

U.S. DEPARTMENT OF ENERGY
 PUBLIC SCOPING HEARING
 NOVEMBER 1, 2005
 BOISE, IDAHO

I N D E X

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BE IT REMEMBERED that the hearing was taken at the Harrison Plaza Hotel, located at 409 South Cole Road, Boise, Idaho, before Debra Burnham, a Court Reporter and Notary Public in and for the County of Ada, State of Idaho, on Tuesday, the 1st day of November, 2005, commencing at the hour of 2:00 p.m. in the above-entitled matter.

APPEARANCES:

For the DOE: MS. Julia Souder
 For the USFS: MS. Maryanne Kurtinaitis
 For the BLM: Mr. Bil Weigand

1 Whereupon the hearing proceeded as follows:
 2 MR. BENNETT: I think we're about ready to
 3 start. My name is K. Lynn Bennett, I'm the state
 4 director for BLM here, and I certainly would like to
 5 thank you all for coming to this session, this scoping
 6 session; and welcome you, This scoping session is in
 7 terms of energy corridor designations for federal lands
 8 administered by BLM and the Forest Service. The Energy
 9 Policy Act of 2005 requires the Secretaries of Energy,
 10 Agriculture, and the Interior to designate corridors
 11 for oil, gas and hydrogen pipelines and electricity
 12 transmission and distribution facilities on federal
 13 land in the 11 contiguous western states.
 14 The Act further directs the Secretaries to
 15 incorporate the designated corridors into the relevant
 16 agency land use plans and resource management plans or
 17 equivalent plans and to perform any environmental
 18 review that may be required to complete the designation
 19 of the corridors.
 20 For that purpose the Department of Energy,
 21 BLM and the Forest Service are preparing the West-wide
 22 Energy Corridor Programmatic Environmental Impact
 23 Statement.
 24 The West-wide Energy Corridor Programmatic
 25 Environmental Impact Statement will evaluate the

1 energy corridors on federal lands, simply because it's
 2 another federal agency and part of DOE, would be
 3 inappropriate and should not even be considered.

4 So now let me shift my comments to some of
 5 the potential benefits of establishing transmission
 6 corridors on federal lands. Most notably, doing so
 7 could provide for the facilitation of investment and
 8 risk mitigation. Yes; I'd like to say at this point
 9 everything fits most necessarily under the heading "The
 10 Intuitively Obvious."

11 It should come as no surprise that major
 12 transmission projects have investment risk. These
 13 projects have long lead times; five to ten years from
 14 inception to completion. The cost per mile in the West
 15 can range from a half million to two million dollars,
 16 depending on terrain, land use, and permitting. And of
 17 course those costs are even higher in and around urban
 18 areas.

19 It's also not surprising that there is a
 20 reluctance on the part of lenders to loan without
 21 certainty of project completion and cost recovery. So
 22 without some standardization and certainty regarding
 23 federal transmission corridors, there is the potential
 24 for piecemeal, one-transmission-owner projects that
 25 serve a very limited geographic area, resulting in

1 siting/permitting processes and of fee structures for
 2 land use for these projects in order to provide greater
 3 cost certainty to ratepayers. By standardizing the fee
 4 structures and the process, it would also eliminate the
 5 perception of unfair treatment and unrealistic
 6 expectations that exist today.

7 Based on the point I just articulated, I
 8 believe that environmental issues need to be more
 9 clearly defined. More cost certainty needs to be
 10 associated with those. With that I would conclude my
 11 remarks.

12 MS. KURTINAITIS: Thank you for your **ID02**
 13 comments, Paul.

14 Next we have Jim Jensen, Power Engineers
 15 Incorporated.

16 MR. JENSEN: Thank you. I am going to be
 17 making comments today for three separate entities; so
 18 three sets of comments, I guess. The first is for
 19 Northwestern Energy. Northwestern Energy appreciates
 20 the Department of Energy, Department of Agriculture and
 21 Department of Interior efforts in designating energy
 22 corridors on federal lands in the 11 western states.

23 Northwestern serves more than 617,000
 24 customers in Montana, South Dakota and Nebraska, and
 25 currently owns, operates and maintains approximately

1 projects that do very little to resolve region-wide
 2 transmission problems.

3 So clearly, federal transmission corridor
 4 destination can help mitigate project risk, facilitate
 5 investment, and it can encourage regional solutions.
 6 The designation of such corridors would provide
 7 certainty of federal land availability for new
 8 projects. Established corridors would be less costly
 9 than having to negotiate corridors agency by agency,

10 Corridors would give developers and
 11 transmission owners the ability to propose more
 12 efficient transmission projects using federal corridors
 13 to solve those regional needs. Such designations would
 14 encourage multiple investors in multistate transmission
 15 projects crossing federal and nonfederal lands.

16 As a regulator in a state with regulated
 17 utilities, I also would like to touch on the impact to
 18 ratepayers. The costs of transmission are borne by
 19 ratepayers through regulated rates over the life of the
 20 project. Designation of both existing and new energy
 21 corridors on federal lands could streamline the
 22 permitting process and construction time and
 23 accordingly, lower costs to consumers.

24 Additionally, federal agencies should
 25 consider standardization and consistency of their

1 7,000 miles of electric transmission and approximately
 2 2,000 miles of natural gas transmission in Montana
 3 alone.

