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Public Hearing on
Energy Policy Act—Section 368
Energy Corridors in the West:
Draft Programmatic Environmental Impact Statement

Helena, Montana, January 29, 2008, 2:00 p.m.-5:00 p.m.

Brian Mills: Good afternoon. Thank you for joining us for a public hearing on the Draft Programmatic Environmental Impact Statement on designating energy corridors on federal lands in the West. I'm Brian Mills from the Department of Energy. I'll serve as today's hearings officer.

Before we begin the formal hearing, Gene Terland of the Montana State Office of BLM will make a brief opening statement. But first, if you haven't signed in or let us know that you want to speak at this meeting, you can do so right now at the registration table. Handout materials are also available in the information table. Restrooms are located down to the left, in front. In the event of a fire or other alarm, please take your personal belongings with you and evacuate the building as quickly, quietly, and safely as possible.

With us today, representing the federal interagency team managing this work, are Jeff Holden from BLM, and Paul Johnson from the Forest Service (inaudible).

Now, I'll turn the mike over to Gene.

Gene Terland: Thank you, Brian. Good afternoon and thank you for coming to give your comments on the Draft Programmatic Environmental Impact Statement for designation of energy transport corridors on federal lands in the West. I'm Gene Terland, state director for the Bureau of Land Management in Montana and Dakotas. In a few moments, you'll hear a brief presentation about the document, which the Department of Interior, Energy and Agriculture are preparing to meet the requirements of the Energy Policy Act, 2005.

Currently, applications for right-of-way across federal lands, with pipelines or electrical transmission infrastructure, are considered on a case-by-case basis without much coordination among the various federal agencies whose lands are often involved in projects that transport energy across long distances. In 2005, Congress directed federal agencies to address the situation by designating energy transport corridors and also performing necessary reviews of the environmental impacts of designation.

The Programmatic Environmental Impact Statement, developed under the Nation's Environmental Policy Act, or NEPA, represents that environmental review. It's important to know that another round of site specific NEPA analysis will be completed for each project proposed for location in a designated corridor. The Department of Energy, Bureau of Land Management, and U.S. Forest Service developed the corridor locations proposed in the Draft Programmatic EIS using a three-step process which is detailed in the document, in the handout on the information table, and which presentation will also describe.

In essence, today's hearing represents Step Four of that process. Public comments will help the agencies further refine the locations of corridors so that important goals of the project are met—balancing the need to improve energy delivery in the West with our responsibility to protect the many resources found on federal lands.

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From the beginning, the agencies have been committed to this strategy, and your comments will be valuable in helping to ensure that it is carried through to the end of this planning effort. Representatives from DOE, BLM, and the Forest Service are here to receive your comments and, on behalf of all three agencies, thanks again for your interest and participation. Brian.

Brian Mills:

Thank you, Gene. We're here to receive your oral comments on the Draft Programmatic Environmental Impact Statement. You can also submit comments via the project website, by fax, or by mail. This hearing is being webcast and transcribed, so speakers are asked to speak clearly and distinctly into the microphone. If you're having trouble hearing in the speaking room, please signal me and I'll advise the speaker accordingly. After everyone who wishes to comment has spoken, I'll close the hearing. So far, we have five people who have requested to speak to this issue today. Each of you will have ten minutes to make your presentation; when you have 30 seconds remaining, I'll notify you so you can wrap up.

This hearing is to take comments on a Draft Programmatic Environmental Impact Statement prepared in response to direction given by Congress to five federal agencies—Energy, Agriculture, Interior, Commerce and Defense. Section 368 directs these secretaries to designate corridors for oil, gas, hydrogen pipe, and electric transmission lines on federal land in the 11 western states; perform necessary environmental reviews; incorporate these designations into land use, land management or equivalent plans. A separate and distinct public process is expected to begin later this year to identify corridors in the other 39 states.

The statute requires that, when the secretaries designate these corridors, they must specify the corridor's centerline with the compatible uses. Congress also directed the secretaries to take into account the need for electric transmission facilities to improve reliability, relieve congestion, and enhance the capacity of the national grid to deliver electricity.

The Draft Programmatic Environmental Impact Statement proposes designating more than 6,000 miles of corridors: 62 percent would incorporate existing locally designated corridors and/or rights-of-way; 86 percent would be on BLM land; and 11 percent on the Forest Service land. The Draft Programmatic Environmental Impact Statement identifies 166 proposed corridor segments in all 11 western states. If all are included in the follow along decisions this would involve amending 165 land use or equivalent plans.

