September 6, 2011

To:

Assistant Director, Information Resources Management
U.S. Bureau of Land Management
1849 C. Street, NW
Washington, D.C. 20240

By Petitioners:

Winkleman Natural Resource Conservation District
William Dunn, Chairman
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APPEAL TO THE RESPONSE OF THE NEW MEXICO OFFICE OF THE BUREAU OF LAND MANAGEMENT REGARDING THE REQUEST FOR CORRECTION OF INFORMATION CONTAINED IN THE SCOPING DOCUMENTS FOR THE SUN ZIA SOUTHWEST TRANSMISSION PROJECT

1) Statement of Appeal

This appeal pertains to the response of August 17, 2011 by the New Mexico Office of the Bureau of Land Management (BLM), document reference NM-114438 2800 (9320), to our Request for Correction of information disseminated by the New Mexico Office of the BLM in scoping documents for the SunZia Southwest Transmission Project. A copy of the original Request for Correction, dated July 12, 2011, is attached. This Appeal is made by the original Petitioners, the Winkleman Natural Resource Conservation District (WNRCD) and the Redington Natural Resource Conservation District (RNRCID), and is submitted under Public Law 106-554- Section 515, Office of Management and Budget (OMB) Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility and Integrity of Information Disseminated by Federal Agencies, and the BLM’s Information Quality Guidelines.

2) Statement of How the Petitioners are Affected by the New Mexico BLM Response

Both Petitioners are Natural Resource Conservation Districts, local units of government of the State of Arizona, that are charged with the protection and restoration of natural resources through active engagement with District Cooperators and the public. Several of the proposed routes for the SunZia Southwest Transmission Project would pass through the Conservation Districts of the Petitioners, and would have significant effects on the landscape and associated habitats. It is within the purview of the Districts to ensure that the proposed SunZia project is reconciled with our local plans and policies as local governments charged with the protection of our natural resources by the Arizona legislature, and that the public has an opportunity to comment on an accurate description of the proposed project prior to the final development of the Draft Environmental Impact Statement (DEIS).
3) Specific Challenges by the Petitioners to BLM document NM-114438 2800 (9320)

In the response made by the New Mexico Office of the BLM, Acting State Director Jesse Juen does not address the five specific statements challenged in the original Request for Correction, the four requested disclosures, the evidence of systematic bias, and the importance of an accurate and unbiased description of the project as the basis for public comment during the scoping period. His only specific reference to our Request for Correction is the denial of the request for an additional scoping comment period prior to the release of the DEIS, stating that "...it would be duplicative of the protections to data quality in the ongoing National Environmental Policy Act [NEPA] process". This response culminates eleven months of refusal by the New Mexico Office to respond to public requests for correction to their statements of purpose and need for the proposed SunZia project. A copy of a previous request for correction, dated September 28, 2010, and referenced in our July 12, 2011 Request for Correction, is also attached.

The August 17, 2011 response by Mr. Juen is unsatisfactory, because BLM Information Quality Guidelines, under the heading of Duplicative, unnecessary or unduly burdensome requests, states that "... requests for correction will be considered prior to the final agency action or information dissemination in those cases where the agency has determined that an earlier response would not unduly delay issuance of the agency action or information and the complainant has shown a reasonable likelihood of suffering actual harm from the agency's dissemination if the agency does not resolve the complaint prior to the final agency action or information product". This provision has two parts:

a) Undue delays and burdens - At the time we filed our Request for Correction, our Districts had been informed by our assigned BLM contacts (Jim Kenna, Brian Bellew, and Melissa Warren) that the DEIS would not be released for at least 90 days, perhaps longer. The correction requests we made were not highly technical, and were mainly related to speculative statements, biased presentation, and missing information. The arguments for these corrections will not be repeated in this Appeal letter, and it is assumed that all attachments to this Appeal will be considered. At the time we filed the Request for Correction, the need for correction was obvious to the point that our BLM contacts acknowledged verbally and in writing that changes needed to be made. However, these BLM representatives indicated that these changes would be made at a later date in the DEIS and the comment period that followed.

Regarding the opening of an additional comment period, we do not make the burdensome request for additional public meetings, but rather ask that the requested corrections and disclosures be disseminated to the same distribution list used during the original scoping period, and that a 45-day comment period be opened prior to the final development and release of the DEIS. Further, it should be noted that the New Mexico Office of the BLM was first informed of discrepancies in their statements of purpose and were asked to make corrections and reopen the scoping process during the last comment period (see attached request of September 28, 2010). In that particular request, it was acknowledged that the BLM may have been misled by the applicant (SunZia, LLC) regarding the statements of purpose. By refusing to make the requested corrections and reopen the scoping process in a timely manner, the BLM has moved beyond making an honest and relatively easily remedied mistake and is now in the position of extending their misleading description of the project for an undetermined number of additional months and ultimately undermining the purpose of the scoping period. Any burdens experienced by the BLM as a result of this response will be self-imposed, a consequence of not making the corrections in a timely manner.
b) Reasonable likelihood of suffering actual harm - Page 7 of our Request for Correction of July 12, 2011 references the purpose of the scoping period, as regulated by the Council on Environmental Quality. The BLM is already familiar with the purpose of the scoping period as stated in 40 C.F.R. 1501.7 (2010), and understands that the process was designed to identify issues that will be addressed in the EIS, as well as the extent to which those issues will be analyzed. By stating that an additional scoping period would be duplicative of the protections to data quality in the ongoing NEPA process, Mr. Juen is effectively stating that a valid scoping process is not dependent upon an accurate description of the proposed project. This interpretation does not respect the rights of the public and stakeholder groups to utilize an objective project description as the basis to identify important issues and alternatives and determine the extent to which these issues will be considered in the development of the DEIS. Also, this interpretation is not consistent with the most widely employed standard of review for the preparation of an EIS, which is whether this preparation fostered "both informed decision-making and informed public participation." California v. Block, 690 F. 2d 753,761 (9th Cir. 1982)

Comments submitted in response to a public scoping notice are significantly influenced by what the agency states is the purpose and need of the project. In fact, the BLM NEPA Handbook recommends that the agency draft a purpose and need statement early in the NEPA process and include it in the scoping materials for precisely this reason, in order to "help focus internal and external scoping comments." (H-1790-1 at 36). The same Handbook states that "a carefully crafted purpose and need statement can be an effective tool in controlling the scope of the analysis and thereby increasing efficiencies by eliminating unnecessary analysis and reducing delays in the process." By this same logic, a misleading purpose and need statement can distort the scope of the analysis, obscure otherwise necessary analysis, and increase delays in the process.

