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Overseer's Undercurrent: Echo Chamber

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The Department of Energy's proposed designation of a national-interest electric transmission corridor through Southern California, parts of Nevada, and western Arizona last week left many on the regional power scene scratching their heads. What's the point of tossing a big bucket of paint over the southwestern corner of the nation and calling it a "corridor"?

What about all of the other millions of acres where utilities and would-be transmission owners see only roadblocks and local opposition to their grand plans for electric power superhighways?

Even though many community and environmental activists fear that the corridor process is just a stalking horse for transmission builders to employ federal eminent domain authority as they bulldoze through parks, forests, and private lands, there seems a lot less to the announcement than meets the eye.

In fact, naming a Western corridor might actually have a very limited impact on the region's plans for power grid upgrades. That's because several of the most significant transmission projects are expected to be approved, and under construction, well before formal designation takes place.

While Congress may have felt some urgency about addressing transmission constraints as part of the 2005 Energy Policy Act, California and its neighbors have been working on system upgrades and improvements steadily since the end of the 2000-01 energy crisis.

According to Stephanie McCorkle, spokesperson for the California Independent System Operator - which manages most of the state's high-voltage network - CAISO has approved more than \$8 billion worth of lines and system upgrades in the past five years.

"It's a little redundant, given our role as transmission planner," McCorkle said of DOE's corridor process. "We've not had a lot to do with it."

The California Public Utilities Commission, the primary agency for licensing high-voltage transmission lines proposed by the state's regulated utilities, believes that DOE's corridor process not only is superfluous but could cause more problems than it solves. Instead of trying to establish an unnecessary corridor in the state, CPUC member Dian Grueneich said, it would be better if the federal agencies that manage parks, forests, and other lands coordinated their permitting requirements and processes. "That's been our biggest problem with transmission siting: it takes too long," Grueneich said.

There is a parallel process for coordinating federal agencies' involvement in energy corridors, the so-called Section 368 program. Under it, DOE is supposed to designate corridors for 11 Western states by next year. Much of the work and corridor analysis that Western entities have been doing since passage of the 2005 act have been for that process (Circuit, May 26, 2006).

DOE last June released draft maps of proposed Western corridors but then withdrew them after receiving a deluge of critical comments. It may be months before the next public release of

revised maps and environmental documents under the Section 368 process, a department spokesperson said this week.

Last week's designation proposal is of slightly different character. It was carried out under Section 216 of the Federal Power Act (as per Section 2115 of the 2005 EAct) and derives mainly from the agency's investigation last year into areas of transmission constraints that cause reliability problems or add to the costs of power.

Although several specific areas of congestion were identified in that process, the two corridor designations announced last week are for much broader swaths of land. They also set up the possibility that if a state fails to act on a transmission line application within the corridor area within a year, the Federal Energy Regulatory Commission could step in to use "backstop" siting authority granted in the 2005 EAct.

That potential is a concern for the Arizona Corporation Commission, which is currently reviewing the Arizona portion of Southern California Edison's 500 kV Devers-Palo Verde 2 transmission line. It would add a second high-voltage connection between the Palo Verde nuclear project, as well as a number of gas-fired plants in Arizona, and the Los Angeles-area utility.

Even though a draft state order would conditionally approve the line, potential appeals could stretch out the process to the point that FERC might decide to get involved. "The DOE corridor issue could be considered very significant," said Arizona commission spokesperson Heather Murphy.

The commission is also responsible for licensing several transmission upgrades planned by Arizona Public Service and other state utilities. "Transmission planning is a perpetual thing," Murphy said, noting the state's fast-growing population and escalating energy demands.

To express their concerns, Arizona commission members are meeting with staff this week to draw up a letter to DOE requesting that it hold one of its public meetings on the corridor proposal in Phoenix. Currently, the only Western meeting is set for San Diego.

However, a review of major Western transmission projects in the works indicates that they are probably too far along for meaningful federal involvement, or they fall outside the corridor designation.

Stephanie Donovan, San Diego Gas & Electric spokesperson, welcomed DOE's plan to hold a public meeting in the city on May 17. She sees it as a sign of how important the agency feels transmission is for the region. But she foresees little problem in eventually winning state-level approval for the Sunrise Powerlink project, and at this time SDG&E does not see a need for FERC involvement.

Another major transmission proposal, the Frontier Line project promoted by the Western Governors' Association, mostly falls outside the current DOE conception for energy corridors, except for a possible tie into Southern California. Frontier proponents this week released a cost-benefit analysis that envisioned several configurations.

At its most ambitious, the cost could reach \$21 billion for a 6,670-mile-long project with a Wyoming-Arizona-Southern California track and a Montana-Wyoming-Pacific Northwest-Northern Nevada-Northern California track. All would involve multiple 500 kV AC and high-voltage DC lines.

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