debating whether to extend or eliminate some those goals.

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