Previously designated corridors are outlined in yellow on the project maps. Some of these are proposed for upgrade only. In the case of existing, previously designated utility corridors, amendments to land use plans designating 368 corridors would subject these corridors to the interagency coordination described in the Programmatic Environmental Impact Statement, and they would be assigned Section 368 criteria. Using these alone would not meet the requirements of Section 368, so we've identified an additional 2,300 miles of proposed corridors. Proposed corridors also vary in width. We use a 3,500 foot starting point to provide flexibility for siting multiple rights-of-way.

An energy corridor is defined as a possible land identified through a land use planning process as a preferred location for existing and future utility rights-of-way, and is suitable to accommodate one or more rights-of-way which are similar, identical, or compatible.

Corridor designations assist in minimizing adverse impacts and the proliferation of separate rights-of-way.

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A right-of-way is a specific land use authorization, not a change in ownership, granted to allow construction and operation of a specific project that's often linear in character, such as a utility line or roadway.

Right-of-way permits include requirements for compatible land uses, and are not granted until a project applicant has complied with all relevant requirements, including appropriate environmental review.

In November, 2007, we published the Draft Programmatic Environmental Impact Statement. Comments are due February 14. We will analyze, respond to comments, and complete the task necessary to prepare a Final Programmatic Environmental Impact Statement. We expect this to be ready sometime in mid-2008. The land management agencies will be able to sign records of decision to designate corridors through amendments to land use plans, no sooner than 30 days after the Final Programmatic Environmental Impact Statement is issued.

The Draft Programmatic Environmental Impact Statement analyzed two alternatives—taking no action, and a proposed action. Choosing to adopt the no-action alternative would result in continuing ad hoc, uncoordinated development as is done now. The proposed action is the result of a three-step corridor siting process described in detail in Chapter Two of the Draft. The first step was to incorporate comments provided by the public during scoping and after the draft map was released in 2006. Then the agencies worked closely with local federal land managers to accommodate local land use priorities, incorporate local knowledge of areas, and avoid areas known to be incompatible with energy corridors. A handout summarizing this process for determining where the proposed corridors would be located is on the information table, and examples of specific corridors are also available on the project website. We believe that the analysis of these alternatives meets NEPA's requirement for a hard look. Because the action does not involve any site specific ground disturbing activities, site specific NEPA review will be required to support all proposed projects in 368 designated corridor. And, today, we don't know when and where any projects will be proposed by applicants seeking to site pipe and/or transmission lines. As a result of this uncertainty, the environmental effects described in Chapter Three of the Draft Programmatic Environmental Impact Statement are necessarily more general than a site specific analysis for a known project would be.

Comments will be most useful if they are specific, include suggested changes or methodologies, provide a rationale for your suggestions, and refer to the specific section or page number of the Draft Programmatic Environmental Impact Statement. Finally, we encourage you to submit comments via the project website; it's easy for you, it speeds our ability to get comments into the database for analysis and up on our website for public review, and it doesn't require stamps or envelopes.

I will call speakers in the order in which you have registered. Please step up to the microphone and clearly state your name and organization, if you're representing one, before making your comments. Please limit your oral comments to ten minutes so that everyone who wants to speak today may have a chance to be heard. I will advise you when you have 30 seconds left so you can wrap up. We will repeat this process until everyone who's registered to speak has had a chance to provide comments. I'll then ask if anyone else wants to speak. After those people have had a chance to speak, I will close the hearing and remind you of when comments are due and how to submit them. I will reopen the hearing if any additional people wish to speak before the end of the timeframe.

If you're speaking from a prepared statement, please leave us a copy at the registration desk. While agency representatives won't be answering questions during the hearing,

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we'll stay afterward to discuss the Programmatic Environmental Impact Statement with you. If needed, we'll take a 15-minute break midway through our scheduled time. If there are no questions on the process we will use today, we will now begin taking your comments.

Our first speaker is Linda Sather, followed by Dan Villa. After the first speaker's done, I will—Linda.

Linda Sather:

Hello. My name is Linda Sather, I'm a commissioner of Anaconda Deer Lodge County. Actually, I won't take ten minutes, I'll guarantee that. What I'm here to do today is to just reassure you that Anaconda Deer Lodge County supports this corridor and I can guarantee that all five of our county commissioners support it wholeheartedly. And what I'm doing here today is bringing 200 petition letters asking, please, either choose the Garrison to Mill Creek route or the Townsend to Three Forks Mill Creek route. We want this in our county. We welcome it and we support it wholeheartedly and here's our petition. Thank you so much.