By making unfounded statements and by not disclosing significant information related to future access to the proposed transmission lines, the BLM did not provide the public with a realistic understanding of the proposed transmission project. The bias in presentation was significant to the point that the BLM, in effect, acted as a project proponent during the scoping period, promoting an unfounded perception that the project would result in significantly greater environmental benefit than is likely to occur, particularly with regard to carbon dioxide emissions resulting from the ultimate mix of renewable and non-renewable generation sources (see page 10 of our Request for Correction). This skewed presentation had a contaminating effect on the entire scoping process.

The Data Quality Act (PL 106-554- Section 515) was developed to ensure that the federal government would make every effort to use accurate information, provided to the public in a timely manner, as the basis for sound and orderly decision making. This law references key provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), including the purpose of providing "for the dissemination of public information on a timely basis, on equitable terms, and in a manner that promotes the utility of the information to the public." This purpose provides the basis for setting time limits on response to requests for corrections, because timeliness is vital to utility. For the same reason that we have laws preventing bait-and-switch advertising, this Data Quality Act is focused on making corrections with sufficient timeliness to ensure utility to the public. In this case, the public depends upon an accurate description of the project in order to provide informed input on the full range of alternatives that will be considered in the DEIS. Both the scoping comment period and the DEIS comment period have unique purposes, and the latter is not duplicative of the former, as implied by Mr. Juen in his response to the Petitioners' Request for Correction. Step A (the scoping process) must be completed properly before completing Step B (the development of the DEIS).
Based on a review of the public input received during the scoping period, the BLM’s unfounded statements about the purpose and need of the project and the non-disclosure of information about future access to the proposed transmission lines very likely influenced the issues, impacts, and alternatives that the agency is being asked to consider, undermining the very purpose of the scoping process, with potentially fatal consequences to the balance of economic and environmental considerations in the EIS. In *Natural Resources Defense Council v. United States Forest Service*, 421 F. 3d 797 (9th Circuit 2005), faulty information rendered an entire analysis and resulting decision arbitrary and capricious, in violation of the Administrative Procedure Act.

The rationale for timeliness in information correction is based upon the understanding that the longer a myth remains public and the more times it is repeated, the more it becomes influential in the decision making process. This was evident during the scoping period with the almost universal acceptance by the media that the proposed project would primarily transport renewable energy. The unsubstantiated statements made about the proposed project by the BLM have now been repeated in print and in public since May of 2009, with requests for correction denied during the last eleven months of that period. The BLM is currently proposing to delay a public correction by an additional undetermined period, and to handle the specifics of our Request for Correction as if they were comments submitted during the scoping period. Quoting Mr. Juen:

"The BLM welcomes input from the public and stakeholders on all issues related to the SunZia proposal. The issues you raised in your letter concerning the discrepancies in data will be considered, and the concerns you raise will be addressed in the Draft EIS."

The Petitioners did not send a "letter". We submitted a formal Request for Correction, as prescribed by the BLM Information Quality Guidelines, with ten specific requests and evidence of systematic bias. A vague assurance that our concerns will be addressed in the Draft EIS at an undetermined later date is not sufficient to meet the intent of the 2001 Data Quality Act and the response requirements of the BLM Information Quality Guidelines. The New Mexico Office of the BLM was responsible for reviewing and substantiating the information that they disseminated to the public and the stakeholders during the scoping process, and thus should have been able to respond to each of the five requested corrections, the requested disclosure of four statements that are relevant to future access to the proposed lines, as well as the evidence of systematic bias in the BLM’s presentation of the statements of purpose and need.

With this appeal, the Petitioners request that each of these requests be given a specific response, and that an objective statement of purpose and need with disclosures associated with transmission access be published and disseminated to the same distribution list used by the BLM during the previous comment periods, with a 45 day comment period to precede the final development and release of the draft EIS, as intended by the 2001 Data Quality Act and the cited regulation related to the scoping process.

Respectfully submitted,

William Dunn, Winkelman NRCD

Andrew Smallhouse, Redington NRCD

(Contact information at the head of page 1)
Attachments:

Request for Correction of Information Contained in Scoping Documents for the SunZia Southwest Transmission Project, July 12, 2011.

Request to Adrian Garcia from a Resident in the Winkelman Conservation District, September 28, 2010.

Copy to: Council on Environmental Quality
July 12, 2011

To:

Adrian Garcia, Project Manager, SunZia Southwest Transmission Project
Bureau of Land Management
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Santa Fe, New Mexico  87508

Information Quality Complaint Processing
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By:

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REQUEST FOR CORRECTION OF INFORMATION CONTAINED IN SCOPING DOCUMENTS FOR THE SUN ZIA SOUTHWEST TRANSMISSION PROJECT

1) Request and Petitioners

This Petition (Request for Correction) is a formal request for the correction of information disseminated by the Department of Interior Bureau of Land Management (BLM) in scoping documents for the SunZia Southwest Transmission Project. This Request for Correction is made on behalf of the Petitioners, Winkelman Natural Resource Conservation District and Redington Natural Resource Conservation District, and is submitted under:

- Public Law 106-554- Section 515,
- Office of Management and Budget (OMB) Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility and Integrity of Information Disseminated by Federal Agencies, and
- BLM's Information Quality Guidelines.

