

MT07-MT08

WEST-WIDE ENERGY CORRIDOR
PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT

TRANSCRIPT OF THE PUBLIC HEARING
EVENING SESSION

Heard at the Holiday Inn
22 North Last Chance Gulch
Helena, Montana

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REPORTED BY:

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ORIGINAL

A P P E A R A N C E S

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DEPARTMENT OF ENERGY: ANDREW MCLAIN

U.S. FOREST SERVICE: JULETT DENTON

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1 WHEREUPON, the proceedings were had as follows:

2 MR. POWERS: Good evening. Thank you for coming
3 tonight, and several of you, thanks for coming again. We
4 just saw you a few hours ago. But I'd like to welcome you
5 on behalf of the Bureau of Land Management, the Department
6 of Energy, and the U.S. Forest Service. My name is
7 Scott Powers, and I'm the project manager for the BLM on
8 this project. I'd like to introduce Andrew McLain, with
9 the Department of Energy, and Julett Denton, with the
10 Forest Service.

11 Do you guys want to say anything before we get going?

12 MR. MCLAIN: My name is Andrew McLain; I'm
13 representing the Office of Electricity Delivery and Energy
14 Reliability from the Department of Energy. And I'd just
15 like to welcome you all, and I look forward to hearing
16 your comments.

17 MS. DENTON: I am Julett Denton, from the
18 Forest Service in Washington. And also, we have here with
19 us Terry Egenhoff, from the Forest Service, Ed Nesselroad,
20 and Larry Cole, also from the Forest Service and local
21 area.

22 We appreciate you being here and thank you for taking
23 the time out to come to be with us. We are very much
24 interested in getting your thoughts. We want to know what
25 you think about the corridors, where you'd like to see

1 corridors, where you don't want to see corridors. We hope
2 to take your thoughts and help us through this process,
3 and we look forward to hearing from you. Thank you.

4 And Terry and Ed and Larry, would you stand up so
5 people know who you are? Thanks.

6 MR. POWERS: Thanks, Juliett.

7 Before I begin talking about the process for
8 designating corridors, I'll tell you a little bit about
9 how we got here and why we're here. The Energy Policy Act
10 of 2005 requires the Secretaries of Interior, Ag, Energy,
11 Commerce, and Defense to consider the designation of
12 corridors for oil, gas, and hydrogen pipelines and
13 electricity transmission and distribution facilities on
14 the 11 contiguous western states. And the Act further
15 directs the secretaries to incorporate those corridors
16 that would be designated into the relevant agency land use
17 plans. What that means for us in the 11 western states,
18 as we're interpreting it now, would be BLM and
19 Forest Service management plans.

20 For that purpose, the DOE, BLM, and Forest Service
21 have decided that the best way to approach that would be
22 to develop a west-wide programmatic environmental impact
23 statement, which would serve as the basis for future land
24 use plan amendments through the issue of a record of
25 decision once that environmental impact statement was

1 complete.

2 Currently, if you wish to place a right-of-way on
3 either Forest Service or BLM lands, in almost all cases,
4 because there's very few designated corridors, you come in
5 with an application for that specific authorization and we
6 go through the appropriate environmental process. Most
7 often, if that's a major linear right-of-way, it's
8 automatically kicked into an environmental impact
9 statement. We all know that EISS are a very time-weighted
10 process and cost a lot of money. And the concept behind
11 designating corridors and then siting future linear
12 right-of-ways within those corridors is that we should be
13 able to streamline the permitting process, the permit on
14 federal lands, and thus reducing the cost. We also think
15 another added value of having a series of designated
16 energy corridors around the West, it gives the industry a
17 better opportunity to do infrastructure planning.

18 It looks like we have a distinguished guest.

19 Welcome, Governor.

20 GOVERNOR SCHWEITZER: Am I the most distinguished
21 we've got?

22 MR. POWERS: Well, I just kicked us off. We're
23 giving a little background information on why we're here.
24 Would you care to come up and say a few words before we
25 start?

1 GOVERNOR SCHWEITZER: No, go ahead and get
2 started.

3 MR. POWERS: So the west-wide corridor
4 programmatic EIS, basically the planning requirements will
5 be for us to do a level of analysis that's sufficient for
6 us, at the end of the day or when the EIS is completed, to
7 be able to sign a record of decision for each agency and
8 amend those affected land use plans in one fell swoop, if
9 you will.