4 In addition to the verbal comments I am
 5 giving to you today, Northwestern Energy will submit
 6 written remarks as well.

7 Northwestern's need for an expanded
 8 transmission grid includes the currently projected
 9 resource development in the region of over 2200
 10 megawatts in Northwestern's Generation Interconnection
 11 Queue alone. The existing transmission system is
 12 congested and will not accommodate these needs.

13 Northwestern is anticipating trying to
 14 construct a project from Montana into southern Idaho,
 15 from western Montana into southern Idaho; and that's
 16 why these comments are being made here today in Boise.

17 Northwestern requests that the agencies
 18 consider the following during the development of the
 19 Programmatic EIS. Corridors should be developed in
 20 consideration of compatible uses.

21 There should be reliability considerations of
 22 the Western Electric Coordinating Counsel; that is, the
 23 utilities cannot put all their eggs in one basket
 24 without risking system reliability. In other words,
 25 multiple transmission lines adjacent to one another in

1 a single corridor is a recipe for disaster.
 2 Corridors should have sufficient width to
 3 support multiple facilities.
 4 Corridor designations should be flexible and
 5 dynamic enough to recognize changing conditions. For
 6 example, system needs and requirements do change over
 7 time. Land uses change over time. The Act anticipates
 8 ongoing, high-level coordination between federal land
 9 management agencies; so we're assuming that this would
 10 be done.
 11 Corridors should match where land ownership
 12 and land jurisdictions changes; for example, at state
 13 borders, BLM and Forest Service boundaries, federal and
 14 state ownership, government and private ownership
 15 boundaries.
 16 The process should coordinate corridor
 17 designation with state regulations-- for example, in
 18 Montana, the Montana Major Facility Siting Act -- and
 19 identify siting constraints on adjoining private lands
 20 -- for example, the specific land uses; agriculture
 21 lands, conservation easements, visual impact issues, so
 22 forth,
 23 The agencies should help develop through this
 24 process a streamlined permitting process for facilities
 25 within a designated corridor.

1 as for national security interests, to expand the
 2 transmission grid to connect generation resources with
 3 population and industrial centers. Wind Hunter
 4 supports the federal government's commitment to help
 5 resolve this need by establishing corridors and
 6 amending land use plans, which should facilitate the
 7 environmental review processes for individual projects
 8 as they're proposed.
 9 And last, these remarks -- very short remarks
 10 for the Montana Electric Transmission Committee. The
 11 Montana Electric Transmission Committee is an industry
 12 group that was recently formed to address and resolve
 13 issues associated with permitting and constructing
 14 in-state transmission lines to Montana, as well as
 15 out-of-state transmission needs. The committee
 16 supports the efforts of the federal agencies to
 17 implement national-interest corridors by amending
 18 agency land use plans, and will be submitting written
 19 comments during the scoping period.
 20 MS. KURTINAITIS: Thank you very much, Jim.
 21 Next we have Brett Dumas, Idaho Power and
 22 Western Utility Group,
 23 Did I pronounce your name correctly?
 24 MR. DUMAS: Close enough,
 25 Hello. I'm Brett Dumas, Idaho Power Company,

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1 Corridors-- Assuming corridors will be
 2 selected that will minimize environmental impacts.
 3 And last, it is important that agencies not
 4 anticipate that every suggested corridor will actually
 5 be used.
 6 Northwesten has provided me a map to leave
 7 with you, And so I will do that, And the map
 8 illustrates the needs that are-- that they have, that
 9 are both Montana and Idaho; and those are
 10 Townsend-Dillon-Midpoint, Midpoint being a major
 11 substation in southern Idaho; Townsend-Mill
 12 Creek-Dillon-Midpoint; or Garrison-Mill
 13 Creek-Dillon-Midpoint,
 14 That concludes my remarks for Northwestern.
 15 Second set of remarks are for Wind Hunter,
 16 LLC. Wind Hunter, LLC, is a wind energy asset
 17 development company whose strategy is to acquire, own,
 18 develop and operate wind energy projects on a worldwide
 19 basis. To date, Wind Hunter has acquired wind
 20 resources in Montana, Texas, New Mexico, Nevada and
 21 California, and is currently in various stages of
 22 development for approximately ten individual wind
 23 projects,
 24 There is a compelling need, for the present
 25 and future economic well-being of this country as well

1 supervisor, environmental affairs department, first
 2 vice chair of the Western Utility Group.
 3 Idaho Power is an integrated electric utility
 4 company that serves approximately 450,000 customers in
 5 a 24,000-square-mile service area in southern Idaho and
 6 eastern Oregon.
 7 Idaho Power has a long history of involvement
 8 with and is a proponent of utility corridors in the
 9 West. We have worked with local BLM districts and
 10 national forests to identify and designate utility
 11 corridors in the land planning process.
 12 As a member of the Western Utility Group, we
 13 have assisted with the development of the Western
 14 Regional Corridor Study, which has served as a
 15 blueprint for utility corridors up to this point in
 16 time,
 17 We are also involved in electrical planning
 18 projects such as the Rocky Mountain Area Transmission
 19 Study and the Northwest Transmission Assessment
 20 Committee, to name a couple,
 21 The role of corridors in the meeting of the
 22 current and future energy needs of the West is
 23 paramount to Idaho Power because of the disparity
 24 between where energy sources and load centers are
 25 located. It is necessary to transport energy.