

Federal Land Siting Meeting
January 11, 2011
Meeting Summary and Next Steps

Background

States, utilities and merchant developers have expressed frustration with the federal land siting process, resulting in more and more energy facilities being developed on private lands. The push to private lands is creating more and more conflict with private land holders, which is being raised at the governor's level. WGA held a meeting to address the extensive permitting process on federal lands and develop recommendations to improve the process; whether through suggesting better legislation, improved processes or regulatory improvements.

Next Steps:

- 1. Further vet Dave Sloan's paper and use as input to governors talking to Secretaries.**
- 2. Collect database of transmission projects crossing federal lands and track progress.**
- 3. Review suggestions from each panel with WGA Staff Council to develop/formulate discussion with various Federal Agencies.**

Panel 1 – Federal vs. Private Land, Speaker [Walt George](#)

He acknowledged that private citizens have angst with transmission lines crossing their private lands, but yet see no perceived benefit. Impact ranges from decreased land valuation to interference with land use purpose such as irrigating agricultural crops. Walt George introduced the challenges with siting on federal lands; noting that today's world of building energy and transmission is much different than in the 1980s when some of the first land use management plans were developed. For instance, transmission was smaller in scale and was primarily in-state. Today, transmission lines are far from load, cross state lines and tread over multiple land use ownership. This creates the need for multiple layers of authorizations with no one entity having final 'siting' authority. This results in no one agency being able to "advance" the project, especially when authorizing entities have conflicting siting criteria.

Congress charged federal agencies to develop energy corridors and in January 2009 DOE and the BLM designated the West Wide Energy corridors. These corridors were incorporated into land use plans and are *preferred, but not mandatory*, corridors for linear development on public lands. NEPA and environmental analysis is still necessary in these areas. Furthermore, BLM is updating land use plans which tend to be more prescriptive than older plan versions resulting in more situations where proposed transmission lines do not conform to plan objectives. Various agency officials interpret these land use plans differently; some see them as requirements, while others view them as guidelines.

With the [9 Agency Memorandum of Understanding](#), BLM is working harder to engage more agencies early on in the NEPA process. In addition, BLM may defer identification of a preferred route until after the public comment period on the Draft EIS is over. This allows the BLM to take an unbiased position and facilitate finding complementary siting decisions among all authorizing entities. With the advance of numerous projects serving different interests, BLM must look at cumulative effects of several projects, as well as the full scope of downstream and upstream activities. Walt suggested that the federal agencies are challenged with how to balance between protecting federal lands and allowing legitimate land use needs to be served. The BLM is working to use corridors and other land use guidelines as principle siting tools, but also incorporate local issues and needs.

Action Items:

- *Can the developer have a look at the draft EIS prior to going out to public comment to potentially avert unexplained issues?* (NOTE: Walt George noted that applicants cannot review Administrative Draft versions of environmental documents. BLM project managers do work closely with applicants to notify them of project related issues and insure technical, operational, regulatory, and economic information from the utility perspective is accurately presented in the environmental documents)

Panel 2 – Gateway West – Speakers [David Solan](#) (Energy Policy Institute, Boise State University) [John Cupparo](#) (PacifiCorp), [Kip Sikes](#) (Idaho Power Co.)

David Solan presented his study “Transmission Siting and Public Lands: Options for Improvement and the Gateway West Case Study” to provide background on the Gateway West transmission line. The proposed Gateway West line is more than 1,100 miles between Wyoming and Idaho. The line crosses both federal and private lands and is behind schedule largely due to delays in the NEPA process. Mr. Solan suggested that there are not viable options available for changing legislation, but pointed to improving federal management under the current legislation. The key suggestions made were:

1. Push process to decision points,
2. Set measurable performance standards,
3. Develop an explicit process for federal agency staff members; limiting the input to those directly involved with the analytics or selected to represent an area of expertise,
4. Document and monitor progress from interagency and agency meetings,
5. Make available all transmission projects subject to NEPA, not just those under section 216(h).
6. Assist local governments with comprehensive plans for transmission projects. Provide them with the tools and ‘big picture’ for creating ordinances that support siting transmission. This could promote coordination with neighboring jurisdictions.
7. Consider an option such as ‘Standby Support’ for priority projects bogged down in the regulatory process. These projects would receive assistance when deadlines are long past reasonable time periods.

