



WESTERN GOVERNORS' ASSOCIATION

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November 21, 2005

Ms. Julia Souder
Office of Electricity Delivery and Energy
Reliability Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

RE: Notice of Intent To Prepare a Programmatic Environmental Impact Statement

Dear Ms. Souder:

Western Governors support the federal agencies' efforts to implement Section 368 of the Energy Policy Act (EPAct), which requires the Departments of Interior, Agriculture, Energy, Commerce and Defense to designate energy corridors on federal lands. This is a challenging task to complete within the two-year deadline set by the EPAct for the 11 contiguous Western public land states.

The purposes of my letter are to:

- convey the work Western Governors have done to date that bears on the designation of energy corridors on federal lands;
- outline potential priorities for the federal agencies; and
- urge the agencies to engage the states throughout their corridor designation process.

WGA Transmission Policy and Initiatives

Transmission Planning: For the past five years, Western Governors have supported the development of additional transmission infrastructure to meet the electricity demands of a growing Western economy. In May 2001, Western Governors held a transmission roundtable to ascertain what additional electric transmission is needed. This led to an accelerated effort to do the first Western Interconnection-wide study of transmission needs.¹ In August 2001, the Governors reviewed the results of the effort and asked the industry to institutionalize proactive interconnection-wide transmission planning.

¹ Conceptual Plans for Electricity Transmission in the West, August 2001
(http://www.westgov.org/wga/initiatives/energy/transmission_rpt.pdf)

Since then, such planning has been done by the Seams Steering Group-Western Interconnection. In addition, sub-regional transmission planning has blossomed in the West, including the ground-breaking work of the Rocky Mountain Area Transmission Study launched by Wyoming Governor Dave Freudenthal and former Utah Governor Mike Leavitt.

Recently Arizona Public Service Company announced it is exploring options for building two, 500,000-volt transmission lines from northern Arizona to southwestern Wyoming to access power generated by coal and wind. Arizona Governor Janet Napolitano, who chairs the Western Governors' Association, said she plans to work with her counterparts in other states to move the project forward.

Clean and Diversified Generation: The Western Governors recognize the importance of capitalizing on the diverse generating resources of the West and made this a focal point of their 2004 North American Energy Summit. In June 2004, Western Governors approved a resolution to charter the Clean and Diversified Energy Advisory Committee, also known as the CDEAC. The CDEAC is charged with developing recommendations that will result in: 30,000 MW of clean and diversified energy by 2015, a 20-percent increase in overall energy efficiency by 2020, and a plan that will ensure growing transmission infrastructure needs will be met. (See <http://www.westgov.org/wga/initiatives/cdeac/index.htm>.)

As part of the analysis for CDEAC, we are collaborating with the Western industry's Seams Steering Committee-Western Interconnection (SSG-WI) in modeling the transmission needs that would result with the deployment of various portfolios of clean and diversified energy resources. This modeling is expected to be available by the end of 2005 and should provide valuable input to the corridor-designation process.

WGA Transmission Permitting Protocol: Recognizing the increasingly interconnected nature of the electric power system in the region, Western Governors executed the WGA Transmission Permitting Protocol in 2002. The document has been signed by 12 Governors, four federal agencies (DOI, USDA, DOE, CEQ), and the Premier of Alberta. The Protocol provides for the creation of Project Teams, consisting of permitting agencies that would collaborate in the review of any proposed interstate transmission lines. (See <http://www.westgov.org/wieb/electric/Transmission%20Protocol/index.htm>)

Transmission Right-of-Way Vegetation Management: In October 2005, WGA co-sponsored with the Western Electricity Coordinating Council a workshop on vegetation management in transmission rights-of-way. In 1996, sagging power lines contacted trees in a transmission right-of-way causing major cascading power outages in the Western Interconnection. In 2005, major transmission lines from Montana to the Northwest were shut down due to forest fires. WGA and WECC are very interested in the adequate maintenance of transmission rights-of-way to protect the reliability of the Western grid.

Natural Gas and Petroleum Pipelines: Western Governors are concerned about the adequacy and reliability of existing natural gas and petroleum pipelines. Major pipeline infrastructure failures have resulted in: deaths; shortages of natural gas, gasoline, diesel and jet fuel products; and price spikes. In addition, urban growth is encroaching on pipelines that were originally in rural settings, but are now traversing major urbanized areas. In 2004, Western Governors adopted a resolution to share best practices relating to pipeline safety and encouraged the construction of new pipelines, such as the Longhorn line. (See <http://www.westgov.org/wga/policy/04/pipeline.pdf>)

Priorities and Challenges

We believe the alternatives outlined in the Federal Register notice (No Action, Increase Utilization Alternative, New Corridor Alternative, and Optimization Criteria Alternative) provide a useful analytic framework for the programmatic EIS. Specifically, we recommend that agencies:

- Give high priority to protecting existing rights-of-way from land uses that would limit the ability to expand energy transmission in existing corridors.
- Carefully evaluate opportunities to expand electric transmission in existing corridors through the application of new technologies, including, but not limited to new conductors and control systems.
- Not let their work to designate energy corridors be at the expense of reviewing new proposed rights-of-way. It is not possible to identify today all energy corridor needs into the future given the technological changes in electricity generating technologies, unknown patterns of future growth in energy demand, uncertainties about the location of new oil and gas resources, and the potential development of new refineries. Therefore, while there are clear benefits to encouraging the location of new transmission and pipeline facilities in corridors, the agencies need to be flexible and responsive to needs that may fall outside designated corridors.

State participation in corridor designation

Western Governors support the agencies' effort to identify energy corridors across federal lands. However, the agencies should understand that the interspersed nature of private, state, tribal and federal lands in the West requires that the designation of corridors on federal lands be closely coordinated with land-use decisions on non-federal lands.

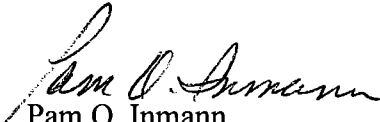
Done well, the designation of energy corridors on federal lands can help the region develop its vast renewable and non-renewable energy resources and meet energy demand with the minimum environmental impact. Done poorly, the designation of corridors on federal lands can create new land-use conflicts and undermine energy policies in the West. Therefore, we

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urge you to communicate and coordinate with governors and appropriate state officials throughout this process.

We look forward to working with the Departments of Energy, Interior, Agriculture, Defense and Commerce in this important effort.

Sincerely,


Pam O. Inmann
Executive Director

cc: Doug Larson, Western Interstate Energy Board

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