



MEMORANDUM

To: Rapid Response Team

From: WIRES

Date: September 2, 2011

Subject: Recommendations for Inter- and Intra-agency Coordination on Review of Electric Transmission Project Proposals On Federal Lands

Thank you for the opportunity to share our views on key facilities siting issues that involve federal agencies. WIRES is a national non-profit advocacy and education group whose sole purpose is to promote investment in needed, environmentally-responsible electric transmission. WIRES is comprised of geographically diverse transmission providers -- investor-owned, publicly- and cooperatively-owned, and independent -- as well as transmission customers, technology companies, and regional grid managers. It strongly supports the efforts of the Obama Administration to focus attention on the need for stronger infrastructure generally, and transmission in particular.

WIRES believes that transmission expansion will be important, not just for access to renewable resources, but for reliability, growth of competitive electricity markets, national security, and economic development. Regulatory reform, including inter-agency coordination, is critical but we also fully acknowledge that: (1) project proponents have a responsibility to fully support their proposals and provide wide-ranging mitigation plans as early as possible; and (2) electric transmission projects are often unwanted and widely contested, and yet remain vital to the nation's economic and environmental interests and the President's energy agenda.

GENERAL OBSERVATIONS

- WIRES is aware that previous Administrations have undertaken efforts similar to RRT, but these efforts have made inconsequential contributions to strengthening the nation's grid. Moreover, Congressionally-sanctioned programs such as infrastructure corridors under section 368 of EPAct 2005 have tended to languish in obscurity. WIRES therefore believes that a sustained effort to improve federal decision making requires adequate staffing and an institutional commitment that endures beyond political changes. Perhaps most important, interagency coordination can succeed only with strong central direction from a single department or the Executive Office of the President. It is WIRES' assumption

that the RRT can provide such direction or determine which entity in government will do so.

- We contend that, while interagency coordination is important, it is clearly a secondary concern compared to internal federal agency management of transmission-related review processes. Improving agency performance should be a mission-critical component of the RRT's objectives and, despite the distinctive duties and missions of individual departments and agencies, protection of federal lands and environmental features should be conducted with similar procedures and timeliness requirements. Without this step, it will be more difficult for agencies to coordinate and for industry to understand the meaning of milestones and other data that are being published.
- In promoting efficient decision making about electric transmission projects under NEPA and deciding the highest and best use of federal lands and resources, the RRT should be guided, in part, by the nation's need for economic recovery and job creation. We estimate that building all the new transmission that the nation will need *for all purposes* could sustain up to 200,000 full-time jobs annually over the next two decades. A detailed study of the economic and employment benefits of transmission is posted at www.wiresgroup.com

SPECIFIC PROPOSALS

- **FEDERAL LAND AGENCIES SHOULD PARTICIPATE IN REGIONAL TRANSMISSION PLANNING UNDER FERC'S ORDER NO. 1000 AND ANTICIPATE PROGRAMMATIC NEPA ISSUES.** The multiple regional transmission planning processes that are, or will be, deciding the future configuration and operation of the grid reflect the participation of all stakeholders and are designed to inform regulators and policymakers of the real need for transmission and the countervailing considerations. Federal land and resource agencies must dedicate personnel to participating in those processes. This will enable agencies to start NEPA review earlier and with a better understanding of the transmission network, and to coordinate with the states involved.
- **THE RRT AND CEQ SHOULD SCRUTINIZE THE SCOPE OF EISs TO ELIMINATE EXTRANEIOUS ANALYSES SUCH AS EXPRESS OR IMPLIED FINDINGS OF NEED FOR TRANSMISSION.** Public interest findings pertaining to individual transmission projects (i.e., determinations of public convenience and necessity) are among the tasks that should be excluded from the scope of NEPA documentation if state agencies or other federal agencies are charged with making such determinations.
- **EXPEDITE NEPA WORK.** The RRT should enhance both the ability and willingness of agencies to use third party contractors, by authorizing project proponents to select at least three contractors from which an agency can select to

conduct the appropriate analysis, at the proponent's expense. By accelerating NEPA analyses and employing outside expertise, this process works well for the FERC's natural gas pipeline certification procedure. As noted above, there is no reason that NEPA cannot be administered according to standard timelines for review processes and decision.

- **GENUINE TRANSPARENCY AND MORE CURRENT DATA ON PROJECT STATUS.** DOE'S status monitoring function under the nine-agency MOU (which we understand will be re-invented as "eTRANS") requires major renovation and sufficient staffing to ensure that information is current. Project proponents need an avenue to add their input to the process of identifying projects that have proven problematic, whether from agency inaction, lack of responsiveness from applicants, or issues intrinsic to the project. Over-reliance on input from agency sub-units that may be less sensitive to departmental, regional, or national priorities or unaware of developments in transmission planning has worked poorly and data is often old or cannot be verified. The database needs to identify point(s) of contact for each project and the database..
- **ELIMINATE DUPLICATION AND REPETITION.** This is perhaps the simplest principle and the most difficult to adhere to. It goes without saying that project proponents and agencies must agree to, and abide by, timelines for action. Multiple agency reviews of different aspects of the same project should be coordinated and occur as close to simultaneously as possible. This will avoid re-starting the clock in each instance. If there is a zone designation or comparable process for renewable energy development, that should also trigger the beginning of related project analyses under NEPA and other statutes. The RRT is uniquely positioned to devise the kind of uniform practices and procedures that will ultimately make inter-agency coordination a real possibility.

CONTACT: James J. Hoecker
WIRES Counsel
750 Seventeenth Street, NW
Washington, D.C. 20006
202-378-2300