June 1, 2012

Bureau of Land Management
Las Cruces District Office
Southline Transmission Project
Attention: Frances Martinez, Realty Specialist
1800 Marquess Street
Las Cruces, NM 88005

Sent via e-mail and Certified U.S. Mail

Re: SunZia Southwest Transmission Project ("SunZia" or "SunZia Project") Scoping Comments Requesting Correction and Clarification of Information Presented During the Southline Transmission Project ("Southline" or "Southline Project") Scoping Process

Dear Ms. Martinez:

SunZia respectfully requests correction of information pertaining to SunZia that is within Southline's Administrative Record, clarification of information presented during the scoping process, and extension of the scoping period to allow for consideration of such corrected and clarified information that would afford the opportunity for better informed and meaningful comments on the Southline Project.

Based on (1) my attendance at the public scoping meeting held in Deming, New Mexico on May 9, 2012; (2) the presentation at the meeting by the U.S. Bureau of Land Management (BLM); (3) a review of the Southline Project's scoping materials; and (4) a review of information publicly-available on the BLM's Southline Project website, SunZia believes this incorrect information pertaining to the SunZia Project created a misleading comparison of the two projects. These inaccurate representations have the potential to be harmful to the SunZia Project especially given the coincident timing of BLM's Southline scoping process and the release of the SunZia Draft EIS.

Although the purpose for contrasting the Southline Project and the SunZia Project was unclear, the impression imparted by the presentation was an unmistakable preference for Southline. SunZia is confident that such an impression was not BLM's intention, and so, this letter is to inform BLM of the inaccuracies so corrective action can be promptly taken.

Specifically, slide 15 of the "PowerPoint Presentation" states that it identifies "Differences between Southline and SunZia" [1] (see attachment). Several of the points contain information

[1] Publicly presented during the Southline scoping process, and available online at: http://www.blm.gov/pgdata/etc/medialib/blm/nm/programs/more/lands_and_realty/southline_transmission/southline_documents.Par.82273.File.dat/SLT_A_ScopingPPT_050812_508_dm_final.pdf (last visited May 21, 2012).

about the SunZia Project that is inaccurate, while other information is confusing and requires clarification. Specific examples of bullet points for which SunZia requests correction and clarification are provided below (*see items 1 and 2, respectively*).

During the meeting in Deming, I discussed with BLM's Southline project manager my concern with the materials that provided information pertaining to the SunZia Project. In addition to the May 9, 2012, meeting which I personally attended, SunZia Project team members attended public scoping meetings held in Lordsburg (May 10, 2012), Willcox (May 15, 2012), Benson (May 16, 2012), and Tucson (May 17, 2012). Based on the SunZia Project's attendance at these scoping meetings, it was confirmed that the same materials and statements referencing SunZia were presented at these subsequent scoping meetings, with the exception of the Tucson meeting on May 17th. At this meeting, slide 15 had been deleted from the presentation materials.

SunZia respectfully requests a timely correction, clarification, and dissemination of the information described herein. This request is in addition to SunZia's earlier request that scoping be extended as made in my letter dated May 14, 2012. However, our requested clarification will provide important information useful for properly scoping the Southline NEPA process.

Scoping materials available for public review, included:

- Printed handouts at the scoping meetings
    - "Amended Plan of Development for the Southline Transmission Project" ("Amended POD" dated April 2012)
    - "Southline Transmission Project Routing Report" ("Routing Report" dated April 2012)
    - "Southline Transmission Project Frequently Asked Questions" ("FAQs" dated May 2012)
- Materials available for download from the BLM's project website[2]
    - Information
        - "Southline Transmission Line Project Newsletter" ("Newsletter" dated April 2012)
        - "Public Scoping Meetings: May 8-17, 2012" (undated)
        - "News Release: BLM Begins Evaluation of the Proposed Southline Electrical Transmission Line in Southern New Mexico and Arizona" ("News Release" dated April 19, 2012)
        - "Map of Proposed Study Area"(undated)
        - "Notice of Intent" ("NOI" dated April 4, 2012)
        - "Comment Form" (undated)
    - Scoping meetings
        - "Scoping Meeting Posters" (undated)
        - "Powerpoint [sic] Presentation" (undated)

Specific requests for correction and clarification are provided below.

