U.S. DEPARTMENT OF ENERGY
November 2, 2005
2:00 p.m.

Location: The Holiday Inn, Downtown Portland
1441 N.E. Second Avenue
Portland, OR 97232
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<th>Panel members:</th>
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<tbody>
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<td>Julia Souder</td>
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<td>Maryanne Kurtinaitis</td>
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<td>Ron Montagna</td>
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<td>Michael Burke</td>
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<td>9</td>
<td>Kenneth Dillon</td>
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<td>10</td>
<td>Natalie McIntire</td>
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<td>John Thiebs</td>
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MR. DeVINNEY: Good afternoon, everyone.

If you could take your seats. Welcome to Portland for those of you who are from out of town. We're holding off the rain for you for just one day. If you stay overnight, all bets are off.

If you haven't attended any of these meetings in the past, I should introduce the panel here, Maryanne Kurtinaitis from the Forest Service is on the panel; Ron Montagna from the BLM Washington office; and Julia Souder from the Department of Energy, and they are on the panel today. We have a court reporter who will be taking notes for all your comments. And as you can see from this board to my left, there are other opportunities for you to provide comments too. So if you have written statements that you brought with you, the panel will accept those as well. We're very informal. If you want to come up after the introductions have been made and provide your comments, you are welcome to do so. There won't be answers here. This is your opportunity to provide your thoughts on what the scope of the utility studies should be.
Julia.

MS. SOUDER: Thank you. Good afternoon, everyone. Thank you so much for being here. Thank you, Bob, for the introduction. We all appreciate it.

My name is Julia Souder and I am the Western Regional Coordinator for the Department of Energy and the project manager for this Section 368.

Section 368 of the energy policy act, which was signed August in 2005 directs the secretaries of agriculture, commerce, defense, energy, and interior to designate energy corridors under respective authorities on federal land in the 11 western states within two years, excluding Hawaii and Alaska. Key of designations will occur in the land use planning process. Agencies determined that designating corridors, as required by the act, is a major federal action. We intend to prepare a programmatic environmental impact statement to address environmental impacts from proposed action and range of reasonable alternatives. A public participation in the west-wide energy corridor is very important to
the study. The notice of intent that was
published on September 28th outlined the four
alternatives, and a lot of the other scoping
meetings are in the process of what we're
working to achieve.

Today the intent of the scoping meeting is
to solicit public comments for consideration
and establish the scope and content of the
programmatic EIS. The federal agencies, public
interest groups, Native American tribes,
businesses, environmental groups, nonprofits,
members of the public, we all look to help and
have your help in helping us with this project.

We're holding meetings in 11 western
states, and there are four ways to make
comments, as Bob pointed to earlier, electric
comments through our website, which is also
over there too, and regular mail. And just a
caution with snail mail. It's better to
actually send your packages via Federal
Express, UPS, any type of express service so it
doesn't go through the extreme anthrax process,
because a lot of documents or CDs or any kind
of materials that are sent to us are usually
destroyed or changed into other products so
that when we receive them, it's very hard to
decipher, and they don't do a lot of the same
processing with the Federal Express packages,
so it's the best way to get it to us. But,
also, you can fax it to us, and also, today,
presenting your comments orally, is greatly
appreciated, and there are -- in the packets
you were given, comment cards that you can fill
out too and leave here if you don't want to
speak, and they're all treated with equal
weight.

The comments, if you do decide to send
them via mail or to the website, need to be
submitted by November 28 of this year.

What we're looking for in these comments
are outlining what is important to you,
identifying federal uses, and helping us refine
alternatives in the notice of intent. And
again, here is the comment form. We really
want your comments, so please.

And the formal comments are recorded, as
Bob said, with the official record. And we're
not having Q's and A's during this process.
There will be a report published in
January/February of 2006 that actually shows
all of the formal comments, and the publication that will be posted on the website. I highly recommend that you visit the website, because there is a little section that you can click a box that says, Please notify me via e-mail when new notices come out, new projects are there, or this report, even a draft PIS. It will be a great help to you and to us.

