

Via Email

September 25, 2013

Ms. Julie A. Smith
Office of Electricity Delivery
and Energy Reliability
Mail Code OE-20
U.S. Department of Energy
1000 Independence Avenue SW
Washington, D.C. 20585

**RE: REQUEST FOR INFORMATION – IMPROVING PERFORMANCE OF
FEDERAL PERMITTING AND REVIEW OF INFRASTRUCTURE PROJECTS**

Dear Ms. Smith:

On behalf of Arizona Electric Power Cooperative, Inc. and Southwest Transmission Cooperative, Inc. (Arizona G&Ts), I am providing the comments below in response to the Request for Information (RFI) published in the Federal Register on Thursday, August 29, 2013, Vol. No. 78, No. 168, at p. 53436. As the owner and operator of transmission facilities in Southeastern Arizona that are financed with funds advanced from the Federal Government through the Rural Utilities Service (RUS) of the U.S. Department of Agriculture (USDA), the Arizona G&Ts recognize the Department of Energy's (DOE) effort to develop a streamlined process for the permitting and siting of infrastructure projects including transmission facilities.

In reviewing the Federal Register notice, we understand that the DOE is refining a comprehensive process to address the siting of transmission facilities in circumstances in which a Federal Agency may have a role or an interest in the siting of such facilities. The Arizona G&Ts are encouraged to see that the DOE is taking a leadership role in coordinating the agency review that should occur in developing significant transmission investments that involve the Federal Government. In our review, however, we note that the RFI highlights a gap in potential agency participation that the Arizona G&Ts believe is essential in the siting of certain transmission facilities in the United States.

The RFI explains that the Rapid Response Transmission Team (RRTT) is “working to improve the efficiency, effectiveness, and predictability of transmission siting, permitting, and review processes, in part through increasing interagency coordination and transparency.” The success of this effort depends in part on consulting with the agencies with an interest in transmission facilities and asking the right questions of those agencies. Notably, the RFI fails to delineate the role that the RUS will have in the activities of the RRTT, particularly in considering regional implications and impacts on low income communities.

[Http://azgt/sites/azgt/exec/Managed Documents/DOE-RFIResponseLtr.docx](http://azgt/sites/azgt/exec/Managed Documents/DOE-RFIResponseLtr.docx)

The RUS has been the lead agency for the Federal Government in building transmission facilities to serve rural America for several decades. In many areas of the U.S. low income populations in rural areas have electricity because the RUS has provided the loans to build infrastructure. The loans provided by the RUS have helped make electricity affordable for many consumers in rural America. Indeed, the funding from the RUS to build and construct transmission facilities in rural areas underscores the Federal Government's longstanding commitment to assist residents of rural areas.

The RFI suggests that the USDA may have a role as a "Federal Entity" but does not explicitly indicate that the RUS would be considered a "Federal Entity." While there may be an expectation that the U.S. Forest Service will be involved in the RRTT efforts as an agency within the USDA, we would encourage the Integrated, Interagency Pre-application Process ("IIP") to include the RUS in any instance where transmission lines funded by the RUS are near the contemplated transmission corridor. The proposed IIP hints that this should occur as a matter or practice where a proposed development may include co-location with existing infrastructure.

The mere participation of the RUS in the IIP process may be insufficient unless the scope of the IIP review expands to include questions that the RUS is uniquely positioned to answer. In particular, it is important that the IIP consider whether the location of a proposed transmission facility would compromise the operation of an existing transmission line funded by an RUS loan. In this context, it is important to expand the scope of review to analyze not only operational and reliability concerns, but also whether the location or co-location of a transmission facility would undermine the ability of the RUS to recover the loan proceeds previously advanced.

In the push to site transmission facilities and partner with the Federal Government, federal policies appear to be at cross purposes, or worse, in competition with one another. For example, while the co-location of transmission facilities with a transmission line owned by the Federal Government, i.e., the Western Area Power Administration (WAPA) may appear to have merit from a logistical perspective, further analysis is required to determine whether the Federal Government is competing with its own programs administered by other agencies. In other words, the IIP needs to evaluate whether the siting of a transmission facility will undermine the operation of transmission facilities underwritten by another agency of the Federal Government. The participation of the RUS in the IIP process can greatly assist this much needed analysis.

The Arizona G&Ts appreciate the effort that the DOE has initiated in looking at the disparate activities of multiple Federal Agencies in siting transmission facilities in the United States. The leadership asserted in this area accompanies the responsibility to ensure that multiple policy purposes are not at cross purposes. With the present course of several proposed projects, we greatly fear that the Administration will undercut one program at the expense of another. While there may be the potential for a turf battle between agencies back in Washington, D.C., we see the real fall out occurring in the rural United States if the RUS program is not considered as part of the IIP in a real and meaningful way.

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I thank you for your consideration of these suggestions and welcome any opportunity to discuss these comments further.

Sincerely,



Patrick F. Ledger
Chief Executive Officer
Arizona Electric Power Cooperative, Inc.
Southwest Transmission Cooperative, Inc.

cc: John Padalino, Administrator, RUS
Darrick Moe, Western Area Power Administration
Mark Gabriel, Western Area Power Administration
Congressman Paul Gosar
Congressman Ron Barber