

MEMORANDUM

TO: Jon Wellinghoff, Chairman, FERC, Jon.Wellinghoff@ferc.gov; Steve Black, Counselor, Secretary of the Interior, DOI, steve_black@ios.doi.gov; Lauren Azar, DOE, lauren.azar@hq.doe.gov; Jessica Zufolo, USDA, Jessica.Zufolo@wdc.usda.gov

FROM: Carl Zichella, NRDC; Chase Huntley, The Wilderness Society; John Tull, Nevada Wilderness Project; John Nielsen, Western Resource Advocates; John Shepard, Sonoran Institute; Sarah Wright, Utah Clean Energy; Ken Toole, Western Clean Energy Advocates (WCEA);

DATE: August 29, 2011

RE: FEEDBACK FROM ENVIRONMENTAL STAKEHOLDERS REGARDING §1221 BACKSTOP SITING AUTHORITY AND FERC LEAD ROLE ON TRANSMISSION PLANNING

In response to your request, we are writing to provide feedback on the proposal under discussion by the interagency workgroup including Federal Energy Regulatory Commission (FERC), Council on Environmental Quality (CEQ), Department of Energy (DOE), Department of the Interior (DOI), and Department of Agriculture that would delegate national interest electric transmission corridor designation from the DOE to the FERC, and reestablish FERC “backstop siting authority” under EPACT 2005, §1221. We are grateful for the opportunity to express the views of our organizations regarding this proposal.

Our organizations strongly support administration efforts to eliminate duplication and more efficiently consider renewable energy transmission proposals. We are part of a group of environmental organizations – national, regional and state – that have worked to reconcile land use conflicts with both renewable energy and transmission development on public lands with resource conservation and wildlife preservation. We have championed a guided approach to development that would reduce environmental conflicts and permit more rapid approval of both generation and transmission projects. And we have supported federal “backstop siting authority” for responsibly sited lines that service clean renewable energy. All of this work has benefitted from the administration’s emphasis on improving coordination between and among federal agencies, and between federal, state and local authorities.

We believe that delegating national interest electric transmission corridor designation from DOE to FERC is conceptually aligned with our organizations’ shared goals of spurring needed new clean, renewable energy generation while ensuring that land and wildlife values are protected. The proposal offers a number of benefits over the status quo including:

- The proposal, acknowledging that any corridor designation would require NEPA analysis, eliminates multiple NEPA review for both corridors and projects within those corridors, reducing delays and expediting needed projects.
- It relies on regional planning to select lines that require consideration of public policy goals. We view this as a key reform and one that could enable states to site lines in a timely manner.
- The proposal relies on the Order 1000 process including diverse stakeholder participation. Order 1000 is an essential reform.
- It narrows the focus of NEPA review under the authority to practical corridors rather than overly broad and controversial National Interest Electricity Transmission Corridors (NIETC) that previously prompted litigation and deep state opposition.

- The proposal creates a powerful incentive for state participation in regional planning and expediting project siting through federal backstop siting authority if responsibly applied.
- The proposal emphasizes requiring complete NEPA analysis for all lines. This is essential for buy in from environmental and other stakeholders.

Whether or not these benefits are realized, however, will depend in large part on the details of the rule that FERC adopts to implement corridor designation authority delegated by DOE. To ensure that the promise of this of this new approach is fulfilled and that it leads to a cleaner, more diverse and appropriately sited electric grid we believe the rule must:

- Tie transmission improvements deemed as “needed” in regional planning to the President’s clean energy goals. Achieving these goals should be reflected both as criteria to be used in evaluating lines for NIETC status and as policy-driven benefits for cost allocation in regional planning under Order 1000.
- Clarify how the proposal would incorporate multi-stakeholder transmission planning underway in both the eastern and western interconnections. Excellent analysis and advice will flow from these processes and should be incorporated in efforts to designate NIETCs in an environmentally responsible way.
- Provide adequate safeguards for sensitive wildlife and wild lands, including lands that have been permanently conserved, by establishing minimum criteria to be used in evaluating lines seeking national interest consideration.
- Clarify the role of land management agencies. If they are not co-leads for environmental review under the National Environmental Policy Act, they should be given the right of first refusal to be the lead agency as provided for in the existing interagency Memorandum of Understanding. There is no appreciable difference to wildlife and wild lands between a national interest line and a line not covered by this proposal, and empowering land management agencies to lead development of environmental review documents in coordination with FERC is more likely to result in permitting decisions with a minimum of controversy because only those agencies can identify potential natural and culture resource conflicts early.
- Provide preference for use of designated corridors for lines crossing federal lands.
- Maintain the one-year state approval deadline under all circumstances.
- Provide aid for stakeholder participation to ensure that all interested and affected constituencies can meaningfully engage in the corridor designation process.

We also strongly recommend you engage other constituencies prior to the release of the plan. These should include tribal interests as well as other conservation stakeholders and renewable energy technology advocates as well as others. Consultation with states or associations like NARUC or WGA will also be extremely important and should be part of the outreach effort for this proposal.

Our organizations strongly support the Administration’s effort to get renewable energy sources and related transmission improvement on line as quickly as possible. We are collectively engaged and heavily invested in accomplishing this goal in various policy and planning fora. The climate challenge demands no less. We look forward to working with you further as this delegation process takes shape. Thank you for seeking our opinion and providing us with the opportunity to share our views.