Both Petitioners are Natural Resource Conservation Districts, local units of government of the State of Arizona, that are adversely affected by the dissemination of the information in question.
2) Petitioners’ Contact Information

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3) Description of Information to Correct

This request pertains to the BLM’s written statements of purpose and need for the SunZia Southwest Transmission Project, as disseminated to members of the public who either attended scoping meetings or requested inclusion on the BLM’s mailing list. These documents constitute the entire packet of handouts received from the BLM during the scoping period by a typical member of the public expressing interest in the proposed project. No disclaimers were made by the BLM in any of these documents about the source or reliability of the information provided. The specific documents and statements of concern follow:

A) U.S. Department of the Interior Bureau of Land Management
   Public Scoping Notice for the Preparation of an Environmental Impact Statement for the
   SunZia Southwest Transmission Project, May 29, 2009
   BLM document 2800 (93200) NM-114438
   Second paragraph, fourth sentence, regarding statement of purpose

B) BLM website page for the proposed SunZia project:
   As published during the entire scoping period (May, 2009 through September 2010)
   Fifth paragraph, both sentences, regarding statement of purpose

C) BLM Newsletter #1 for the referenced project, May 2009
   Page 2, under "Purpose and Need", first, third, fourth, and fifth sentences

D) BLM Release of July, 2009 (Extension of Comment Period), New Mexico State Office
   Last sentence in the second paragraph (statement of purpose)

E) BLM Newsletter #2 for the referenced project, October 2009
   Page 1, under "Background", third sentence

F) BLM Newsletter #3 for the referenced project, April 2010
   Page 1, under "Project Background", third sentence
4) Explanation of Noncompliance with OMB and BLM Information Quality Guidelines and Recommendations for Corrective Action

Influential content.

The information described in this section is influential, as defined in the BLM's Information Quality Guidelines, because it is, quoting these Guidelines, "highly controversial information that is used to advance the BLM's priorities." In this case, the speculative nature of the information presented and the significant effect this information could have on the public's willingness to accept impacts to the landscape along the proposed route indicate that this information is "highly controversial". Regarding the advancement of a BLM priority, the BLM has a Federal mandate under the Energy Policy Act of 2005 to approve at least 10,000 MW of non-hydropower renewable energy on public lands by 2015. Thus, the information in question is consistent with the Guideline definition of the term influential. Influential information requires an added level of scrutiny under OMB and BLM guidelines, and is afforded this scrutiny in the correction and disclosure requests that follow.

Statement claiming predominance of renewable energy resources.

Documents A, B, C, and D in the above list include the statement that the purpose of the proposed SunZia project "...is to transport electricity generated from power generation resources, including primarily renewable resources, to western markets and load centers". The qualifier "including primarily renewable resources" is speculative, and therefore is contrary to OMB and BLM criteria for objectivity, according to their respective published guidelines. The BLM and the project sponsors do not have control over whether the energy on the proposed line will include primarily renewable resources. As a result, the Petitioners request that the phrase "including primarily renewable resources" be dropped from this statement of purpose. The Petitioners also request that the BLM disclose in writing that due to Federal policies on granting access to transmission lines and to economic factors, it is difficult to predict the ultimate makeup of generation sources on the proposed line(s). The Petitioners recognize that the proposed project would offer access to potential renewable energy resources, but request that any statement describing potential resources include both renewable and non-renewable forms.

Statement characterizing the focus of the proposed project

Documents E and F in the above list include the statement, "The project is focused on delivering renewable energy resources to the western United States by providing an expected 3,000 megawatts or more of new transmission capacity." BLM guidelines for objectivity require that influential information be "...presented in an accurate, clear, complete, and unbiased manner". The origin and the anchor generation resources of this project do not support the statement that the proposed project is focused on delivering renewable energy (see Attachment A for documentation on the history and proposed uses). The first two years of this project's five-year history were focused principally on non-renewable energy resources. The history documented in Attachment A provides only speculation on what will be the focus of energy resources for this particular transmission project. The original main "trunk" of delivering high-reliability non-
renewable resources remains, and the extent of development of less reliable renewable resources is speculative, as few, if any, renewable energy generation facilities have been permitted or built along the route of the proposed line. In order for the statement on the focus of the project to be presented in an unbiased manner, the Petitioners request that the word "renewable" be removed, since the proportional mix of renewable and non-renewable energy resources has not been determined.

By focusing on potential renewable energy resources to the exclusion of imminently pending non-renewable resources, the BLM is misleading the public about the focus and purpose of this project. The Petitioners request written disclosure that the majority owner of the SunZia project is also the owner of the planned and permitted gas-fired 1000 MW Bowie power plant, and to disclose any other permitted or existing projects within the project area that are postponing construction or expansion until transmission capacity is created. Not disclosing this information is contrary to the BLM’s Information Quality Guideline on transparency. The fact that the Bowie plant will require transmission capacity before it can be fully developed indicates that the majority owner may have as much interest in providing transmission capacity to stranded non-renewable resources as in providing this capacity to stranded renewable resources.

Statement related to the creation of transmission access.

Documents B and C include the statement, "The SunZia project would enable the development of renewable energy resources including wind, solar, and geothermal generation by creating access to the interstate power grid in the Southwest." In order for this statement to be unbiased and objective, it must state that the project would enable the development of both non-renewable and renewable energy resources, and if specific forms of renewable energy are specified, then specific forms on non-renewable energy must also be specified. Unbiased presentation of information would indicate that it is not the BLM’s role to sell a project to the public on the basis of one feature that is in the BLM’s interest to promote. As noted above, renewable resources are not the only "stranded" generation sources along the proposed line(s). The Petitioners request that this statement and any others related to transmission access include all forms of energy that may be developed and transported along the proposed lines, either through general category (non-renewable and renewable), or by specific type within a category.