MTH01-001

MTH01-002

Brian Mills:

Next, Dan Villa, followed by John Fitzpatrick.

Dan Villa:

Thank you. For the record, Dan Villa, state representative from House District 86, Anaconda, Philipsburg, Drummond and Hall. Today I arise to urge the federal government's consideration of designating a corridor from Townsend, Montana to Three Forks, and then continuing over to the Mill Creek substation—the Mill Creek area. Further, I'll also endorse the Mill Creek to Garrison route. I believe that those routes specifically utilize existing corridors from the old Anaconda Company's smelter site, where tremendous industrial infrastructure is already placed. Also, this corridor process—one thing that I think is important for all of us to remember is, that as we're talking about transmission capabilities and capacities throughout the West, that we remember that as we look at the bottlenecks throughout our state, as well as spreading into the other ten states, the capacity that Montana can offer, and the electrical production that Montana can offer, these routes really do offer the best and least environmental impacted areas—again, capitalizing on that existing industrial infrastructure.

MTH02-001

So I thank you for the opportunity to comment, and, again, the Townsend to Three Forks to Mill Creek substation area, and then the Garrison to Mill Creek substation area. Thank you.

Brian Mills:

Thank you. John Fitzpatrick, followed by James Davidson.

John Fitzpatrick:

Well, good afternoon. I'm John Fitzpatrick, executive director of governmental affairs for NorthWestern Energy, here on behalf of the company today.

NorthWestern Energy is an investor-owned utility that provides natural gas and electricity services in the states of Montana, South Dakota and Nebraska. In Montana, we provide service in the approximate two thirds western part of the state with the exception of far northwestern Montana—the Kalispell/Libby area. We serve approximately 300,000 electricity customers and 160,000 natural gas customers here in Montana, and we do provide electricity services in six of the seven largest cities of the state.

MTH03-001

We want to thank the Department of Energy and the other cooperating agencies for the work that they've done on the 368 Programmatic EIS and, again, express our appreciation for the opportunity to briefly comment here today. We will be submitting more detailed, written comments by the close of the public comment period.

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The first comment we'd like to make is that the Draft EIS tends to stress electric transmission line development even though the corridors are designated as multimodal. This occurs primarily because those corridors which have been designated kind of follow the paths of existing transmission lines for Montana. While we believe that concept is valid, we also think that it should be extended to covered natural gas pipelines as well. Of particular interest to NorthWestern is a gas pipeline that runs from Cut Bank, Montana to Morrel, Montana which is near Warm Springs State Hospital in Deer Lodge County. This constitutes the main gas transmission backbone in the state of Montana, and it needs to be expanded in the near future.

MTH03-001
(cont.)

The Company, in its earlier comments, indicated that it would like to see an expedited environmental permitting process for facilities located within the corridors. However, the Draft Programmatic EIS seems to suggest that each individual agency will go through its own environmental review process and come up with its own records of decision. We would urge this process be changed, that those efforts would be coordinated to expedite the development of facilities on these corridors.

Finally, NorthWestern had urged in earlier comments that the EIS process be flexible, and that there be a continuing process available for the designation of corridors. This should not be a one time and one-size-fit only approach that we're undertaking at the present time, but it should be available in the future as different needs develop in the state of Montana

MTH03-002

Again, we will comment in further detail in our written comments. And, thank you.

Brian Mills: Thank you. James Davison, followed by Jeff Barber.

James Davison: For the record, my name is Jim Davison, and I'm the executive director of Anaconda Local Development. And Anaconda Local Development would like to go on record as to the designation of two particular routes, and also ask for the adoption of two particular philosophies. First the philosophy that you should utilize existing corridors and existing routes, and also that you should utilize infrastructure that currently exists, and to build off that infrastructure such as the Mill Creek substation owned by Bonneville Power. With those philosophies in mind, we support the additional corridors to the system from Garrison, Montana, past Mill Creek substation, to Dillon, Montana, and also the corridor from Townsend along the existing 500 KVA transmission line to the Mill Creek subdivision. The above referenced routes reduce environmental impact, utilized existing infrastructure, and supports the reutilization of ground spoils. Thank you.

MTH04-001

MTH04-002

Brian Mills: Jeff Barber.

Jeff Barber: I'm Jeff Barber representing the Montana Environmental Information Center. Thank you all for coming to Helena so we didn't have to go somewhere else.