So once we're finished with the formal discussion, we can turn off the recorder and we can break for informal discussions with the agency reps. And will the agency reps who are here today from various agencies please stand up. Thank you very much for coming and for your participation. Thank you very much.

We would like it if you would please keep your comments to about ten minutes. There will be flashing buzzers and sirens that go off if you go over that. Just kidding.

And just thank you very much for being here. This is a really important. Comments mean a lot to us. And just wanted to ask if there were any elected officials or tribal members, representatives, that wish to speak?

Any elected officials?
And also, one more reminder, if everyone could please turn off your cell phones and pagers and Blackberries and other fun gadgets that we carry around, I-pods. Thank you.

Thank you again, and let's begin. Will Matt -- and I am sorry if I mispronounce the names wrong. You can also please restate your name correctly, so I can learn. And come up to the podium, restate your name for the court reporter, that would be great. Thank you very much. Matt Featherstone from Portland General Electric.

UNKNOWN SPEAKER: Actually, I was not slotted to speak, but we have two representatives from Portland General Electric that were.

MS. SOUDER: That's okay. I'll move on to the next card. Michael Burke from Trans Canada.

MR. BURKE: Suppose to speak over here?

MS. SOUDER: Yes, please.

MR. BURKE: My name is Michael Burke from Trans Canada Gas Transmission Northwest. And we've been involved in this project for quite awhile through our involvement with the Western
Utility Group, and so we're really glad that the Department of Energy actually is taking this on. It's a big project, but we think it's something that will benefit the western energy business and look forward to the results in the process.

A couple of just brief comments, and I won't read my whole letter here. But first thing is on the mapping -- I know you've got your map on the wall there and that looks very familiar, because I think that's what came out of the one effort earlier. But one of the things that would be very helpful in this whole process would be to make sure and differentiate between existing corridors, proposed corridors, and corridors that may be approved and not used or something like that, and to also differentiate between the facilities within there. It's hard to look at that map and know what's an electric transmission line, a pipeline, or whatever. So just more details really would be very helpful in the whole process and evaluation.

One of the other issues is to make sure and assure consistency and coordination with
other plans, and I know on the western-wide you
are trying to do that. But there is instances
where forest service -- abutting forest service
districts don't actually -- one might have a
corridor and one might not. So hopefully that
will -- some of that will be resolved. And
also, there is some -- an effort up in the
state of Washington to develop tools for
jurisdictional -- for local jurisdictions from
a planning perspective and trying to tie the
whole -- this whole corridor concept in with
some of the state and local efforts that are
going on to try to basically improve
coordination.

Additionally, we're -- I am with Gas
Transmission Northwest, which was purchased by
Trans Canada a couple of years ago, so we now
look at -- from an international perspective.
So when the corridors get near the Mexico
border or the Canadian border, some sort of
evaluation of our brothers north and south
might be helpful to look at an overall
perspective there.
The expansion of existing facilities, we
typically, in the gas transmission business,
will build a parallel pipeline when we want to
expand our facilities and vice-versa in the
electric business. They build parallel power
lines. And we want to make sure, as the
corridors get designated, that our facilities
and others don't get sandwiched with an
electric line and a pipeline and an electric
line and all of that, so just some forward
thinking in trying not to sandwich facilities
will be helpful.

Additionally, new projects, we've
participated in this process and tried to get
some of our projects that we're thinking about,
as well as our existing facilities on that map
back there. But there is projects out there
that I can't even think of today that may come
up tomorrow. And so we would like to make sure
that the -- that there is flexibility there,
that new projects don't get precluded out
because they didn't go through this process and
participate in this.

Definition and corridor width, the more
definition we can have through this process, so
that you sort of know the rules of the road,
what is the corridor width, what's the
allowable use in there, and try to reduce as
much ambiguity as possible would be very
helpful.