Additionally, the Petitioners request that the BLM disclose that the project sponsors are not obliged to build the entirety of an approved designated route, thus potentially affecting transmission access. This disclosure could come in the form of a statement that clarifies the limited role of the BLM in overseeing the environmental study, and stating that it is the project sponsor’s role to determine if, when, and to what extent the project is ultimately developed, based upon economic and regulatory factors.

Statement related to Renewable Energy Standards.

Document C contains the statement that the proposed project "...would enable several states to meet their Renewable Energy Standards [RES]", and a table listing Arizona, California, New Mexico, and Nevada is referenced. No evidence is provided that "several" of these states would
be unable to meet these standards without the proposed project, and the amount and makeup of the renewable energy resources that the proposed transmission project would actually transport is unknown. Arizona has transmission plans and more than sufficient local resources to meet its modest RES, even if the proposed project does not move forward. New Mexico can meet its RES with transmission lines that do not cross its borders and is moving toward that goal with other in-state projects. The most one can objectively state is that the proposed project has the potential to aid several states in meeting their RES. In order to meet standards of objectivity, the Petitioners request that this statement eliminate inference of necessity for meeting Renewable Energy Standards.

Statement related to power reliability

Document C contains the statement, "The SunZia Project would also increase power reliability across the southwestern United States, allowing communities in southern Arizona and southern New Mexico to economically access energy generated from renewable resources, while providing power to help meet growing demand in the western United States and enhance domestic energy security."

The core of this statement, "The SunZia Project would increase power reliability across the southwestern United States while providing power to help meet growing demand in the western United States and enhance domestic energy security", would have been the most objective and historically substantiated statement of purpose found in the BLM's scoping documents had it not included the phrase that attempts to characterize the project as being more focused on renewable energy than on non-renewable energy. The issue of power reliability is much more related to providing transmission alternatives in the western grid and providing reliable energy resources than to promoting economical access to renewable energy. By stretching to make a connection between power reliability and economical access to renewable energy, the BLM strays from its role as a neutral party by appearing intent on inserting the words "renewable energy" into almost every statement of purpose.

Beyond this bias, the claim that the project would allow communities in southern Arizona to economically access energy generated from renewable resources is also problematic. There is no evidence that importing low-reliability renewable energy over long distances is more economical than utilizing higher-reliability local sources of renewable energy, particularly if the supply of these distant energy resources is not synchronized with demand, as is the case with the potential wind resources of central New Mexico.

For all of the above reasons, the Petitioners request that the BLM eliminate the phrase "allowing communities in southern Arizona and southern New Mexico to economically access energy generated from renewable resources" from its statement related to power reliability.

Systematic bias in the BLM's scoping documents.

The previous requested corrections all relate to specific statements that the Petitioners find were not presented objectively. Taken together, these statements indicate a systematic bias by the BLM in presenting the statement of purpose for this project. Further evidence of systematic bias
follows: In all six BLM documents described in Section 3 of this petition, no reference was made to non-renewable energy resources or to the term “fossil fuel”. Natural gas generation, considered in SunZia's historical documents to be the most reliable and predominant anchor source of energy for their project, was never mentioned in these BLM documents. In contrast, these same documents contain a total of 20 references to the term "renewable energy" and to the various forms of renewable energy, not including the pictures of wind generators that were used as an artistic backdrop in some of these BLM documents. The Petitioners request written disclosure that the proposed project would transport non-renewable energy resources, such as those generated from gas and coal.

Due to systematic bias in the scoping documents given to the public, the proposed project's statements of purpose were not presented to the public in an accurate, clear, complete, and unbiased manner, as required by the BLM's Information Quality Guidelines. The results of this presentation were consequential. Comments submitted by groups and individuals during the scoping period were clearly influenced by the emphasis on renewable energy to the exclusion of non-renewable energy. Hundreds of comments lauded the BLM's stated purpose of the project. Media coverage was also influenced. Attachment B contains two newspaper articles that demonstrate how this presentation influenced media coverage of the proposed project's purpose in the local region of the Petitioners, specifically related to the unsubstantiated claim that the transmission project would deliver primarily renewable energy.

Utility is vital to information quality. The exclusive emphasis on renewable energy does not adhere to the BLM's Information Quality Guidelines related to utility, because the information did not provide the public with a realistic basis for assessing the project's purpose and necessity. The public was not provided a sufficiently useful and unbiased statement of purpose during the scoping period, and this presentation had clear consequences on media coverage and public perception. The BLM strayed from its role as a neutral party and ventured into the role of project proponent.

As a result, the Petitioners request that the scoping period for the proposed project be reopened for a period of at least 45 days, with associated publicity materials to include the four specific requested disclosures and specific requested corrections made to each statement referenced in this petition, all compiled into a revised written statement of purpose and need for the proposed project. This statement would be developed, substantiated, and reviewed for objectivity, transparency, and utility by the BLM, in accordance with its Information Quality Guidelines. This statement would be published and disseminated, before the beginning of the 45-day comment period, to the same media outlets and to the same public and stakeholder distribution lists used for the prior comment period. In order to avoid any further delay, the Petitioners offer to work with the BLM in drafting a revised statement of purpose that incorporates the requested disclosures and corrections into a balanced and objective presentation. If the BLM acts on this request in a timely manner, it would be able to complete this correction well before the current expected release date of the draft Environmental Impact Statement. The Conservation Districts are requesting expedited review of this Petition, because it has come to their attention that one of their members made a request for correction regarding the same issue on September 28, 2010. This request was never provided with a response, contrary to the BLM's Information Quality Guidelines.
Purpose of scoping period.

