WESTERN RESOURCE
ADVOCATES

Protecting the Interior West's Land, Air, and Water

April 9, 2007

Thomas Green
Xcel Energy Services Inc.
550 15th Street, Suite 700
Denver, CO 80202

Re: High Plains Express Transmission Project Feasibility Study

Dear Mr. Green:

On behalf of Western Resource Advocates (WRA), please accept these comments on the High Plains Express Feasibility Study regarding expanded and reinforcement of the regional energy transmission grid in Wyoming, Colorado, New Mexico and Arizona.

Founded in 1989, Western Resources Advocates is a non-profit environmental law and policy organization dedicated to restoring and protecting the land, air, water and wildlife resources within the interior Western United States. Specifically, our team of lawyers, scientists and economists works to: 1) promote a clean energy future for the Interior West that reduces pollution and the threat of global warming; 2) restore degraded river systems and to encourage urban water providers to use existing water supplies more efficiently; 3) protect public lands and wildlife throughout the region. We are pleased to participate in the HPX process as energy transmission brings all of these components under one umbrella: if sited and constructed improperly, electric transmission lines may have unacceptable impacts to sensitive land, water and wildlife resources; at the same time, new transmission lines also provide an opportunity to bring renewable energy sources like wind, solar and geothermal on line so that we may achieve a balanced and sustained energy policy for the region.

Comment 1 – Transparent Decision Making Open to the Public

As a preliminary comment, WRA commends the project proponents for opening the process to the public including the well-advertised initial stakeholder meeting that we attended on March 23, 2007. Open and transparent decision making processes that allow for public participation and input yield the best opportunity for informed and well-reasoned decisions. Involving the public early and at every stage of the process also allows for potential problems to be handled early on so that by the time final decisions are made, the most contentious issues will have hopefully been addressed. WRA appreciates this approach and we look forward to working with the HPX study team as this proposal advances.

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Comment 2 – Avoiding Sensitive Land and Water Resources through Proper Siting

A common thread among the related transmission proposals in the region (see comment 5, below) is that none of them are providing specifics about potential routes and siting. Because of known load centers and a wealth of information on probable generation sources – coupled with the reality that there are only so many ways to get from points A to B – there is a present capability to start the dialogue about transmission corridor siting and location. This issue is of utmost importance to WRA. Wyoming, Colorado, New Mexico and Arizona possess amazing landscapes and watersheds that are critical to a healthy and functioning environment. The HPX and other proposals for new transmission corridors in the region threaten these resources and may impact key habitat areas for wildlife species, including sensitive and potentially threatened or endangered species. The impacts from transmission corridors to the interior West's natural resources are potentially enormous and deserve more attention and study. To date, unfortunately, they've been give short shrift.

Given what's at stake, the discussion about siting/location and impact avoidance and mitigation needs to start *now* and not at some later phase of the HPX project. Otherwise, the project will get far along on other concepts (such as generation sources and economic feasibility) . . . that may result in wasted time if location/siting issues brought up at the tail end of the process are potential deal breakers. Moreover, starting the discussion about siting/location at the beginning of the process allows for better public participation so that information on lands and wildlife impacts can be properly addressed. This approach will allow for the best siting of new corridors and for incorporation of best management practices to eliminate or reduce adverse impacts to sensitive western land, water and wildlife resources. To the extent possible, we ask that all new electrical transmission lines be bundled in existing rights-of-way for energy/telecommunication uses and placed in already-disturbed areas such as highway corridors.

Comment 3 – Focusing Energy Resource Zones on Renewable Energy Sources

We are pleased that HPX proponents are employing the concept of identifying energy resource zones to ensure that these energy resource areas will have access to the western grid through new or expanded transmission lines. Our organization strongly believes that energy resource zones tapped into for this project must be focused on renewable energy sources. The "energy zone" concept is a natural fit for these place-dependent energy sources – wind, solar and geothermal energy resources cannot by their nature be "moved" or "transported" to a new location for power generation. Therefore, the identification of renewable energy zones is necessary in order to efficiently and comprehensively link these generation sources to load via transmission.

At the initial stakeholder meeting, HPX project leaders did not identify types of energy sources that would receive emphasis – causing concern that this is yet another project ultimately focusing on new coal power plants. We stress here that the focus on energy zone identification and grid tie-in needs to be on renewable energy sources. New Mexico and Colorado have recently passed laws requiring 20% of electricity to come from renewable resources by 2020. This fact alone makes it critically important for the HPX project to focus energy resource zones on these types of sources. It is also important from an environmental standpoint as a more balanced energy

portfolio will reduce air pollution and reduce CO_2 emissions that are contributing to climate change. In addition, with these types of renewable resources displacing some percentage of natural gas generated power, this may in turn mean fewer natural gas fields that presently are industrializing the Rocky Mountain region at landscape proportions. From an economic standpoint, focusing new generation on renewables makes sense given the uncertain political climate and strong likelihood in the near future of carbon regulation/emissions taxes.[1]

Comment 4 – Incorporating Integrated Resource Planning Principles

The HPX transmission project should adhere to the principles associated with integrated resource planning (IRP). IRP allows for the development of a full range of alternatives for providing adequate and reliable energy to electric customers. This includes the consideration of new generating capacity, power purchases, energy conservation and efficiency, cogeneration and district heating/cooling applications and the use of renewable energy sources. See 10 C.F.R. § 905.11. Incorporating demand-side management (DSM) components and transmission line efficiency principles into this study will help determine how much new generation capacity is needed to meet future load considerations. In turn, that will shed light on how much new or upgraded transmission is actually needed – an excellent opportunity to avoid the impacts of unnecessary transmission corridors. We request that the feasibility study emphasize energy efficiency and conservation opportunities combined with renewable energy sources that are without the pollutants and greenhouse gases associated with fossil-fuel based power generation.