And finally, we're always concerned about
security and critical energy infrastructure
information, and I am sure you are thinking
about that, and we just want to make sure that
that's a consideration as you go through the
process. So thank you.

MS. SOUDER: Thank you. Kenneth Dillon
from Portland General Electric.

MR. DILLON: Thank you. My name is
Kenneth Dillon from Portland General Electric
Transmission Services Department, and I am here
representing, today, the electric transmission
needs of Portland General Electric.

Portland General Electric Company is an
electric utility engaged in the generation,
purchase, transmission, distribution, and
retail sale of electricity in the state of
Oregon. PGE's service area is located entirely
within Oregon and covers 3,150 square miles.
PGE serves more than 750,000 retail customers
and also sells wholesale electric energy to
utilities, brokers, and power marketers located
throughout the western United States. PGE has transmission lines for the delivery of electricity from its plants located in Oregon to its service territory, or to the Northwest grid. PGE also has a 79.5 percent ownership interest in a 20-inch diameter natural gas pipeline that runs approximately 18 miles from Beaver Generating Plant located in Clatskanie, Oregon, to Cowlitz County, Washington, where it interconnects with the interstate gas distribution system of the Northwest Pipeline Company.

As I said, I am here today to represent the electric transmission side. We applaud and support the effort of coordinating federal agencies to prepare a programmatic and environmental impact statement of the energy corridors in the western states for a number of reasons. The existing transmission system is becoming more and more congested with system to system transfers. Establishment of new right-of-ways and construction of new transmission facilities is hard to accomplish today. Right away acquisition is often opposed by land owners and public interest groups, and
it's hard -- and it's based upon health and
environmental and other concerns.
New transmission was previously needed to
meet liability and some transfers. Today's
system we need far more -- there is far more
demand for transferability, and thus, more
transmission is needed. Transmission
construction can take five to ten years with
the majority of that time falling in
right-of-way establishment. Wind and gas
generation resources need access to new
transmission much faster than traditional
resources did. Generation sites close to load
are becoming very limited. Assistance with
acquisition of right-of-way land will be
crucial to future transmission construction.
Cooperation is required for state and federal
entities to ensure corridor establishment.
Utilities have accepted that time to construct
new lines is long, but market participants
continue to demand a short lead time. Much of
the transmission needed for PGE system from
Eastern Oregon into Western Oregon crosses over
federal land.

And in conclusion, PGE would like to thank
the agencies once again for this opportunity to participate in the scoping process. Thank you.

MS. SOUDER: There is some disturbance, but we can't really -- we've already decreased it as much as we can. Sorry.

Natalie McIntire, Renewable Northwest Project.

MS. McINTIRE: Good afternoon. I am Natalie McIntire with the Renewable Northwest Project. I recognize many of you in the audience, but for those of you who aren't familiar with our organization, we are a nonprofit renewable energy policy and advocacy organization. We work in the four northwest states of Oregon, Washington, Idaho, and Montana, and we are working to encourage the development of solar, wind, and geothermal resources.

The members of our organization include energy companies, consumer groups, and environmental organizations. We are very pleased, too, that you are endeavoring on this effort to identify corridors because for renewable energy resources, transmission has become a major bottleneck. So we know that
federal land in the west will be needed for
transmission corridors, but at this point we
have not identified all of those corridors or
the timing that's necessary. So at this point
we want to just make some very brief comments,
and we will be making more written comments at
a later point, probably in conjunction with the
American Wind Energies Association and West
Wind Wires.

So I just want to encourage you to look at
all of the work that has been done so far,
SSG-WI effort, RMATS, the NTAC effort, as well
as other subregional transition planning
organizations. Also, we would like to point
you to the Western Governors Association CDEAC
study, the draft wind report from that effort
on this is very strong, and that could help
direct towards the wind resources in the west.

We would also encourage you to look at the
National Renewable Energy Lab information, as
well as the Renewable Energy Atlas of the west,
which indicates renewable energy resource sites
around the west.