As stated in the BLM flyer (Attachment C) presented to attendees of the scoping meetings, "The Council of Environmental Quality (CEQ) regulations require scoping meetings to be conducted in support of the EIS [Environmental Impact Statement] process pursuant to the National Environmental Policy Act of 1969 (NEPA). Scoping is the process by which the BLM is soliciting input on the issues, impacts, and potential alternatives that will be addressed in the SunZia Southwest Project EIS, as well as the extent to which those issues and impacts will be analyzed." With the statement of purpose presented by the BLM and with key information not included in scoping period documents, the public was not provided with the accurate information necessary to objectively discuss and evaluate the purpose and necessity of the proposed project. The statements of purpose presented by the BLM convinced most of the public and media outlets that this proposed transmission project was uniquely designed to provide access for renewable energy resources. The history of the proposed project does not fully support this perception.

In order for the public to assess the tradeoffs inherent in a major infrastructure proposal, route alternatives and potential impacts must be considered within an objectively presented context of purpose and need. The consequences of presenting influential information about the proposed project's purpose in a systematically biased manner over a long period of time have been significant. These consequences must be addressed commensurately, and in a manner that allows the public to exercise its right to provide input prior to the release of the draft EIS based upon fully disclosed and objective information related to both the "shovel ready" and potential generation sources along the proposed transmission lines. Then, through written and transcribed oral comments submitted during the additional comment period, the BLM can determine the extent to which various issues will be addressed in the Environmental Impact Statement, as intended by CEQ regulations. The New Mexico office of the BLM was notified in great detail last September by at least two members of the public that their statements of purpose were not accurate, and a request for correction was made at that time. The Petitioners request expedited corrective action in order to fulfill the intent of CEQ regulations related to the scoping process.

Respectfully submitted,

William Dunn, Winkelman NRCD

Andrew Smallhouse, Redington NRCD

Attachments:

Attachment A (Documentation of the History and Proposed Uses of the SunZia Transmission Project)
Attachment B (Newspaper Coverage in the Petitioners' Region During the Scoping Period)
Attachment C (BLM Description of the Scoping Process and CEQ Regulations)
Attachment A

Documentation of the History and Proposed Uses of the SunZia Transmission Project

I. Initial Characterization of the SunZia Project

The first outline of the SunZia Project was provided in the minutes of the October 18, 2006, meeting of the Southwest Area Transmission Regional Planning Group (SWAT)\(^1\) and an accompanying presentation by Mark Etherton\(^2\), consultant to the Southwestern Power Group (SWPG). The meeting minutes characterize the SunZia Project as the following:

- **Two 500 kV lines out of Bowie** [SWPG's permitted Bowie power plant], **one going east, one going west**.
- **Will create transmission path from southern New Mexico to southern Arizona**.
- **Southwest Power Group interested in 50% ownership**.

Etherton’s associated presentation characterized the SunZia Project in the following way:

- **Bowie (SWPG II) interested in assisting with development of new 500kV line in/out Bowie**
- **Southern New Mexico to Southern Arizona with segments in-service as early as 2011**
- **Participation Project with other interconnections as requested by Participants (e.g. Luna, Winchester, etc.)**

II. Presentation to the Western Electricity Coordinating Council

The SunZia Project is more fully characterized in a SunZia presentation to the Western Electricity Coordinating Council (WECC) on May 15, 2007\(^3\). The project description is as follows:

Currently, SWPG (and interests received to date) anticipates that SunZia will consist of the following major facilities:

- **Construction of approximately 150 miles of 500kV line from the proposed 600MW IGCC Bowie Power Station near Bowie, Arizona, to the proposed Pinal South substation, located near Coolidge, Arizona. A probable intermediate interconnection point (and transformation) between these two terminations is the existing Winchester substation, located near Benson, Arizona, approximately 50 miles west from the proposed Bowie Power Station. Winchester and Pinal South are part of the original Central Arizona Transmission System ("CATS") EHV long range plan and has been developed for a future 500 kV interconnection.**

- **Construction of approximately 185 miles of 500kV line from the proposed Bowie Power Station to the existing Newman substation [connection for the five-unit, 700- to 800-MW natural gas Newman Power Station] near El Paso, Texas. A probable intermediate interconnection point (and transformation) between these two terminations is the existing Luna substation [connection for the 570-MW Luna Energy Facility], located near Deming, New Mexico, approximately 100 miles east from the proposed Bowie Power Station.**
Attachment A (continued)

Additional comments in this presentation include the following:

- **SunZia is initially envisioned to provide an additional interconnection opportunity for the proposed Bowie Power Station (proposed as a 600MW IGCC). SunZia can provide a delivery path to multiple markets versus a single interconnection location; both in southern New Mexico (and El Paso, Texas) and to southern Arizona.**

- **Thus far, the interest in SunZia has been from 1,500-3,000MW for delivery of the renewable and thermal [coal and natural gas] resources throughout the SunZia proposed study area, as well as some potential local load serving opportunities.**

Note that at this time SunZia terminated about 150 miles south of the principal wind-generating area of central New Mexico, the closest high-quality wind resources now being considered for development. With this project scenario, use of SunZia by developers of New Mexico wind would require that they construct about 150 miles of their own transmission line to interconnect with SunZia. Development of the renewable resources – solar and geothermal – along the actual route is much more hypothetical because these would require federal subsidies.

III. Presentation to the Southwestern Renewable Energy Conference

On August 1, 2007 Mark Etherton, consultant to SunZia, gave a presentation to the Southwest Renewable Energy Conference on the SunZia Project in which he noted Capacity Interest, that is, who would be interested in purchasing transmission capacity and how much, an essential consideration in justifying the economic viability of a project. The Southwestern Power Group’s Bowie power plant was listed first with an interest of 600 MW, the full rating of the plant using coal gasification technology.

