Cascabel Working Group 6520 N. Cascabel Road Benson, AZ 85602 Sent electronically and by Certified U.S. Mail December 5, 2013

Ms. Sally Jewell, Secretary Department of the Interior 1849 C Street NW Washington, DC 20240 Mr. Neil Kornze, Director Bureau of Land Management 1849 C Street NW Washington, DC 20240

Dear Secretary Jewell and Director Kornze:

We are writing to you to express deep concern about the Environmental Impact Statement (EIS) for the SunZia Southwest Transmission Project. This EIS contains serious, multiple deficiencies that the NEPA process has failed to correct. We are asking that you take action to remedy this. Efforts to bring these deficiencies to the Bureau of Land Management's attention through traditional channels have repeatedly failed, no matter how diligently and carefully we and others have presented them. With the delay in issuing a Record of Decision because of conflicts with the White Sands Missile Range, the Bureau of Land Management has the opportunity to correct these deficiencies and to avoid legal complications for the project.

In handling the environmental impact statement, the Environmental Planning Group (EPG) has dismissed even the most carefully documented, substantive information, refusing to incorporate it into the EIS. The Cascabel Working Group has submitted more information than any other group or individual, and we have watched EPG discard all of it, often with unrelated, uninformed and arrogant responses. The negligence and/or arbitrary treatment in this process is apparent to even the most ardent advocate of the project. In its efforts to expedite the EIS while supporting the applicant's description of intent, EPG has violated the National Environmental Policy Act and its legal requirements. The Department of the Interior must act now to avoid issuing a Record of Decision based upon false assumptions, incomplete information, and misrepresentations.

The greatest abuses in this process concern this project's purpose, need, and use. The project has been presented to the public and government officials as a highly appealing ideal, that of creating a renewable energy superhighway from New Mexico to western energy markets. This ideal, however, has not been critically analyzed, which is the intent of an EIS. The BLM and EPG have fallen far short in this undertaking. The most severe deficiencies in the SunZia EIS are documented below. For the EIS to be valid, these fundamental shortcomings need to be addressed in the body of the EIS and not relegated to dismissive Responses to Comments in an appendix.

• The EIS fails to reference the only feasibility study done for SunZia despite repeated communications to the BLM from the Cascabel Working Group and others informing them of it and its importance. SunZia was originally part of the proposed High Plains Express Project and was modeled as part of that project. That modeling established the conditions of use required for the project to be economic and to function efficiently. That

study shows that the nearly pure renewable energy scenario chosen for SunZia in the EIS is not economically viable and would result in a serious underutilization of transmission capacity. The EIS does not even reference the study, however. EPG instead discards all of this information and evaluates the project based upon a highly idealized model that is untenable.

- The EIS dismisses the largest potential user of the project, the Southwest Power Group's (SWPG's) permitted Bowie, Arizona power plant, replacing the facility with entirely renewable energy facilities. EPG states that the permitted natural gas plant and SunZia are "unconnected actions." For the first 20 months of the project, however, all SunZia presentations featured the Bowie plant as the principal facility using the project, and when the project was expanded and SunZia applied to the Federal Energy Regulatory Commission for a Declaratory Order, SunZia explicitly stated this potential use. Public records show that SWPG originally proposed SunZia to make the Bowie plant more economic; in addition, use of SunZia by the Bowie plant will be critical in obtaining funding for the project and supporting it financially. Substituting renewable energy for this use distorts evaluations of cumulative impacts, greenhouse gas emissions, and economic benefits, invalidating fundamental conclusions of the EIS.
- The EIS does not relate the project's projected use to overall power needs for the region. SunZia's scenario of use is highly idealized and not based upon an overall analysis of the future power needs of utilities in the region. While the EIS notes the amount of power required to meet renewable energy portfolio standards in Arizona, California and Nevada, it does not assess the non-renewable power needs in the region during the same period. Neither does it analyze how utilities plan to meet these power needs. Integrated resource plans and industry studies predict that over the next 25 years utilities in the region will need up to two or more times as much natural gas generation as renewable generation to meet power demands. The EIS does not consider this and how SunZia might help meet them.
- The EIS does not consider the potential expansion of existing natural gas facilities to use SunZia in meeting future power demands (related to the previous point). Within the past 10 years, 1,000 megawatts of new natural gas generation has been built in southwestern New Mexico along SunZia's proposed route, and an additional 1,000 megawatts has been permitted in southwestern Arizona (the Bowie power plant). All of this generation makes use of El Paso Natural Gas's pipeline across this region. The EIS does not address the very probable use of SunZia to expand this generation.
- While portraying SunZia as carrying almost entirely renewable energy to meet renewable portfolio standards, the EIS makes no attempt to determine how utilities in the region plan to meet these standards. Without such an analysis, it is unclear whether SunZia is actually needed for this purpose. Projections by California, Arizona, and Nevada utilities indicate that the project is not required to meet such standards. The stated purpose of SunZia needs to reflect the project's actual purpose, which at this point is to give predominantly New Mexico power generators a greater ability to compete in distant markets.
- The EIS does not acknowledge or compare SunZia with the other five projects proposed to export New Mexico's renewable energy. In dismissing this relationship, EPG states that not enough can be known about them to make such a comparison. This ignores the fact that (1) the proposed routes are known for these projects, (2) the areas they would

deliver power from are known, (3) the capacity of the lines are known, and (4) the predominant type of energy they would carry is known. Taken together, the projects fully overlap with SunZia and could fulfill its function. The EIS should discuss this overlap in detail. This analysis is critical to fully evaluating the alternatives to SunZia, a central requirement of NEPA.

