PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

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October 30, 2013

Mr. Christopher Lawrence
Office of Electricity Delivery and Energy Reliability (OE-20)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Submitted electronically via email to: Christopher.Lawrence@hq.doe.gov

Re: Department of Energy – Improving Performance of Federal Permitting and Review of Infrastructure Projects, Request for Information, 78 Fed. Reg. 53436 (Aug. 29, 2013)

Dear Mr. Lawrence:

I. INTRODUCTION

PacifiCorp is pleased to provide these comments in response to the questions raised in the above-referenced Department of Energy (DOE) Request for Information (RFI) regarding the proposed pre-application process for siting transmission projects requiring interagency and intergovernmental coordination in an effort to improve the efficiency, effectiveness and predictability of the transmission siting, permitting and review processes.

II. PACIFICORP INTEREST IN THIS REQUEST FOR INFORMATION

PacifiCorp is an indirect subsidiary of MidAmerican Energy Holdings Company ("MEHC")[1] and a vertically-integrated electric utility company headquartered in Portland, Oregon. PacifiCorp, an Oregon corporation, is primarily engaged in the business of providing retail electric service to approximately 1.8 million customers in six western states: Utah, Oregon, Wyoming, Washington, Idaho and California. PacifiCorp is regulated by the following state

[1] MEHC is a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc. MEHC controls substantially all of PacifiCorp's voting securities, which include both common and preferred stock.

public utility commissions: the Utah Public Service Commission, the Oregon Public Utility Commission, the Wyoming Public Service Commission, the Washington Utilities and Transportation Commission, the Idaho Public Utilities Commission, and the California Public Utilities Commission.

PacifiCorp owns approximately 16,200 miles of transmission lines ranging from 46 kV to 500 kV and has approximately 11,000 MW (summer rating) of generation capacity from coal, hydro, wind power, natural gas-fired combined cycles and combustion turbines, and geothermal. PacifiCorp operates two balancing authority areas as a single integrated system in accordance with operating criteria and requirements established by the Western Electricity Coordinating Council and the North American Electric Reliability Corporation.

In May 2007, PacifiCorp announced plans to construct 2,000 miles of new high-voltage transmission, known as Energy Gateway. In November 2010, the first full transmission segment – Populus to Terminal – was energized to serve customers. In May 2013, the second major segment – Mona to Oquirrh – was energized to serve customers. Construction began in May 2013 on the third major segment – Sigurd to Red Butte. The siting and permitting processes continue for the other segments of the planned expansion, all of which are required to meet current and projected needs of PacifiCorp's customers. The largest segment – Gateway West – was selected as one of the seven pilot projects by the Rapid Response Team for Transmission (RRTT) for which a Record of Decision is anticipated this fall.

Transmission facilities are used to convey electricity from generating resources to population centers and other customer sites. Transmission facilities can be quite lengthy because most generation facilities (including ones that depend on renewable energy, coal and other natural resources) are often located some distance from customers. Furthermore, the

transmission facilities form an integrated grid that is highly interdependent and must be carefully designed, built, maintained and managed at a utility, state and regional level to ensure a reliable, affordable supply of electricity.

Thus, PacifiCorp has a strong interest in seeing Federal agencies act to substantially improve the existing Federal transmission siting and permitting process throughout the country. We believe substantial process improvements, once realized, will deliver significant benefits to the nation's utility customers who depend upon adequate, reliable and reasonably-priced electricity to carry on their daily business, and will support vital economic growth across the country.

III. COMMENTS

1. PacifiCorp Supports the Intent of a Voluntary Applicant-Driven Pre-Application Process.

PacifiCorp supports the intent of the applicant-driven nature of the IIP process allowing project developers to elect whether they wish to utilize the IIP process. For those projects where established processes are in place, a mandatory IIP procedure could add an unnecessary burden to project developers and may further delay the siting and permitting process which is contrary to the goal of the IIP process. However, given PacifiCorp's experience permitting the five Energy Gateway Projects and implementing lessons learned successfully, the company would choose not to avail itself of the IIP process.

2. All Federal Agencies with Applicable Permitting Authority Should Be Mandatorily Required to Participate in the IIP Process.

In order to ensure robust coordination and increased efficiency, all federal agencies with permitting authority that would be applicable to a given project should be required to participate in the entire IIP Process for that project. As such, relevant state regulators should also be

encouraged to attend all meetings and participate in the IIP process. There are often inconsistencies among state and federal siting processes and thus coordination throughout the IIP among these stakeholders is essential. By declining to participate in the review of intermediate milestones, there is a risk that important obstacles or concerns would be left until the Final Meeting when the proposed project has reached the final stages of conceptual design. Applicants would have spent significant time, effort and investment in developing viable siting options only to have major impacts raised at the last minute, potentially negating all previous work. The goal of the IIP is to streamline the permitting process and allow for open collaboration early in the process. Such late disruptions would erase any and all efficiencies gained during the IIP.

As recognized in the RFI, PacifiCorp is aware that agencies' budgetary constraints might limit participation in coordination efforts among agencies. Thus, PacifiCorp suggests that DOE should explore mechanisms through which federal agencies could obtain the funding necessary to enable their participation in the proposed IIP process, such as through Cost Recovery Agreements (CRAs). Another approach would be for DOE to administer a single CRA for all of the agencies participating in the IIP Process for a given project, as this will enhance administrative efficiency.