I am sure you are aware, and many of the
others in the audience are as well, but
renewable resources bring both economic and environmental benefits, and so transmission corridors that can help support the development of renewable resources should be given the priority in this study. And renewable resources are not usually located near load centers and so transmission is critical in order to get that electricity to the load. And as Mr. Dillon mentioned as well, the time frames between development of renewable energy resources and transmission are a little bit disconnected between a couple years' development of wind, to five, ten more years required for transmission. And so planning and working through this environmental impact statement and coordinating between all of the departments, federal departments, should help to limit that time disconnect. So as much work that we can get done ahead of time will help.

We thank you again, and we will be submitting some more comments and look forward to participating as the process goes along.

MS. SOUDER: John Thiebes with the National Wild Turkey Federation. Did I say the last name right?
MR. THIEBES: Close.
MS. SOUDER: Sorry.

MR. THIEBES: Thank you for the opportunity to comment today. My name is John Thiebes. I am a regional biologist with the National Wild Turkey Federation. Our organization was established in 1973, and we have 521,000 members with 2,200 chapters statewide. My area of representation is primarily the northwest, Oregon, Washington, and Idaho.

The National Wild Turkey Federation is more interested in the corridor, once it's been established, than anything else, because that provides the variety of habitat that is most important on federal land that isn't managed for now with the protection to -- from fires and so forth, so there is not a lot of management. So basically our organization is for active management on public lands, especially managing for forest openings to enhance wildlife habitat. If anything, we would be very much for your option, alternative number four, which is optimization, as long as it's economically sound and also sound for
wildlife management.

Thank you for the opportunity today, and that's all I have.

MS. SOUDER: Thank you. Is there anyone else that would like to come up and give oral comments?

MR. KUEHNE: Yes.

MS. SOUDER: Just please state your name.

MR. KUEHNE: Hi, my name is Brian Kuehne.

I am also with Portland General Electric. I manage the Integrated Resource Planning for that company.

FGE has contracts with Bonneville Power Administration for the majority of its transmission requirements. We also own transmission lines for the delivery of electricity to our service territory. We thank you for this effort you're undertaking to assess the energy corridors in the western states.

In the west, electric transmission can cross multiple states, as well as a number of public lands that are under different federal jurisdictions. However, unlike gas pipelines, the siting authority for interstate electric
transmission still resides with individual states. Hence, the permitting process can add substantial time. Large transmission projects can take as long as ten years to implement, exceeding the time required to site and construct most power plants.

The bulk power grid in the Pacific Northwest has become congested over time. Little new transmission capacity has been added and the demands continue to increase. Several electrical flowgates or points of managed congestion have reached their respective limits and have little or no available transfer capacity. These flowgates exist throughout the Pacific Northwest grid and a given flowgate typically involves the electric facilities in more than one corridor. For PGE, the constraints hamper our ability to move out of new resources mostly located east of the Cascade Mountain Range to our customers.

Renewable resources, primarily wind, have great potential in Eastern Oregon and Washington. Coal for both conventional and the newer clean-coal or gasification technologies lie primarily east of the Rockies, and this must be
moved either by wire or by rail. For these resources to reach PGE and other load centers in the Pacific Northwest, both the existing and new transmission corridors will have to be utilized. This need was reinforced recently in PGE's most recent request for proposals when we received 111 proposals from 43 different counterparties, but the output of comparatively few of these could be brought to Portland.

Corridor utilization will have to be increased to meet the increasing demand for power. Increasing environmental regulations over the past few decades have made existing corridors nearly the only viable option to expand capacity. However, utilization of existing corridors does have practical limits. The highest operating voltage in the western states is 500 kV. There are still opportunities to convert lines of lower voltage to higher voltage. Adding new circuits in existing corridors is another practical expansion opportunity, and in some cases the only viable option.

Typical rights-of-way for high voltage transmission are 150 to 200 feet. Well
utilized corridors can then be in the order of
800 feet or more and contain combinations of
different voltages and multiple-circuit
structures.