Comment 5 – Proper Coordination with Other Transmission Proposals

With so many transmission proposals and studies occurring at the present time in the region, we fully support the HPX proponents' commitment to explore possible synergies by coordinating efforts. In the same region as the HPX study area, other similar and related proposals include East Plains Transmission Project (EPTP), TransWest Express, Wyoming West, the TOT 3 upgrade as well the Sunzia Southwest and Path 48 in New Mexico/Arizona. In addition, there is overlap between these specific proposals and broader planning efforts such as the Southwest Area Transmission (SWAT) group and the Colorado Coordinated Planning Group (CCPG).

These proposals and studies share many of the same players (utilities, transmission providers, power companies, agencies), cover many of the same general transmission routes and are proposing to tie new and existing transmission corridors to many of the same energy generation sources. As such, there is an incredible opportunity for coordination and consultation among the interested parties – otherwise, we are concerned that we may end up with an extremely inefficient set of overlapping processes that will fail to look at the region holistically in order to best determine transmission corridor siting, areas where existing transmission line capacity is sufficient and areas where new transmission corridors are needed. Failing to coordinate as the

[1] To the extent coal is considered as a potential energy source for this project, for the same reasons cited above, WRA's position is that any such facilities should capture and sequester their greenhouse gas emissions. We highlight here that energy resource zones offer a planning opportunity to consider the best locations that are conducive to underground CO_2 storage and places that are most amenable to CO_2 transport via pipelines bundled in the same corridor as electrical transmission.

HPX proponents propose may result in duplicative and unnecessary transmission corridors and insufficient attention to maximizing the integration of renewable energy sources into these proposals.

Comment 6 – Avoid Multiple Transmission/Generation Plans for the Focus Area

We commend HPX proponents for recognizing the need to coordinate and plan comprehensively with other related transmission proposals in the same geographic area. However, what is missing from the proposal are mechanisms to ensure these related transmission proposals don't all end up being implemented in the same general locations. In other words, there must be a commitment from parties that are key players in the related proposals to consider delaying or halting other transmission projects proposed in the same region. Otherwise, multiple proposals may still end up proceeding to implementation and the time and energy spent coordinating will have been largely wasted, with the unfortunate end result of duplicative projects and unnecessary impacts. If the coordination component of the HPX project is to have meaning, the proponents should strongly consider not irretrievably committing financial and planning resources to related projects that are looking at virtually the same load/transmission/generation issues for the same region.

Comment 7 – Coordination with the Federal Transmission Corridor Designation Process

Pursuant to the Energy Policy Act of 2005 and the National Environmental Policy Act, the Departments of Energy, Interior and Agriculture are presently in the process of designating energy transmission corridors for the 11 contiguous western states. A draft programmatic environmental impact statement is expected to be released in May 2007. We ask that the HPX proponents coordinate with this important process as well. This would include providing all pertinent information relating to: (a) which transmission lines can meet future energy transmission needs at current status or with expanded capacity; (b) future load requirements by location that include DSM analyses; (c) any expected new transmission corridors including site-specific data relating to locations and possible siting alternatives; and (d) a detailed analysis of all energy resource zones including precise locations/boundaries, and for each type of generation source, the nameplate and capacity factor energy values and relevant economic data regarding generation and integration costs. Providing this information to the federal agencies at the earliest possible time frame –and certainly during the 90 days of comment opportunity on the draft EIS – will aid significantly in the evaluation of different alternatives for the designation of these western energy transmission corridors.

The relationship between the HPX project (and similar regional transmission proposals) and the federal corridor designation process needs clarification. Through the EIS process, are the agencies looking for and relying upon this type of information to be able identify key areas for upgraded and new energy transmission? If so, this underscores the need to immediately provide the type of information listed above to the agencies in order to assist in the development and environmental analysis of corridor alternatives. Importantly, detailed information of this nature from HPX and other regional transmission proposals will allow the federal agencies to select transmission corridors with the least impacts to sensitive public lands and wildlife resources. In addition, if this information is lacking, the federal process may fail to designate corridors and the

necessary rights-of-way through public land units that are needed to integrate renewable energy sources. Furthermore, providing this type of information can help the agencies determine the purpose and need for additional transmission corridors, or conclude in some instances that existing infrastructure will adequately and reliably meet future energy transmission needs.

Conclusion

WRA thanks the HPX project proponents for the opportunity to participate in and provide comments on this proposal. Our organization has a proven track record of working successfully with industry and state/federal agencies to find balanced solutions regarding energy policy and protecting and restoring the irreplaceable natural resources in the interior West. Regarding the HPX proposal, we believe that with the proper focus on siting/location, user-end efficiency and renewable energy sources, the project has the potential of playing an important role in a new and sustainable energy policy for the interior West. We look forward to working with HPX proponents to achieve these goals.

Importantly, WRA fully realizes that in order to achieve this type of balanced energy policy in the region, we'll need to accept some level of environmental impacts associated with tying in renewable energy sources with new transmission corridors. Our group is well-positioned in the western environmental community to bring together and work with lands, water, wildlife, energy efficiency and renewable energy groups in order to achieve the environmental benefits of a balanced energy policy in the region, and we look forward to working with HPX proponents in this capacity. We suggest that the best opportunity for across-the-board buy-in for this proposal will come from an open, inclusive and transparent process that fully involves the public and addresses early on the key issues of siting/location, impact avoidance/mitigation and renewable energy integration.

Sincerely,

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