Furthermore, PacifiCorp is supportive of the provision in the RFI that DOE will use "information technologies" to ensure that all federal agencies that are unable to attend a meeting in person can still participate. This vehicle should be extended to other parties including the project developer. This could certainly reduce financial and staff burdens for already constrained federal participants and other interested stakeholders.

3. The Proposed IIP Process Must Itself Not Be Overly Burdensome and Prescriptive.

In line with DOE's goal for the IIP process to "ultimately reduce the time required to reach a decision to approve or deny a project," PacifiCorp supports DOE's concept of establishing fixed response times for federal agencies at various steps in the IIP process. This same concept should also be applied during NEPA. Since the response times during the IIP are not data review times, simply calendar coordination, the IIP response times should be significantly reduced. To ensure the process actually reduces the amount of time it takes to obtain federal permits, DOE should address other portions of the overall federal permitting and siting process that the IIP process could replace or shorten. For instance, there is some concern that the deliverable requirements may be duplicative and overly specific. Some developers may have developed a chosen route early in the process, even before the Initial Meeting, which asks for projects with two identified end points that have not yet identified potential study corridors or proposed routes. In this case, the subsequent corridor and routing meetings would be unnecessary and duplicative of work already performed, wasting time and resources and incurring additional expense. This is in direct contrast to the IIP goal of creating a more efficient process. Instead, project routing should be studied within NEPA with recommended adjustments as needed, rather than a strict adherence to a prescriptive IIP process and repeated within NEPA.

PacifiCorp is also concerned that the lack of recognition regarding the level of engineering design detail needed to conduct an adequate and appropriate level of environmental due diligence and review for a project. In order to conserve time and drive project sequencing, final design details should not be necessary for an agency to make recommendations during the pre-application process. For an extremely large study area crossing multiple states, only high

level land use planning data should be needed. In PacifiCorp's recent experience with the Energy Gateway transmission program, an environmental contractor was retained to assist in conducting a series of feasibility studies which lead to four specific right of way applications with the Bureau of Land Management. In three of those projects, the environmental contractor was retained as the third party contractor to perform the EIS, which provided a level of consistency and efficiency. Once the applications were submitted, the Bureau of Land Management project managers initiated an internal agency pre-scoping process that identified numerous gaps in available resource data from the Federal agencies. The IIP process should utilize the best available data and not expect the proponent to conduct specific field surveys on an unlimited set of potential corridors and routes. That said, the IIP process should adequately inform any NEPA action that should streamline the process for the Lead agency to conduct public scoping soon after an application is submitted without having to duplicate efforts conducted during the IIP process.

IV. RECOMMENDATION

Improve the NEPA Process Execution between Application and Scoping to Eliminate Need for an IIP Process

NEPA requires that the Notice of Intent (NOI) be issued as soon as possible after acceptance of an application (40 CFR 1501.2(d)(3)), but it does not have to be issued immediately upon acceptance (40 CFR 1507.3(e)). If the Federal Lead Agency and cooperating agencies have additional work for preparing initiation of their inherently governmental functions associated with planning, environmental review, permitting, and decision making, then the public notification per FLPMA can identify a proposed schedule for issuance of the NOI. The NOI,

which initiates the formal public processes of NEPA including public scoping, can be issued "as soon as practicable after its decision to prepare an environmental impact statement…" (40 CFR 1501.7).

PacifiCorp's successful experience in permitting the Sigurd to Red Butte transmission project is an example of how the intended outcomes of the IIP can be accomplished within the established NEPA process. The SF299 application for the 170 mile project in Utah was filed on December 22, 2008 with the NOI published a year later on January 5, 2010. During that one year timeframe, significant activities were undertaken by both the federal agencies and the project proponent to ensure a robust, effective public scoping process. Key activities were:

- Bureau of Land Management conducted pre-scoping meetings with each field office and forest to review study area, opportunities and constraints, obtain pertinent available environmental data. The company and the third-party environmental contractor actively participated in these meetings.
- The company conducted enhanced early stakeholder outreach and elected official briefings encouraging counties to sign on as cooperating agencies.
- The company established community working groups which included elected officials and staff, Tribal representatives, land owners, and NGOs.
- A range of reasonable alternative routes was developed based on input from the pre-scoping agency meetings and the stakeholder outreach.
- The company identified all land owners within all of the alternative, 2-mile wide study corridors and mailed a project newsletter inviting them to a series of company sponsored land owner meetings.

- The company conducted landowner meetings across the project ahead of formal scoping meetings
- Bureau of Land Management published the NOI and conducted public scoping meetings with an informed and engaged public.

The result of this post application, pre-scoping process resulted in a draft EIS that included an agency preferred alternative route. After the close of the DEIS comment period, the company had enough certainty and public acceptance of the route to submit applications for all local and state permits. **All permits were received without any public opposition**.

PacifiCorp believes there are greater efficiencies to be gained through better NEPA execution and recommend DOE focus on improving that part of the Federal siting and permitting process before implementing a prescriptive voluntary IIP process.

V. CONCLUSION

PacifiCorp appreciates the opportunity to provide these comments and recommendation in the interest of improving the Federal siting and permitting of transmission. If you have any questions or need additional information, please contact Rod Fisher, Transmission Community Relations and Permitting Manager (801-220-4561 or Rod.Fisher@RockyMountainPower.net).

Respectfully submitted,

Rod Fisher
Transmission Community Relations and Permitting Manager