1. **Request for corrections on information regarding the SunZia Project.**
   Slide 15 contains two statements that could be misconstrued as they were presented during the Southline scoping period. SunZia provides the following information with the

[2] http://www.blm.gov/nm/st/en/prog/more/lands_realty/southline_transmission.html (last visited May 21, 2012).

request that the statements be corrected, accurately conveyed, and disseminated to the public in a timely manner. SunZia's comments pertain to the following bullet points from slide 15:

a. "Bidirectional use of power".

This bullet is misleading as it indicates that only one of the two projects (i.e., Southline) would be capable of providing the bidirectional use of power. Bidirectional use of power means that the power can flow in both directions on the transmission line. For example, the power can flow from both a west-to-east direction and from an east-to-west direction. Specifically, alternating current (AC) transmission lines are bidirectional transmission lines because the power is able to flow in both directions. Comparatively, power flowing on direct current (DC) transmission lines typically flows in one direction. For example, the power can *either* flow from west-to-east *or* it can flow from east-to-west. As proposed, the SunZia Project would have at least one AC transmission line and, therefore, will have the ability to accommodate scheduling of power bi-directionally. A more accurate statement would be that *both projects have the capacity to schedule power use bi-directionally.*

b. "Shorter and less costly".

This bullet touches on two issues that are generally sensitive points within the public, with disregard for the unique variables attributed to each project thereby resulting in an "apples-to-oranges" comparison. The first issue is the distance or length, which correlates to the amount of potential environmental disturbance. Southline is shorter than SunZia because Southline does not propose to address a primary need identified by SunZia, which is to provide additional transmission access to the wind-rich region in central New Mexico. The additional length attributed to SunZia would provide access to this wind resource, which would not be afforded access through the Southline Project. Simply comparing the total project length does not account for the fact that SunZia, as proposed, would address an additional need not proposed or met by Southline.

Second, the concept of project cost depends on the variables taken into consideration. Simply stating that Southline is "less costly" refers only to overall project cost. However, this comparison does not account for the fact that the projects are different lengths and proposed at different voltages, and yield dramatically different project capacities for power transfer (i.e., 500 kilovolt [kV] for SunZia and either 345 kV or 230 kV for Southline) resulting in cost differences due to the materials required to construct and operate facilities of different voltages.

If the two projects are to be compared, a meaningful expression of cost would be construction cost per installed kilowatt (kW). This type of comparison is the industry standard for comparing the relative costs of two different generators. Consequently it makes sense to utilize the same approach when comparing two transmission projects. "Cost per kW" would normalize the differences of length and voltage to produce a meaningful comparison. The cost of Southline is

estimated at $700 million.[3] The cost of SunZia is estimated at $1.5 billion (or $1,500 million) for a 3,000 MW (or 3,000,000 kW) project.[4] Based on information presented in scoping, Southline's transmission capacity has been disclosed to be 1,000 MW (or 1,000,000 kW).[5] Using this information, SunZia would cost $500 per kW, and Southline would cost $700 per kW.[6]

2. Request for clarifications on information regarding the Southline Project.
The following comments request a *clarification of information* regarding the Southline Project that was disseminated in scoping materials. Such clarifications are necessary to afford those reviewing this material, such as SunZia, the benefit of having accurate information while preparing meaningful comments on the Southline Project.

Clarification regarding Southline's transfer capacity is needed in order to have an accurate understanding of the proposed action, thereby allowing development of informed, meaningful comments on alternatives to be considered during preparation of the Southline EIS.

a. Clarification regarding the inconsistent information that has been disseminated during scoping regarding the transfer capacity (i.e., the size) of the Southline Project.

After reviewing the NOI to prepare an EIS for Southline, attending the Southline EIS scoping meetings, and reviewing the publicly available information presented during scoping and on the agency's websites, it is apparent that there is an inconsistency in the proposed transfer capacity for Southline. Please clarify the proposed transfer capacity for Southline.

- The NOI for Southline and News Release indicate up to 1,500 MW of transfer capacity between Afton Substation and Apache Substation, and up to 1,000 MW of transfer capacity between Apache Substation and Saguaro Substation.

- The Amended POD indicates initial capacity of 1,000 MW between Afton Substation and Apache Substation with up to 2,000 MW ultimate capacity, and indicates initial capacity of 1,000 MW between Apache Substation and Saguaro Substation with up to 1,500 MW ultimate capacity.

- The FAQs indicates up to 1,000 MW of transfer capacity for the entire project.

