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DOE Issues Two Draft National Interest Electric Transmission Corridor Designations

WASHINGTON, DC – U.S. Department of Energy (DOE) Secretary Samuel W. Bodman today announced the issuance of two draft National Interest Electric Transmission Corridor (National Corridor) designations. The Energy Policy Act of 2005 authorizes the Secretary, based on the findings of DOE's National Electric Transmission Congestion Study (Congestion Study), to designate National Corridors.

"These draft designations set us on the path to modernize our constrained and congested electric power infrastructure, they are a crucial step toward realizing President Bush's goal of a modern, more efficient electric power delivery system," Secretary Bodman said. "I am confident the Department's actions will help facilitate the infrastructure growth necessary to meet the demands of our growing economy."

These draft National Corridors are comprised of two geographic areas where consumers are currently adversely affected by transmission capacity constraints or congestion. The proposed Mid-Atlantic Area National Corridor includes counties in Ohio, West Virginia, Pennsylvania, New York, Maryland, Virginia, and all of New Jersey, Delaware, and the District of Columbia. The proposed Southwest Area National Corridor includes counties in California, Arizona, and Nevada. These draft designations are being issued after months of careful study by DOE, which included close consideration of public comments on the Congestion Study, released by the Department last August. The Department recognizes the broad public interest in this process and, therefore, though not required by statute, is issuing draft designations in order to allow additional opportunities for review and comment by affected States, regional entities, and the general public.

Within a National Corridor, transmission proposals could potentially be reviewed by the Federal Energy Regulatory Commission (FERC), which would have siting authority supplementing existing state authority. This would mean if an applicant does not receive approval from a State to site a proposed new transmission project within a National Corridor, the FERC may consider whether to issue a permit and to authorize construction. In the event of a FERC siting proceeding, the FERC must conduct a review under the National Environmental Policy Act, which would include analysis of alternative routes for that project, including route realignments necessary to avoid adverse effects on the environment, landowners, and local communities. A federal permit could empower the permit holder to exercise the right of eminent domain to acquire necessary property rights to build a transmission project. That authority could only be

exercised if the developer could not acquire the property by negotiation, and even then, the authority would not apply to property owned by the United States or a State, such as national or state parks.

The Department of Energy is issuing draft National Corridors in order to encourage a full consideration of all options available to meet local, regional and national demand, which includes more local generation, transmission capacity, demand response, and energy efficiency measures. DOE is not directing the construction of new transmission in a certain area, nor is it determining the route for any proposed transmission project. DOE is not asserting that additional transmission capacity is the only solution to resolve electricity problems in these regions.

These draft National Corridors cover a sufficiently broad geographic area. They are designed to be large enough to help facilitate access to a range of possible generation sources that could serve the congested area and they preserve the options of State authorities and private companies to determine which generation sources are of principal interest. The draft National Corridors are broad enough to allow consideration of a range of potential transmission projects and routes by the appropriate transmission planning entities, siting authorities (e.g., State agencies and, under certain conditions, the FERC), and prospective transmission developers.

A 60-day comment period will begin the day draft National Corridor designations are published in the Federal Register. During the comment period, DOE will confer with affected States and will hold the following three public meetings: DC metro area on May 15, 2007; San Diego, CA, on May 17, 2007; and New York, NY, on May 23, 2007.

Additional information and a copy of the Federal Register notice are available at: http://nietc.anl.gov

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