10 I just wanted to emphasize again the importance of
11 that, because designated corridors across a national
12 forest or public lands managed by BLM is a resource
13 allocation decision that has to be made through that
14 planning process, and there will be a lot of interest in
15 that process. But we think that once a corridor is
16 designated -- again, I just want to emphasize -- if you
17 make application for a right-of-way or linear right-of-way
18 within that corridor, we should be able to tier off the
19 programmatic EIS to strictly an environmental assessment
20 that addresses the site-specific issues associated with
21 placing it within that corridor, and that should save
22 quite a bit of time and money.

23 So tonight, we're here to get your feedback on what we
24 should consider in this plan. We know we should be
25 considering corridors. I mean, Congress has told us to do

1 that. But from a west-wide perspective, that's wide open.
2 we need to find out from the industry what they think
3 their needs are and why they're important and from the
4 public at large what issues they think need to be raised
5 and elevated in this process.

6 The scoping process, we have identified four ways
7 generally to comment, and they all carry equal weight:
8 scoping meetings like this, where you can give comment
9 formally and we'll have it recorded through the court
10 reporter; you can fill out our comment sheet and provide
11 it to us; you can access our website and provide comments
12 that way; or you can fax comments to us. And like I said,
13 they all carry the same weight.

14 The scoping period runs for 60 days, and it began
15 around September 28 and will conclude around November 28.
16 In January of '06, we should have available, for anybody
17 that's interested, a summary of all the information we
18 receive during that scoping period from all over the west.
19 And we're doing a scoping meeting like this in each of the
20 11 western states, one in the afternoon and one in the
21 evening, and we just started this week. So it's a pretty
22 aggressive process. We really encourage you, if you want
23 to stay current on this project as it goes along, to keep
24 an eye on that website. It's up and running now, it's a
25 very active website, and we would like to use that as the

1 most effective tool to keep you in the loop, if we could.

2 So that's basically it. Any questions about what
3 we're going to do here tonight? Let me clarify that. We
4 are going to ask those that want to to come up and make
5 formal testimony. Once that is over with, we'll turn the
6 recorder off, we'll throw it open to a general discussion
7 about the project, maybe answer some clarification
8 questions you might have. Then after that, if somebody
9 wants to come back up and make additional comments for the
10 record, we'll be glad to do that.

11 So before we get started, Governor, why don't you come
12 up and tell us what you think about what we're doing here.
13 We appreciate you coming tonight. Thank you.

14 GOVERNOR SCHWEITZER: Well, thank you. I see you
15 dressed for Montana. That's a good start.

16 MR. POWERS: Well, I live in Montana.

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17 GOVERNOR SCHWEITZER: I appreciate the
18 opportunity to comment for the people of Montana.

19 And as you know, Montana has the potential of being
20 the energy center of the west, not only because we have
21 the potential of producing a great deal of energy with
22 IGCC clean coal and wind power, but most of the ideas that
23 private industry has been bantering about for energy
24 transmission lines includes lines running through Montana.
25 We think that we are an important place because we've

1 demonstrated that energy corridors work if they're done
2 right. As you know, we've been moving a lot of megawatts
3 to the west Coast for some period of time.

4 Before we get started down the road of new corridors,
5 let us begin by saying that we already have a corridor,
6 and with increased utilization, we could get another
7 750 megawatts to the coast using the BPA corridors that we
8 already have and the lines that we have. So it's just a
9 matter of updates.

10 Now, as to the Federal Government telling the states
11 what to do, we've had it, all the way up to the top of our
12 ears. We don't need the Federal Government to tell us how
13 we're going to run transmission lines in Montana and
14 western states. You've already been told by the Western
15 Governors Association that we take an unkind opinion of
16 the Federal Government coming out and telling us how we
17 ought to do our corridors. We think that we've got it
18 right. The western governors are working together, we're
19 working with private industry. We think that, for
20 example, Northern Lights and Northwestern have got it
21 about right. We're working with several states. We think
22 that we've got a great opportunity to move electrons out
23 of the Powder River Basin down to California.

