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**BASIN ELECTRIC  
POWER COOPERATIVE**

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**VIA: E-MAIL & OVERNIGHT DELIVERY**

March 27, 2012

Lamont Jackson  
Office of Electricity Delivery and Energy Reliability  
Mail code: OE-20  
U.S. Department of Energy  
1000 Independence Avenue SW  
Washington, DC 20585

Re: Document Citation: 77FR11517  
Agency/Docket Number: OE Docket No. RRTT-IR-001  
Document Number 2012-4464  
Federal Register/Monday, February 27, 2012

Dear Mr. Jackson:

Basin Electric Power Cooperative (Basin Electric) appreciates this opportunity to submit comments to the Department of Energy (DOE) in response to the Request for Information on permitting of transmission lines. Because Basin Electric builds both the transmission and generation needed to serve our member's load demand no "Catch-22" situation exists for us so we will respond to the questions that relate to our experiences.

**I. Importance of Generation and Transmission to Basin Electric and its Members:**

**Executive Summary**

Building new transmission is a major task with many obstacles including the various laws and regulations such as the Endangered Species Act and Federal Conservation Easements, obtaining right of way, obtaining approvals from federal agencies including, but not limited to, the Corps of Engineers, U.S. Fish & Wildlife Service, Federal Aviation Administration, U.S. Forest Service, and U.S. Air Force. When Basin Electric obtains funds from the Rural Utilities Service (RUS) to fund a transmission project or if the new transmission line connects to the Western Area Power Administration (Western) transmission lines, the National Environmental Policy Act (NEPA) is triggered. The lead federal agency must fulfill their NEPA requirements which can take considerable time. The agencies are often short of staff and funding to complete their NEPA process in an expeditious manner. For example, the Bakken oil load in North Dakota is developing so rapidly that building transmission infrastructure in time to accommodate the new oil demands is very challenging. The successful completion of the NEPA process is the first major hurdle to overcome in receiving all necessary authorizations that are required for a transmission line project.

### **Basin Electric Power Cooperative**

Basin Electric's core business is generating and transmitting wholesale bulk electric power to customers, primarily to our 134 member rural electric systems, which are located in nine states: Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota, and Wyoming. Our largest subsidiary, the for-profit Dakota Gasification Company, owns and operates the Great Plains Synfuels Plant near Beulah, ND, which gasifies lignite coal and captures some of the carbon dioxide emissions (CO<sub>2</sub>) and sends them to depleted Canadian oil fields for geologic sequestration.

Basin Electric owns 3,449 megawatts (MW) and operates 4,437 MW of electric generating capacity. Our electric generation facilities are in North Dakota, South Dakota, Wyoming, Montana, Minnesota and Iowa. Most of Basin Electric's baseload capacity comes from coal based generation. Peaking facilities are oil or gas-based. Construction projects underway include a gas combined cycle facility and related transmission construction in South Dakota, gas peaking facilities and major related transmission construction in North Dakota and an emissions control upgrade at the Leland Olds Station in North Dakota.

Basin Electric is proposing to construct, own and operate a new 345-kV transmission line and associated supporting infrastructure in western North Dakota. The project will consist of constructing approximately 190 miles of new single circuit 345-kV and double circuit 345/115-kV transmission lines, the construction of two new substations, modifications to three existing substations, a 345-kV switchyard, river crossings, temporary construction staging sites, and other facilities.

Basin Electric is also moving forward with plans to build a new high-voltage transmission line in south central South Dakota. The 70-mile Lower Brule-to-Witten line will run from a new substation near Big Bend Dam to the existing Witten Switching Station near Witten, SD

### **The Integrated System**

The backbone of the high-voltage transmission grid in the upper Great Plains region of eastern Montana, North Dakota and South Dakota is the Integrated System (IS) of Western's Upper Great Plains Region, Basin Electric, and Heartland Consumers Power District (Heartland). This jointly developed transmission system has evolved from the 1962 Joint Transmission System (JTS) agreement of the Bureau of Reclamation with Basin Electric and 103 cooperative and municipal preference customers in this region. Under the JTS agreement, the parties planned, constructed and operated transmission facilities needed to serve the customers of the region on an integrated single-system basis. In 1977, Congress transferred the power marketing functions of the Bureau to Western, and Western assumed the responsibility for the operation of the JTS.