The other potential interests listed included 6-10 non-specific entities interested in a total of 1500-3000 MW of capacity. Because at this stage the SunZia Project terminated about 150 miles from the principal wind-generating area slated for development, these entities presumably included at least some of the natural gas plants in southwestern New Mexico that would be adjacent to the line. These plants include the 80-MW Lordsburg generating station, the 160-MW Pyramid generating station (near Lordsburg), the 570-MW Luna Energy Facility at Deming, and the 235-MW generating station at Afton. The following proposed SunZia substations would provide interconnections for these plants: (1) Midpoint substation – Afton generating station and Luna Energy Facility, (2) Lordsburg substation – Lordsburg and Pyramid generating stations, and (3) Willow substation – Bowie power plant.

IV. Relationship to the High Plains Express Project

In the summer of 2008 the SunZia Project was restructured and extended to the wind-generating area of central New Mexico, taking over the full southern leg of the High Plains Express Project (HPX), which had proposed to build two separate 500-kV lines to Phoenix from the area. In its Stage 1 Feasibility Study HPX makes this statement (page 17): “For this study, the SunZia
Attachment A (continued)

project was considered to be an integral segment of the HPX Project. Therefore, a separate SunZia project was not modeled." In that study HPX examined both daily and seasonal variations in wind energy output and the physical and economic problems related to this variability.

HPX determined that a system carrying entirely renewable energy was not economically or physically feasible, making this statement (page 6): “A ‘balanced’ scenario consisting of near equal amounts of fossil and renewable energy [generating capacity?] performed the best under a range of circumstances”. Because of the much lower dependability factor for wind, the majority of the energy in the system would likely be generated by fossil fuels. A system dedicated to renewable energy would use on average only about one-third of the system’s transmission capacity, which is not economic. A 75% average usage is optimal. HPX is assuming that most of the new fossil-fuel generating capacity connected to the system to achieve this will be natural gas.

At the end of its report, HPX listed questions and answers regarding the project. The following question specifically addresses this mix of energy sources in the system:

Q1. What is the planned generation resource mix for HPX?

- HPX is planned to enable renewable and other economic resource [that is, coal and natural gas] development.
- Dispatchable resources [conventional fossil fuel; hydro is possible but highly unlikely] are needed to maximize transmission utilization to firm renewables [compensate for their great short-term variability in output].
- Studies indicate that economics (B/C ratios [benefit/cost ratios]) are most favorable with renewable/fossil resource mix [50/50 mix].
- Fossil-only and Renewable-only scenarios were the least favorable. (page 39)

In addition, an associated HPX PowerPoint presentation makes the following statements:

- Renewable resources will have to be blended and supported with “dispatchable” [nonrenewable] resources.
- HPX is a “fuel neutral” initiative, as its customers will dictate the fuel mix.
- Renewables are expected to be a significant part of the HPX resource mix, particularly wind and solar.

Note in the last item that renewables are expected to be a significant part of the mix, not the primary part of the mix.

Attachment A (continued)


BLM asks input on 460-mile power line

By Dale Quinn
ARIZONA DAILY STAR

The Bureau of Land Management is seeking public input about a 460-mile transmission line planned to stretch across Southern Arizona and New Mexico that could provide energy for up to 900,000 homes.

The SunZia Southwest Transmission Project will primarily transport power from alternative sources such as wind and solar to meet growing energy demand in the western United States, said project manager Adrian Garcia.

So far no energy companies are set to receive the power.

The proposed corridor for the project begins at the site of a new substation in central New Mexico, then dips south and extends west through Arizona, near Safford and north of Sun Manuel to Pinal County.

“What we’re trying to do is develop a site that has the least amount of impact,” Garcia said.

The project is proposed to have two parallel lines with structures that could reach between 125 and 175 feet in height, he said, adding that’s a size not many people want to see in their backyards.

A formal announcement of the scoping process and 45-day public comment period was published in the Federal Register May 29.

Contact reporter Dale Quinn at 573-4137 or dquinn@azstarnet.com.

June 4, 2009

OPEN HOUSES ALONG PROPOSED CORRIDOR

The BLM will host nine open house meetings in upcoming weeks in New Mexico and Arizona along the corridor being studied for the power line:

- June 23 at Oracle Community Center, 415 E. American Ave., Oracle.
- June 24 at Maricopa County Convention Center, 415 E. Highway 70, Safford.
- June 25 at Valley Telephone Company Conference Room, 762 E. Maley St., Wilcox.
New routes proposed for SunZia high capacity power line

By Lana Jones

The Bureau of Land Management (BLM) hosted an open house in Tucson last week on new routes for a proposed high capacity electric transmission line in New Mexico and Arizona.

The line is part of the SunZia Southwest Transmission Project proposed by SunZia Transmission LLC. It would transport electricity on 460 miles of 500 kilovolt lines through New Mexico and Arizona. The electricity transported would be primarily generated by renewable resources.

Many routes are under consideration for the lines. The routes now being studied crossed through Arizona first south, then west crossing the Arizona border roughly between Duncan and Sahuarita. From there, alternate routes cross into the land between the Arizona-New Mexico border and the original sights of the lines east of Casa Grande.

SunZia is seeking a 1,000 foot wide right-of-way permit for the lines from the BLM. As part of the permitting process, the BLM is working on an Environmental Impact Statement (EIS).

The EIS will detail what impact the SunZia project would have on the environment and evaluate different routes for the lines, FERC, an environmental consulting and permitting company hired by SunZia, is preparing the EIS under the BLM's direction.

The BLM held 12 public scoping meetings in 2009 to discover what issues the public wanted addressed in the EIS and to solicit comments. The meetings were held in communities across Arizona and New Mexico that might be affected by the project.

Concerns over proposed routes running through the San Pedro Valley brought up during the 2009 meetings led to last week's open house.

Luis Rodolfo, biologist and services manager of FERC, said that the response to routing the transmission lines through the San Pedro Valley had been universally negative.