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[3] Southline Transmission Project Frequently Asked Questions, dated May 2012, distributed at the May 8 through May 17, 2012, scoping meetings.
[4] SunZia Southwest Transmission Project Economic Impact Assessment Errata, dated December 2011, *see* http://sunzia.net/Uploads/SunZia%20EIA%20Complete.pdf (last visited May 18, 2012).
[5] *See* comment 2 regarding clarifications for concern regarding accuracy of 1,000 MW as the proposed transfer capacity for Southline.
[6] Although information presented during the scoping meetings indicate that Southline's proposed transfer capacity is 1,000 MW, the Amended POD indicates that transfer capacity for segments of Southline may be as high as 1,500 and 2,000 MW (*see* comment 2a herein). Assuming Southline expands to this full build-out with no additional costs incurred, the final cost could be $380 per installed kW.

- Statements made during the scoping presentation indicated 1,000 MW of transfer capacity for the entire project. Clarification of the Southline Project's transfer capacity is important both for understanding the potential impacts associated with the Southline Project and with respect to the development of reasonable alternatives to the Southline Project. For example, if the initial transfer capacity is only 1,000 MW, but Southline is being designed to allow for future growth up to 2,000 MW, then the range of alternatives and corresponding analysis for the Southline Project must consider this maximum build-out scenario. Alternatively, lower voltage transmission lines can achieve a 1,000 MW transfer capacity, as is demonstrated by the upgrade portion of Southline (e.g.: between Apache Substation and Saguaro Substation). Assuming the transfer capacity for the entire length of the Southline Project is 1,000 MW, an alternative voltage level for Southline in its entirety (e.g.: double circuit 230 kV) should be evaluated.

b. Clarification of the discrepancy in the transfer capacity between the "new build" segment and the "upgrade" segment of the Southline Project.

Based on information contained within the NOI, News Release, and the Amended POD, the Southline Project will not have a uniform transfer capacity across the entire length of the project. Rather, the new build segment of the Southline Project will have a transfer capacity that is at least 500 MW greater than the upgrade segment. This would indicate that either 500 MW would be added at the Apache Substation and flow to the east or 500 MW flowing from the new build segment to the Apache Substation would be unloaded at the Apache Substation. Please clarify the known future uses for Southline that would result in differences of transfer capacity for segments of the proposed Southline Project.

Based on statements made at the Deming scoping meeting by the representative from Western, some of the capacity created in the upgrade section (e.g.: Apache Substation to Saguaro Substation) would be utilized to maintain service to 10 distribution substations currently served by the 115 kV line. Thus, this amount of capacity (which amount has not been indicated by Southline) would thereby decrement the capacity increase in the upgrade section, whatever the correct amount of such increase.

c. Clarification of the purpose of the interconnections with existing distribution substations affiliated with the upgrade segment of the Southline Project, and the associated distribution substation expansions.

Based upon review of the scoping materials, it is unclear if the interconnections with 10 or more distribution substations are intended to create new access opportunities for other generators and transmission lines, or if the interconnections are requirements to maintain current service on the existing transmission system. Clarification is needed to understand the intent of the substation interconnections. For example, would the Southline interconnections with the existing distribution substations include the addition of extra breaker bays through which other future transmission lines or generators may interconnect, or would the interconnections consist solely of new 230 kV/115 kV

transformers to allow for the voltage change necessary to preserve current service and interconnection of only the Southline Project? The footprint of the substations being upgraded and such future uses would be affected by the amount of equipment to be added. Therefore, it is important that this information be clarified such that SunZia, as well as the public, has an opportunity to consider and comment on this aspect of the proposed Southline Project, potential impacts, and any reasonable alternatives.

Currently, parties may submit scoping comments on the Southline Project until June 4, 2012. SunZia's May 14, 2012, scoping comment respectfully requested extension of the Southline scoping period for at least 45 days after the release of the SunZia Draft EIS that occurred on May 25, 2012 (i.e., July 9, 2012). Prompt correction of the information will facilitate its use as may be relevant and useful for those taking advantage of this additional comment period.

We appreciate your full consideration of these comments and are available should you have any questions or concerns.

Sincerely,

Tom Wray
Project Manager
SunZia Southwest Transmission Project

Attachment (1)

Other Transmission Line Projects

Southline Project is a separate project unrelated to **SunZia Transmission Project**.

Differences between Southline and SunZia include:

- Multiple transmission line access points by interconnecting with 10 or more existing substations
- Shorter and less costly
- Flexible, scalable design that can be expanded based on system needs
- Bidirectional use of power
- Innovative public-private partnership
- Incorporate improvements to existing transmission lines on previously disturbed lands in order to minimize impacts
- A customer base made up of local electric utilities and suppliers