24 But we're a little concerned when the Federal
25 Government gets involved and it starts to tell us how we

1 ought to do it in Montana. As you know, the Federal
2 Government would love to tell the private citizens in
3 Montana that eminent domain will be run by the Federal
4 Government and we'll no longer use states' laws and
5 states' rights. The Federal Government is very good at
6 telling the states how to run our own business. We think
7 that we can get it right. We think that we can do it in
8 Montana and the rest of the western states. We think that
9 western governors are working with private enterprise, and
10 if you gives us an opportunity, we'll get it right.

11 But if the western governors are going to be involved
12 in it, there's going to be a serious consultation and
13 collaboration with local communities. We're not going to
14 tell local communities, "well, we've got seven miles of
15 federal land blocked up, so now that we've got these seven
16 miles blocked up, the line is going to go straight through
17 them"; and the local community shows up and says, "You
18 know, I understand this is federal land, but we've lived
19 here our whole life, and that's a doggone poor place to
20 put it. If you were just three miles over to the east or
21 three miles over to the west, it would be a lot smarter to
22 put it for a lot of reasons and would be cheaper and
23 vistas would be better and the community would like it a
24 lot more." And of course, when the Federal Government
25 says, "well, we're just talking about corridors on federal

1 land," well, okay, then I guess we'll be talking about a
2 section here and a section there and maybe three sections
3 over here, and sometimes you'll have three or four
4 sections right in a row. The nature of western land
5 ownership with checkerboard ownership makes it very
6 difficult for the Federal Government to come in and say,
7 well, we've locked up a bit of territory here. You've got
8 it on both sides of it, and we've got to get the corridor
9 all the way to the market.

10 So we are ready to do our part in Montana. We are
11 ready to provide clean energy, both wind power and IGCC
12 liquefaction and other things. We are ready to work with
13 the Federal Government, we're ready to work with the other
14 states and private industry. But most Montanans and most
15 of the western governors have already been on the record
16 as taking a dim view of the Federal Government telling us,
17 once again, that they know what's best for us in Montana.
18 We know that we need corridors, but we want to have a say
19 in how those corridors are run. We think that working
20 with the western governors, we think that working with
21 private industry, and, most important, working with local
22 communities, we can get it right.

23 So we would just ask that any decisions that we make,
24 any discussions that we have, that we fully understand the
25 needs of local communities. And let's first give a chance

1 to the western governors, who have committed ourselves,
2 time and again, recently, and we will continue to do so,
3 of putting together corridors that make sense, but taking
4 into consideration local communities.

5 So again, thank you for the opportunity of visiting
6 with you today, and I look forward to working with you in
7 the future. Thank you.

8 MR. POWERS: Thank you very much, Governor.

9 okay. Any questions about the process for tonight
10 before we call our -- I think only one person has signed
11 up to give a presentation.

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12 (No response.)

13 MR. POWERS: Thomas Schneider, a commissioner of
14 the Montana PSC.

15 COMMISSIONER SCHNEIDER: First of all, I guess
16 I'd like to thank the agencies for conducting a scoping
17 session in Montana, as you have been directed and are in
18 the other 10 or 11 states in the west. That's essential.
19 It's necessary, but it's not sufficient in economic terms.

20 You have received limited comment this afternoon from
21 a subset of interested people in Montana. But I'd like to
22 emphasize at the outset that the lack of participation by
23 environmental and public interest groups in this
24 high-level programmatic EIS does not reflect, in any way,
25 what you will face and what siting entities will face in

1 specific projects. The BLM surely ought to know that,
2 given their experiences in Montana. The people of Montana
3 take environmental impacts and socioeconomic impacts
4 extremely seriously when the rubber meets the road, and
5 that's at the time of a specific project proposal.

6 what scares me terribly in the whole concept of
7 programmatic EIS are actually reflected in some of the
8 opening remarks of Scott Powers, and that is that this
9 high-level programmatic EIS is going to streamline and
10 accommodate in one fell swoop -- I think those are a
11 couple of the phrases that were used -- acceleration of
12 projects within these designated corridors. I think that
13 is a very dangerous tone and a very dangerous perspective
14 to bring.