- The EIS dismisses the financial and physical conflicts with the Southline Project. The Southline and SunZia essentially parallel each other for 360 miles across southwestern New Mexico and southeastern Arizona, and both will perform the same physical function within that part of the regional transmission system. EPG instead states that the purpose of the two projects is entirely unrelated. They will, however, both compete for the same generation sources, the will both relieve transmission congestion in the same way, and they will both increase transfer capacity and reliability in the same way. The principal difference is that SunZia extends the full distance to central New Mexico and has twice the capacity. The EIS does not assess this strong overlap in function and the complications it will cause.
- The EIS does not realistically and fully analyze the alternative ways of meeting the project's objectives. Most importantly, this concerns the many other transmission projects proposed for New Mexico and building renewable energy projects in other states closer to the area of need. This issue gets to the heart of the problem: What is the reason for building SunZia? If it is merely to supply renewable energy to distant utilities to fulfill renewable energy standards, the project is not needed. If it is to give New Mexico energy developers a chance to compete in those distant markets, it might be. However, the feasibility study dismissed by the BLM and EPG indicates that the energy development scenario used in the EIS needs to include two to three times as much non-renewable energy for the project to be physically and financially viable. If the line is to provide access to remote renewable resources, it might be useful, although it is unclear whether such access will ever be needed because of abundant renewable resources closer to the areas of need. The purpose and need of the project should reflect these issues. As it stands, the stated purpose for the project is significantly mischaracterized, making it unclear what the alternatives are that should be evaluated.
- The EIS provides no analysis of the No Action alternative as required by NEPA. The EIS merely states the following:

<u>Under the No Action alternative</u>, the BLM would not grant right-of-way for construction and operation of the proposed Project and it would not amend any planning decisions. The Project facilities, including transmission lines and substations, would not be built and existing land uses and present activities in the Project study area would continue. <u>The No Action alternative</u> does not consider the potential for additional actions that could occur contingent on the denial of the proposed action or alternatives. Service by the existing transmission system within the study area would continue, including those proposed generation projects with existing, documented interconnection requests (Chapter 1, Table 1-2).

This does not analyze the consequences of not building the project and provides no baseline for decision makers to use in evaluating the various alternatives. If this project is not built, what are the consequences? What is likely to happen in its absence? Will the purpose and need of this project be met in other ways? What are the ways in which this might be achieved? Typical discussions of the No Action alternative in other environmental impact

statements for projects of this scale are 7 to 10 pages long and address the full range of consequences of not building the project. EPG has instead dismissed reviewer comments pointing out this deficiency and has retained this original, empty discussion. This violates a fundamental requirement of NEPA.

• The EIS dismisses updated congestion studies for transmission Path 47 in southwestern New Mexico provided to the BLM in response to the draft EIS. EPG instead uses outdated information from an older report compiled by the Department of Energy from Western Electricity Coordination Council (WECC) data. We provided two newer studies by the WECC showing that new generation facilities in southwestern New Mexico had eliminated any physical congestion on existing transmission lines. The WECC's most recent report states, "Path 47 was not congested in the 2020 expected future study case, or any other cases in the 2010 Study Program." These studies indicated that these lines were overscheduled, however. EPG should revise the EIS to reflect this new information. EPG has instead dismissed it, retaining the old, outdated study as the sole reference.

We are deeply disturbed by the Environmental Planning Group's lack of compliance with NEPA's intent. We are equally disturbed by the sweeping power that the BLM has given the company in writing the SunZia Environmental Impact Statement. As it stands, evaluation of several critical elements in the EIS is fabricated and unrealistic. The BLM has not exerted the critical, independent oversight needed to maintain the integrity of the EIS. Even repeatedly bringing these deficiencies to the BLM's attention has not resulted in any acknowledgment of them nor any action to correct them. The BLM has instead passed this responsibility to EPG, which has in turn ignored them.

With the Record of Decision delayed, the BLM has the opportunity to address these deficiencies and to correct the EIS. Doing so could avoid future legal complications and court delays. Revising the EIS to include this information adds integrity and honesty to the process and the EIS. It does not somehow invalidate the project. EPG staff have repeatedly avoided doing so, circumventing compliance with NEPA's mandates. In response, we are asking that the Department of Interior demand that these deficiencies be corrected. While some individuals may feel that SunZia's approval is foreordained and that the content of the EIS is thus of no real consequence, we believe that such an attitude violates NEPA's intent and that the EIS should contain the best-available information no matter the final outcome.

Sincerely,

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