However, from an electric system
reliability perspective, placing too much
dependance on any given corridor can have
unacceptable system reliability consequences.
Loss of corridors is a very low probability
event, but history shows that it does happen,
typically due to theft, fire, or
weather-related hazards. Therefore, corridor
diversity can be crucial. The health of the
electric system will, in some cases, be
dependent on spreading the power demand among
several highly utilized corridors. As a
practical matter, upgrading the existing
corridors can be difficult because of the
possible need to temporarily take the existing
infrastructure out of service. Without spare
capacity in the system or more timely upgrades
being constructed, the market impact can be
potentially severe. Thus the corridor
initiative needs to have a long-term
perspective and identify new alternative
corridors for existing paths that are already pushing reliability limits. We at PGE have just begun a new round of analysis for our next integrated resource plan.

We believe that we will require new electric transmission capacity across the Cascade Mountains in a five to ten year time frame. The entire cross-Cascades transmission system is nearing its capacity to serve peak winter power needs. In addition, historical, seasonal peaking diversity between California and the Pacific Northwest is diminishing due to more air conditioning load in the Pacific Northwest which moves us closer to a dual peaking, as is the case with other utilities in the Pacific Northwest.

Procuring new, firm transmission capacity to PGE’s load center is unlikely without significant transmission infrastructure additions. PGE has -- also has a significant corridor across the Cascades, which is not displayed on the initial map, entitled, Examples of Possible Energy Corridors. We will submit more detailed information identifying this and other proposed -- or existing or
potential corridors which should be considered in this process. And with that, we wish to thank the agencies once again for this opportunity to participate in the scoping process. Thank you.

MS. SOUDER: I saw a hand go up. Thanks.

MR. THORTON: Thank you for the opportunity. My name is Jim Thorton. I am with -- senior consultant with the consulting firm of College (sic) Environment. But I am here today to speak privately and as a former Washington State director of the Rails to Trails Conservancy. And I would urge you to look at abandoned railroad right-of-ways.

There are ways that you can use those, if they haven't been divided up. But I think that there are corridors all over the western United States, and especially on federal lands, that you should look at as potential right-of-ways for pipelines and transmission lines. And that's all I have to say today, but I really appreciate the opportunity.

MS. SOUDER: Thank you very much. I noticed there were a couple more people that came into the room. If you would like to come
1 up and give an oral statement for the record,
2 that would be great and we appreciate it. We
3 need to have you come up and state your name
4 and organization for the record.
5
6 Anyone else interested?
7 It's 2:30 right now, so let's take a break
8 for 15 minutes and see if anyone else would
9 like to speak after that, then we'll go off the
10 record and come back at 2:45. Thank you.
11
12 MS. SOUDER: Could everyone sit down
13 again, and we'll start again on the formal
14 process, please.
15
16 We're working in true government fashion.
17
18 It's 3:00. We were all getting so excited
19 about talking amongst ourselves.
20 I would like to ask if anyone, after
21 having discussions off the record, would like
22 to come back on the record and give any formal
23 comments to the podium up here and to all of
24 us. Also, if you would like to submit
25 documents to us, maps, anything else, we would
26 be happy to take those too.
27
28 No one is getting itchy to come up here
29 and speak in front of everybody? Well, thank
you very much, and we'll go back off the record. Thanks.

(Break in proceedings.)
CERTIFICATE

I, ROSEMARY TANZER, a Certified Shorthand Reporter for Oregon and Registered Professional Reporter, do hereby certify that I reported the proceedings had upon the hearing of this matter, previously captioned herein; that I transcribed my said stenotype notes through computer-aided transcription; and, that the foregoing transcript constitutes a full, true and accurate record of all testimony adduced and proceedings had upon the hearing of said matter, and of the whole thereof.

Witness my hand at Portland, Oregon, this 11th day of November, 2005.

ROSEMARY TANZER

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