Kip Sikes' presentation followed David Solan. Mr. Sikes is with Idaho Power and reinforced the view made by Mr. Solan that having no one to make the final decision is very frustrating and leads to lack of accountability. Kip reviewed lessons learned from planning the Boardman to Hemingway transmission line. The first attempt at public outreach for scoping the transmission line resulted in public dissension. Idaho Power then took a step back and actively engaged the local communities on suggested alternatives for building the line. The regional engagement resulted in over 1,000 routing recommendations. The scope of the project was narrowed down after considering costs for mitigation and constructability. The B2H project still must go through the NEPA and environmental analysis process. Despite the widespread public engagement process, the project only becomes commercially viable after permits are issued. Does the extra upfront leg work streamline the NEPA process? How the initial scoping affects the permitting process has yet to be seen.

John Cupparo, from PacifiCorp, presented on the Gateway West transmission project. This project spans several states in the northwest. John further elaborated on the widespread criteria is taken into account when siting a transmission line. When siting the Gateway West project, 28 different criteria were considered, as well as almost 40 public meetings involving close to 2,000 participants. During this process, PacifiCorp gathered various metrics and data to evaluate environmental screens, different land ownership rights, and public recommendations. This process was simply to scope the line and didn't delve into the needed NEPA and environmental analysis. Mr. Cupparo reiterated the need for schedule certainty and predictability. Furthermore, he recommended greater interagency coordination amongst the various siting authorities, whether federal, state or local. Consistent public involvement within NEPA needs to be defined.

Areas for improvement:

1. Create schedule certainty.
2. Use contractual obligations with the agencies to manage expectations and schedules, with potential penalties for non-performance. As a counterpoint - - NEPA is issue driven and public participation based. Trying to adhere to pre-established project schedules when the public demands more time or requests other options be considered can only fuel controversy, leading to more delay.

Panel 3 – California Generation and Transmission Facilities

Development Speakers – *Michael Picker, Sr. Advisor to the Governor on Energy Policy, Bhashkar Ray, Sr. Project Mgr on Transmission SCE and Charles Adamson, Manager - Major Projects Organization, Transmission Projects, SCE*

Michael Picker, the Senior Advisor to the Governor on Energy Policy, was joined by Bhashkar Ray and Charles Adamson from Southern California Edison to discuss projects in California that have been successfully permitted on federal lands. Mr. Picker began the discussion highlighting the extensive renewable projects that were in the queue for development – over 270 projects and 70 MW of energy. By reviewing projects seeking ARRA funding and more likely for development, the team was able to focus on 20

projects likely to be built. With the December 31, 2010 deadline for ARRA funding, the governor's office worked backwards in establishing schedules and deadlines. Meetings were held on a monthly basis to look at downstream implications for the anticipated generation. Developers were tasked with developing detailed project descriptions to provide agencies; thus eliminating numerous back and forth questions. Based on communications with developers, the governor's office coordinated monthly meetings with high level federal agency staff to monitor the progress of permitting and establish clear tasks for the regional staffers. As a result, California expects to meet their 33% RPS goal by next year. The overarching success of this project was due to a big goal that was clearly defined. The high level coordination was able to trickle down to the staff level, which put everyone on the same page, working towards the same objective.

Bhashkar Ray elaborated on the work SCE did to pull together technical studies and analysis that was needed by the various agencies. The detailed technical studies facilitated the review and permitting process. Mr. Ray's team also worked on interconnection issues and developing a customer financing model for new and upgraded transmission. This involved SCE paying upfront for upgrades because generation developers didn't have the financial capabilities. FERC agreed to cost recovery for SCE to pay for transmission upgrades ahead of generators being able to pay. This allowed developers to build generation in phases as transmission upgrades occurred; reducing the chicken and the egg problem. Mr. Ray emphasized that the efforts to permit generation efficiently was due to local, state and federal siting authorities working collaboratively and everyone having a good understanding of what was needed to succeed.

Charles Adamson followed Bhashkar's, with a discussion on Tehachapi. The Tehachapi area is one of the best regions in the country for wind, with turbines dating back to the 1970s. The area is poised for growth, but is constrained by lack of transmission. Transmission to Tehachapi is being built through stages, with a great deal of time being spent on permitting the line through the Angeles National Forest. Extensive alternative routes were required in permitting the line, but to NOT go through the Forest would have added many more miles of transmission and significant costs. Because there was strong public policy emphasis on having renewables developed, the siting authorities were motivated to 'come to the table'. In addition, Chuck noted that SCE worked extensively with the developers to design detailed project scopes. Creating better and more robust applications seemed to speed up the review process. Mr. Adamson also stressed the importance of having access to the right decision makers in getting issues addressed in a timely manner.