Our organization recently did a review of all the proposed transmission projects in the state, and there are a lot of them. And we came up with three principles that we were going to use to weigh whatever it was before us. The first one is that we think—and they apply to the federal corridors as well. The first one is that we think we should implement all possible system wide efficiencies to eliminate the need for new transmission facilities in the first place, to the extent possible. When that's not possible, we think that we should limit the transmission facilities going out of state so that power generated in Montana is used in Montana, for Montana customers. And the third thing that we used to weigh any new transmission facilities is we think that existing corridors should be used as much as possible. To that end, we support the siting from Townsend to Three Forks to Mill Creek, and then Mill Creek to Garrison. That's an existing corridor already—no need to tear up

MTH05-001

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any new ground there and so we would wholeheartedly support that. We intend to submit written comments as well, but we think any look at new transmission corridors or facilities should keep those three principles in mind. Thank you.

MTH05-004
(cont.)

Brian Mills: Thank you. Anybody else would like to speak?

If there are no other speakers, I am now going to close the hearing. If anyone else would like to speak before our scheduled time is up, I'll reopen the hearing.

Thank you for joining us today to provide oral comments on the Draft Programmatic Environmental Impact Statement proposing to designate energy corridors on federal lands in the West. Comments on the Draft Programmatic Environmental Impact Statement are due February 14 and may be submitted online via the project website, by mail, or by fax.

All comments received by February 14 will be considered in preparing the Final Programmatic Environmental Impact Statement. Comments submitted after February 14 will be considered to the degree possible.

Again, thank you for your attention. I will now stay around to discuss the Draft with you.

Helena, Montana, January 29, 2008, 6:00 p.m.-8:00 p.m.

Brian Mills: Good evening. Thank you for joining us for this public hearing on the Draft Programmatic Environmental Impact Statement on designating energy corridors on federal lands in the West. I'm Brian Mills from the Department of Energy. I'll serve as today's hearings officer.

Before we begin the formal hearing, Gene Terland of the Montana state office will make a brief opening statement. But first, if you haven't signed in or let us know that you want to speak at this meeting, you can do so right now at the registration table. Handout materials are also available on the information table. Restrooms are located to the left and down the hall. In the event of a fire or other alarm, please take your personal belongings with you and evacuate the building as quickly and safely as possible.

With us today, representing the federal interagency team managing this work, are Jeff Holdren from BLM, and Paul Johnson from the Forest Service.

Now I'll turn the mike over to Gene.

Gene Terland: Good evening, and thank you for coming to give your comments on the Draft Programmatic Environmental Impact Statement for the designation of energy transport corridors on federal lands in the West. As Brian indicated, I'm Gene Terland, state director of the Bureau of Land Management for Montana and the Dakotas.

In few minutes, you will hear a brief presentation about the document which the Departments of Interior, Energy, and Agriculture are preparing to meet requirements in the Energy Policy Act of 2005. Currently, applications for rights-of-way to cross federal lands with pipelines or electric transmission infrastructure are considered on a case-by-case basis, without much coordination between the various federal agencies whose lands are often involved in projects that transport energy across long distances.

In 2005, Congress directed federal agencies to address the situation by designating energy transport corridors, and also performing necessary reviews of the environmental

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impacts of designation. A Programmatic EIS, developed under the National Environmental Policy Act, or NEPA, represents that environmental review. Now, it's important to note that another round of site specific NEPA analysis will be completed for each project proposed for location in a designated corridor.

The Department of Energy, the Bureau of Land Management, and the U.S. Forest Service developed the corridor locations proposed in the Draft Programmatic EIS using a three-step process, which is detailed in the document, also in the handout available on the information table, and which the presentation will also describe.

In essence, today's hearing represents Step Four in that process. Public comments will help the agencies further refine the locations of the corridors so that important goals of the project are met, balancing the need to improve energy delivery in the West with our responsibility to protect the many resources found on federal lands.

From the beginning, the agencies have been committed to this strategy, and your comments will be valuable in helping to ensure that it is carried through to the end of this planning effort. Representatives from the Department of Energy, Bureau of Land Management, and the Forest Service are here to receive your comments, on behalf of all three agencies. Thank you again for your interest and participation. Brian.

Brian Mills:

Thank you, Gene.

We're here to receive your oral comments on the Draft Programmatic Environmental Impact Statement. You can also submit comments via the project website, by fax, or by mail. This hearing is being webcast and transcribed, so speakers are asked to speak clearly and distinctly into the microphone. After everyone who wishes to comment has spoken, I'll close the hearing. So far, we have no people who have requested to speak to this evening.