In response to the FERC open-access transmission orders 888 and 889, which set forth billing methodologies inconsistent with the JTS methodology, the JTS agreements were terminated. The Integrated System (IS) agreement between the Western, Basin Electric, and Heartland replaced the JTS agreements and provides open-access transmission service to customers in the region.

The IS facilities consist of 9,447 miles of interconnected high-voltage transmission lines (Approximately 7,878 miles of federal line, augmented by 1,554 miles of Basin Electric line and 15 miles of Heartland line) for delivering power from federal hydroelectric, thermal, and wind energy resources.

The system is available for use by any party and the available transmission capability of the system is posted for potential customers on the OASIS (open access same time information system) bulletin board. The bulletin board provides a date and time stamp for prioritizing requests in first come first serve order. Third-party users pay the same transmission charges as the owners of the system in accordance with the provisions of the FERC open-access transmission orders.

## **II. Comments on Identified Issues**

The following comments are directed to the specific questions raised in the request for information

### **1.c. What are the primary risks associated with developing transmission vis-à-vis the time for obtaining Regulatory permits as well as the Incongruent Development Times?**

**Response:** Obtaining regulatory approvals in a timely manner is the main risk in developing transmission lines, followed by obtaining easements from landowners. Prior to seeking the necessary regulatory approvals, transmission projects are evaluated through planning processes that identify the most efficient and cost-effective solution to local and regional needs. Actual construction times vary, but it is typically only a small portion of the overall development time of a transmission project. A much larger percentage of project development is the time necessary to secure all required siting and permitting approvals on federal, state and local basis. To ensure reliable operation of the transmission network, transmission plans must anticipate long development times and identify local and regional needs years ahead of time. As with any projection, the uncertainty of correctly identifying all system needs increases the further into the future needs must be identified. Delays in receiving regulatory approvals, which can cause impediments to transmission project development, may cause local or regional reliability issues.

### **(3) What strategies can the Federal government take to decrease the time evaluating Regulatory Permits for Transmission? What other steps can the Federal government take to address the challenges created by Incongruent Development Times?**

**Response:** Provide schedule certainty and assign accountability to deliver NEPA milestones on schedule. National Project Managers should set/establish reasonable timeframes for inter and intra-agency review and response throughout the NEPA process. If timeframes are not met, the Project Manager should follow up and escalate the matter with the appropriate line officer or the state/regional office. The Bureau of Land Management should also set/establish/reiterate a set protest resolution period to address protests to a Final Environmental Impact Statement. This process should not take more than 60 days.

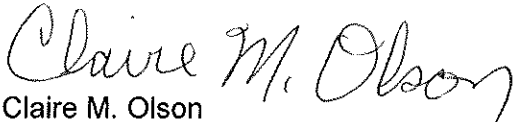
In the case of the RUS, they are unable to charge the applicant for time, travel, and permitting costs as other federal agencies are allowed. Given its constrained budget, this severely limits the RUS's ability to move the NEPA process forward in a timely way. Another aspect of RUS that increases project evaluation time is its inability to hire third-party contractors in a timely way that would allow projects to move forward at a reasonable pace. There are several ways that these issues could be resolved without increasing costs to the federal government.

**(5) In your experience, how long does it take to design, permit and build transmission?**

**Response:** Three to six years depending on the length of the line and number of jurisdictions and federal agencies involved.

Thank you again for giving us the opportunity to file these comments.

Sincerely,

A handwritten signature in cursive script that reads "Claire M. Olson".

Claire M. Olson  
Senior Vice President & General Counsel

cmo/dn/ds