Panel 4 – [Cascade Crossing Collaboration Speakers](#), *Deb Schallert, Permitting Manager for Portland Gas and Electric, Kristy Boscheinen, Forest Planner for Mt. Hood National Forest and Robin Estes, Program Analyst Oregon/Washington BLM*

Deb Schallert, Permitting Manager for Portland General Electric, was joined by Kristy Boscheinen, Forest Planner on Mt. Hood National Forest and Robin Estes, Program Analyst for OR/WA BLM to discuss the collaborative process that is underway for the

Cascade Crossing Transmission Line Project. Ms. Schallert gave a brief overview of the project, noting that – as proposed - the line would cross federal, tribal, state and private lands entirely within the state of Oregon, between Boardman to Salem. The new transmission line would enable the development of several wind projects along the proposed route. In selecting the proposed route, PGE considered minimizing impacts by paralleling existing transmission corridors, as well as the West-wide Energy Corridor. Pursuing the Energy Corridor route didn't make sense, as no existing infrastructure is in place and the state siting process requires minimization of impacts to exclusive farm use land (which begins at the western boundary of the designated energy corridor). PGE conducted extensive public outreach with local communities on whose land the project will cross. The company emphasized the need and benefit to customers for building this transmission line, specifically noting increased electrical reliability, ability to meet RPS standards, meet growing state energy needs, and keep energy costs low.

Deb worked with federal and state agencies, and the Confederated Tribes of Warm Springs, to create a team to develop a coordinated schedule for the three distinct permitting processes - federal, state and tribal. For example, joint public meetings were held for federal NEPA scoping and state scoping. . One of the keys to success was constructing an environment that was comfortable and encouraged frank discussions. PGE hired an experienced facilitator that was process-minded. The first step in this process was to work out a schedule and method for keeping the flow of information moving between agencies. Public involvement was also a major focus. Public meetings were held with all key agencies at the table and a centralized 'inbox' was created to collect public comments.

On an agency level, a variety of working groups have been formed to study and review specific aspects of the project. An interagency collaborative approach has been taken to develop natural resource survey protocols, data collection and analysis with PGE's environmental contractors. Interagency teams (federal, state and tribal) for cultural, biological, recreation and visuals, and aquatics resources have been established. The results and products of these team efforts will be utilized by the federal government in the NEPA analysis, by the USFWS for the Biological Opinion, by the Oregon Department of Energy and the Confederated Tribes of Warm Springs in their environmental review and permitting processes. With the appropriate staff working together from the start, the goal is that state, tribal, and federal administrators will have confidence in the process and ultimately their ability to make informed decisions on the project.

In addition, Robin and Kristy elaborated on the Memorandum of Understanding that is being drafted for signature by all the Cooperating Agencies – USFS, BLM, USFWS, BIA and ODOE. This MOU was based on the Nine Agency Transmission Siting [MOU](#) created at the federal level in late 2009. The purpose of the MOU is to coordinate and expedite the federal and state agencies' review of Portland General Electric's (PGE) request to site and construct the proposed Cascade Crossing 500kv Transmission Line Project (Project) across federal, state, tribal and private lands in the State of Oregon. The MOU establishes the a framework for harmonious and effective coordination, communication and collaboration between the Cooperating Agencies regarding their

respective roles and responsibilities and insures that the Cooperating Agencies comply with all laws concerning impacts to fish, wildlife, and their associated habitats, and to protect the quality of the environment in the preparation of the environmental impact statement (EIS) and issuance of agency decisions, authorizations and permits. In addition, the MOU designates a single point-of-contact (POC) for the coordination of all federal authorizations required to site electric transmission facilities on federal lands, which include interests in land administered by Cooperating Agencies.

Summary points:

- Collaboration and cooperation are key to the success of a project.
- Collectively establish common timelines that are respected by all involved entities and hold each other accountable as agreed to in the MOUs
- Create and maintain a high-level of support/commitment by all cooperating agencies and the project proponent to follow through on agreements
- The earlier a proponent submits their right-of-way grant, special use permit applications, etc., to the appropriate land management agencies the better. This allows the agency to initiate the appropriate cost recovery agreement which allows them commit staff time to the project. Most land management agencies are shortstaffed and specialists' time is committed to projects a year in advance.