This hearing is to take comments on the Draft Programmatic Environmental Impact Statement prepared in response to direction given by Congress to five federal agencies—Energy, Agriculture, Interior, Commerce, and Defense. Section 368 directs the secretaries to designate corridors for oil, gas, hydrogen pipe, and electric transmission lines on federal land in the 11 Western states; perform necessary environmental reviews; incorporate these designations into land-use plans, or equivalent plans. A separate and distinct public process is expected to begin later this year to identify corridors in the other 39 states.

The statute requires that, when the secretaries designate these corridors, they must specify the corridor's centerline with incompatible uses. Congress also directed the secretaries to take into account the need for electric transmission facilities to improve reliability, relieve congestion, and enhance the capacity of the national grid to deliver electricity.

The Draft Programmatic Environmental Impact Statement proposes designating more than 6,000 miles of corridors: 62% would incorporate existing locally designated corridors and/or rights-of-way; 86% would be on BLM land; and 11% on Forest Service land. The Draft Programmatic Environmental Impact Statement identifies 166 proposed corridor segments in all 11 Western states. If all are included in the follow on decisions, this would involve amending 165 land-use, or equivalent plans.

Previously designated corridors are outlined in yellow on the project maps. Some of these are proposed for upgrade only. In the case of existing, previously designated utility corridors, amendments to land-use plans designating 368 corridors which subject these corridors to the interagency coordination process, described in the Programmatic

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Environmental Impact Statement, and they would be assigned Section 368 criteria. Using these alone would not meet the requirements of Section 368, so we've identified an additional 2,300 miles of proposed corridors. Proposed corridors also vary in width. We use a 3,500-foot starting point to provide flexibility for siting multiple rights-of-way.

An energy corridor is defined as a parcel of land identified through a land-use planning process as a preferred location for existing and future utility rights-of-way, and that is suitable to accommodate one or more rights-of-way which are similar, identical, or compatible.

Corridor designation assists in minimizing adverse impact and the proliferation of separate rights-of-way.

A right-of-way is a specific land-use authorization, not a change in ownership, granted to allow construction and operation of a specific project that's often linear in character, such as a utility line or roadway.

Rights-of-way permits include requirements for compatible land uses, and are not granted until a project applicant has complied with all relevant requirements including appropriate environmental review.

In November 2007, we published the Draft Programmatic Environmental Impact Statement. Comments are due February 14. We will analyze and respond to comments, and complete the task necessary to prepare a Final Programmatic EIS. We expect to have this ready sometime in mid-2008. The land management agencies will be able to sign records of decision to designate corridors through amendments to land-use plans, no sooner than 30 days after the final programmatic environmental impact statement is issued.

The Draft Programmatic Environmental Impact Statement analyzed two alternatives: taking No Action, and a Proposed Action. Choosing to adopt the No Action alternative would result in continuing ad hoc, uncoordinated development as is done now. The proposed action is the result of a three-step corridor siting process described in detail in Chapter Two of the draft. The first step was to incorporate comments provided by the public during scoping, and after the draft map was released in 2006. Then the agencies worked closely with local federal land managers to accommodate local land-use priorities, incorporate local knowledge of areas, and avoid areas known to be incompatible with energy corridors. A handout summarizing this process for determining where the proposed corridors would be located is on the information table. And examples of specific corridors are also available on the project website. We believe that the analysis of these alternatives meets the National Environmental Policy Act's requirement for a hard look. Because the proposed action does not involve any site-specific ground disturbing activities, site-specific National Environmental Policy Act review will be required to support all proposed projects in the 368-designated corridor. And, today, we don't know when and where any projects will be proposed by applicants seeking to site pipe and/or transmission lines. As a result of this uncertainty, the environmental effects described in Chapter Three of the Draft Programmatic Environmental Impact Statement are necessarily more general than a site-specific analysis for a known project would be.

Comments will be most useful if they are specific, include suggested changes or methodologies, provide a rationale for your suggestions, and refer to the specific section or page number of the Draft Programmatic Environmental Impact Statement. Finally, we encourage you to submit comments via the project website. It's easy for you, it speeds our ability to get comments into the database for analysis, and up on the website for public review, and it doesn't require stamps or envelopes.

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Agency representatives won't answer questions during the hearing. We'll stay afterward to discuss the Draft Programmatic Environmental Impact Statement with you. If needed, we'll take a 15-minute break midway through our scheduled time.

Now, would anyone like to speak?

The hearing is closed.