"I've got tears in my eyes, anybody who thought it was a good idea," said. As a result of these concerns, additional routes are being proposed in Pima County through the Tucson area.

Cheryl Phillips, co-chair of Saveabel Working Group, said that there are several reasons the group is against proposed SunZia routes in the San Pedro River Valley. The San Pedro River is the last free flowing river in the Southwest. It is also an important migratory bird flyway and riparian habitat.

"Power lines are the second biggest human-made killer of birds in the United States every year," Phillips said. "Birds come from all over the world, which could lead to more and more useful dollars for conservation, but not if the birds are being killed by power lines and losing their habitat to development."

New routes through Pima County that would bypass the San Pedro will likely have their own problems. "Conflicts with about 225,000 acres are really intense," said Phillips.

The open house provided an opportunity for the public to learn about the new routes and to provide feedback. The comment period has also been extended to June 10, 2010. Jan Calvillo, spokesperson for SunZia said the BLM right-of-way permit was still important to the project. "Without the right of way permit from the BLM, we simply would not be able to proceed," she said.

SunZia is planning millions of dollars in permitting processes for the BLM permit and others. "The BLM process is probably the one that takes the most amount of work in getting because it's such an extensive environmental permit," Calvillo said.

SunZia's primary goal is getting through all the work of permitting to access renewable energy resources in New Mexico and Arizona. Calvillo said that getting renewable energy from where it's needed to where it's needed is the greatest challenge in setting renewable resources today.

"There are tremendous wind and solar resources in New Mexico and Arizona," he said. "If we saw SunZia, Page 10
Welcome to the public open house for the SunZia Southwest Transmission Project Environmental Impact Statement (EIS).

Purpose
This open house is to provide an opportunity for the public to review the proposal and project information, ask questions, and offer input. The format is designed to encourage one-on-one communications about the project. With this format, there will not be a presentation.

The Council of Environmental Quality (CEQ) regulations require scoping meetings to be conducted in support of the EIS process pursuant to the National Environmental Policy Act of 1969 (NEPA). Scoping is the process by which the BLM is soliciting input on the issues, impacts, and potential alternatives that will be addressed in the SunZia Southwest Transmission Project EIS, as well as the extent to which those issues and impacts will be analyzed.

Stations
Stations are set-up around the room to provide details about the project. Representatives from the project team are available to answer questions and listen to your comments.

Register Comments
Please submit your written comments either:
- Before you leave today
  - Using comment form, or
  - Speaking with attending court reporter
- Online at http://www.blm.gov/nm/SunZia, or
- By mail

Please submit written comments by June 10, 2010 even if you have spoken to a project team representative, as this will help us keep track of the input we receive.

Thank you for your interest in this project.
September 28, 2010

Adrian Garcia, Project Manager
SunZia Southwest Transmission Project
Bureau of Land Management
301 Dinosaur Trail
Santa Fe, New Mexico 87508

Also submitted via email to NMSunZiaProject@blm.gov

Dear Mr. Garcia,

As indicated in our telephone conversation of 9/23/10, I submit this letter for inclusion in the environmental assessment process for the proposed SunZia project. This letter is sent in light of some recently published information, and in recognition of the critical importance of determining project necessity in the context of environmental costs and benefits.

The proposed SunZia Southwest Transmission Project was presented to the public in 2009 through newsletters, news releases and public meetings that were jointly sponsored by the Bureau of Land Management (BLM) and SunZia L.L.C. With the BLM as the lead federal agency in the environmental assessment of this proposed project, the public was given a misleading picture of the origin, purpose, and necessity of the SunZia project. National Environmental Policy Act (NEPA) regulations insist upon accurate documents as the basis for sound decisions. Because of the significant errors in this public representation, and because of the requirement that governmental agencies present accurate information during the public process, the scoping phase of this project was deeply flawed. I appeal to you to reopen the scoping phase for public comment, with corrections made to the proposed project’s statement of origin, purpose, and necessity.

This project was presented to the public by the BLM and SunZia in three newsletters (published between May 2009 and April 2010, and all referencing the BLM website) as being “focused on delivering renewable energy resources to the western United States”. In the first newsletter, it was stated that the project would primarily transport renewable energy resources, enable several states to meet their mandated Renewable Energy Standards, and enable communities in southern Arizona to economically access energy generated from renewable sources. In this same newsletter, it was strongly implied that this project originated in the Southwest Area Transmission Group’s planning efforts for renewable energy generation and transmission. During the scoping phase, the BLM representatives repeatedly stated that the proposed lines would primarily carry renewable energy resources, including a statement made to southern Arizona’s major newspaper [1] and another made in BLM’s formal news release of July, 2009. All of these claims have turned out to be inaccurate representations of SunZia’s origin, purpose, and necessity.
As conceived, the purpose of the SunZia project was not "to transport electricity generated by ... primarily renewable resources", as stated by the BLM in their newsletters, news releases, and on their website [2]. It was proposed in 2006 as a "component of developing Zia Plan" [3], to transmit coal and gas power (from Bowie, Arizona; Wyoming; New Mexico; Colorado; and Mexico) and, possibly, wind power (from New Mexico, Colorado, and Wyoming), to the then-anticipated explosive growth of Phoenix, Las Vegas, and southern California [4,5,6]. Using Google archives of old (c. 2006) SunZia web pages that have been dropped from their current website (www.sunzia.net), Norman Meader, a local scientist, has shown that this project, from its inception, was particularly focused on delivering nonrenewable power from a planned and permitted generation plant in Bowie, Arizona to major termination/distribution points in southern New Mexico and southern Arizona [7,8]. Both the Bowie plant and the SunZia project are promoted, financed, and managed by the same group. While SunZia's project manager, Tom Wray, insisted throughout the BLM's scoping phase that the Bowie plant was not dependent upon the SunZia transmission lines for export of its projected 1000 megawatts of power, this is not supported by SunZia's own 2006 analysis of transmission capacity and market availability for the Bowie plant [3,8], nor by subsequent history of the SunZia project [8]. A current assessment of regional transmission capacity [9] also contradicts Mr. Wray's claim.