15 A programmatic EIS, by its nature, a west-wide
16 approach, is going to be at the 30,000 foot level. You
17 don't have the resources, and you don't have the specific
18 capabilities to look at impacts related to what I think
19 Ray Brush presented this morning, a number of different
20 potential corridors that they'd like to have -- apparently
21 like to have designated in advance as national corridors.
22 That really scares me.

23 The state of Montana has stepped up to the plate and
24 is a major exporter now, has shouldered that
25 responsibility for the Colstrip twin 500-kv lines going to

1 the west, as the Governor has indicated. Within your
2 programmatic EIS, one of the options is upgrades and
3 efficiency utilization improvements. That can be done.
4 That is a positive, constructive, low-impact, economically
5 rational way to use that corridor, that existing corridor.
6 But you'd just as well -- From my standpoint, as an
7 individual commissioner that's been involved in these
8 issues since the '70s, you'd just as well erase those
9 lines that show east-west major additional transmission
10 corridors.

11 It was a bloody fight in the late '70s, and it will be
12 at least as bloody a fight going forward for export lines
13 going through the mountains of western Montana. The
14 corridors are limited, the terrain is tough. We've got
15 tribal lands, we've got endangered species, we've got a
16 very active public interest perspective on environmental
17 issues. It is a non-starter. That's my view, and it's an
18 informed view that I would urge you not deep-six. Again,
19 it fits with the idea that you're not hearing from
20 environmental groups or public interest groups at this
21 programmatic level. You will at the next level.

22 We really have been down this road before. We were
23 down this road in circa 1970 with the Northern Great
24 Plains Coal Project or multiple electricity transmission
25 corridors exporting coal from the Powder River Basin. It

1 didn't fly then, it won't fly now. It's got to be
2 selective, it's got to be economically rational, there has
3 to be a buyer and seller. It has to be a real project.
4 And some of those things can be done to integrate wind and
5 potentially some modest levels of coal. But you've got
6 California on the receiving end that's saying, we're not
7 going to export our environmental impacts and our global
8 warming impacts; we're going to demand that our
9 load-serving entities incorporate those serious
10 externalities.

11 So the risk is that you're going to develop momentum
12 and an expectation that there's going to be a fast track
13 for approval of multiple corridors. That expectation is
14 very dangerous, and I think it's unfounded. Good projects
15 can go forward; well-planned, integrated processes between
16 the developer, the transmission owners, and the customers
17 on the other end. And you have to recognize the Major
18 Facility Siting Act in Montana. There is a Western
19 Governors Siting Protocol that makes a hell of a lot of
20 sense. There is a recognition that interstate projects
21 need coordinated activity.

22 But those state entities that have that responsibility
23 ought to be at the front table as co-leaders and not be
24 subjugated to a programmatic EIS that just contemplates an
25 EA after that. That is not sufficient. You're going to

1 designate these corridors and then you're going to fast
2 track with an EA, despite the level of analysis that's
3 done at the programmatic level? Baloney. That is not a
4 responsible way to approach your charge under the Act. I
5 would urge that you not do that, that you not view this as
6 effectively carving in stone a fast-track corridor.

7 Those are my remarks as an individual commissioner.
8 They don't represent an official commission position at
9 this programmatic level. But I hope you take them
10 seriously. And we'll be watching. Thanks.

11 MR. POWERS: Thank you very much.

12 Is there anybody else that wishes to make a public
13 comment?

14 (No response.)

15 MR. POWERS: What we did this afternoon that
16 seemed pretty effective, and we had a good exchange of
17 information, was we turned off the recorder and we had a
18 question-and-answer session. So I'd suggest we go ahead
19 and do that at this time.

20 (A discussion was held off the record.)

21 (The proceedings concluded at 7:35 p.m.)

22 * * * * *

COURT REPORTER'S CERTIFICATE

STATE OF MONTANA)
 ss.
COUNTY OF LEWIS AND CLARK)

I, CHERYL ROMSA, Court Reporter, Notary Public in
and for the County of Lewis and Clark, State of Montana,
do hereby certify:

That the foregoing proceedings were reported by
me in shorthand and later transcribed into typewriting;
and that the -16- pages contain a true record of the
proceedings to the best of my ability.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed my notarial seal this 1st day of November
2005.

CHERYL A. ROMSA
Court Reporter - Notary Public
My Commission Expires 8/4/2007