Furthermore, in November of 2009, Mr. Wray testified before two U.S. House subcommittees for Natural Resources that investors for the project had been gathered during the first five months of 2008 [10], ignoring the early history of investment and characterizing the SunZia proposal as being a more recently conceived project focused primarily on renewable energy resources.

The history of the SunZia project shows that the project was formally repackaged as a "renewable energy project" starting in mid-2008, almost coincidental with the collapse of the real estate and associated financial markets in the U.S. The New Mexico terminus was shifted about 150 miles to the north to the wind resource zone in the east central portion of that state [7], tying into the proposed High Plains Express (HPX) transmission project. However, under the plans of the HPX project, the wind resources of New Mexico were more logically tied to wind resources along the same general latitude in Arizona by an existing high voltage corridor through Springerville to the same terminal area in Arizona targeted by the SunZia project [11], rendering the SunZia project unnecessary with regard to wind energy transmission from central New Mexico. Historically and practically, the SunZia project is primarily tied to the transmission of fossil fuel energy, rather than wind energy transmission from New Mexico to Arizona. This explains why the project was routed over 100 miles to the south, even though BLM guidelines favor the use of existing power corridors over the construction of new ones. As presented in 2009, this southerly route would cut 94 miles of new corridor in Arizona, as compared to no new corridor required for the proposed HPX line through Springerville.

Most importantly, the BLM had no factual basis to make the claim that the proposed SunZia project will primarily carry renewable energy resources, nor that it will enable southern Arizona to economically access renewable energy resources. First, the Federal Energy Regulatory Commission (FERC) has ruled that due to open access policies, SunZia cannot control which
generation plants have access to the proposed lines. The FERC will only reserve transmission rights for plants that are already planned, with construction milestones being met [12]. Not only does it appear that no significant renewable energy facilities met this criteria during the scoping period, but the only major generation plants operating or permitted along the SunZia route were those based upon nonrenewable energy resources [8]. At no time during the scoping period did the BLM clarify to the public at large that, due to Federal open access policies, neither SunZia or the BLM was in a position to make the claim that SunZia's proposed lines would primarily carry renewable energy. Second, regarding the only source of renewable energy generation associated with the SunZia project during the recent scoping phase, a recent study [13,14] has shown that wind energy generation over the course of the year in central New Mexico is strongly negatively correlated with energy demand in the desert southwest. Therefore, it is erroneous to claim that importing wind energy hundreds of miles from New Mexico, primarily during periods of low power demand, is economical. In his scoping comment to the BLM [15], Dr. Jon Sjogren, a research engineer, also challenged the economic benefit of importing wind energy when he stated, "The expense and unreliability of wind-farm electricity is evidenced by New Mexico's desire to export this energy rather than consume it." When New Mexico proposed their exportation of wind energy in 2005 [4], they were generating 97% of their electric power from coal (86%) and gas (11%), and only 2% from wind [16]. Dr. Sjogren further commented that SunZia "enables New Mexico to unload the cost of its wind-generated electricity" onto Arizonans who would be far better served by local solar energy generation - which has tremendous potential, makes more efficient use of land, and is synchronized with demand. For what would be the first new major infrastructure project in southern Arizona that purports to be focused on renewable energy development, the SunZia project would not significantly support or promote economical renewable energy access in this region, as claimed by the BLM during the scoping process. To the contrary, the evidence indicates that this project would tie up an enormous portion of the region's transmission capacity with nonrenewable energy resources and with less economical and non-local renewable resources. Concerns about unwise use of available transmission capacity were formally voiced by Electrical District 4 in Pinal County and were noted in the FERC's response to SunZia [12].

While it appears there is no reason to believe that the BLM knowingly made these erroneous claims about the origin, purpose, and necessity of the SunZia project, it is now evident that there was no sound basis for supporting these claims at the time they were made. It is probable that the BLM was misled by SunZia L.I.C., and the BLM, in turn, misled the public. As a result, public comments during the scoping period were based upon a misleading characterization of the proposed project. Because these critical aspects of origin, purpose, and necessity were not accurately presented to the public, the scoping phase of the project is invalid, and must be reopened for a reasonable period of public meetings and comment, with corrections to the public record, as presented by the BLM in their newsletters, press releases, and public statements. Additionally, the BLM should seriously consider the "no action" option, due to insufficient demonstration of project necessity and insufficient proof of the project's claimed renewable energy benefit to a region that would be most affected by the project's environmental impact.
Thank you for consideration of these comments and the referenced information.

Sincerely,

彼得·艾尔
P.O. Box 576
Mammoth, AZ 85618
phone: 520-487-1903, email: else@cals.arizona.edu

REFERENCES:


Copies of this document to be made available to the public.
9/23/2010- Telephoned Adrian Garcia and told him I would be sending the document in print and via email.

9/28/2010- Sent email version. Sent Printed version via Express Mail tracking # EB 011176621 US

9/30/2010- Called Adrian Garcia at 505-954-2199, and left voice mail. I expressed my concerns about copying SunZia's contractor Environmental Planning Group on this letter, since my request had to do with the independent role played by the BLM in substantiating the statements of origin, purpose, and necessity. He called back about four hours later, confirming receipt of my request letter. Adrian agreed that I did not need to forward a copy to EPG, as I had done with the draft EIS contributions related to the Aravaipa watershed. He assured me that the BLM would consider my letter "internally".

3/31/2010- Called Adrian Garcia and asked about status of my request. He told me it was still with the "legal people". At that point, I went on line and did a search regarding the Data Quality Act, and found the BLM Information Quality Guidelines. When I discovered that I should have been given a response within 60 days, I presented this information to the Winkelman Natural Resource Conservation District.