Reid asks DOD to stop holding up major Southwest project

Scott Streater, E&E reporter

Published: Tuesday, April 8, 2014

Senate Majority Leader Harry Reid (D-Nev.) is nudging the Defense Department to drop objections to a massive New Mexico-to-Arizona transmission line project near an Army missile testing range and to work with the Interior Department to devise a plan to get the power line built.

Reid recently submitted a two-page letter to Defense Secretary Chuck Hagel and Interior Secretary Sally Jewell asking DOD to work with Interior "to find and deploy" a workable solution that "provides for the rapid construction" of the proposed SunZia Southwest Transmission Line Project. The Obama administration says the 515-mile-long power line is needed to develop strong wind resources in central New Mexico.

DOD strongly objects to a roughly 35-mile section of the line that would run just north of the Army's White Sands Missile Range -- the nation's largest military installation, covering 3,200 square miles. The section of line at issue would not touch any of White Sands' 2.2 million acres of withdrawn federal lands, but it would cross a section of restricted airspace referred to as the missile range's Northern Extension Area, and the military fears that could interfere with training and weapons testing.

But Reid wrote that DOD's "siting clearinghouse" provision in the fiscal 2011 Ike Skelton National Defense Authorization Act calls for DOD to work out any siting conflicts for renewable energy projects and needed transmission line projects in a timely manner and, if not, to show documented proof that the project represents an unacceptable risk to national security.

The Pentagon has already used the siting clearinghouse to free up a backlog of hundreds of renewable energy projects that had been on hold due to DOD concerns that the projects could interfere with the operations of nearby military installations.

"Given my prior history in support of these efforts, I have been monitoring the progress of the SunZia transmission line," Reid wrote. He added that "over $44 million has been expended on permitting over the last five years" by the project proponent, Phoenix-based SunZia Transmission LLC, "with delays due to the Department of Defense's reversal of two approvals and unclear guidance from the DOD."

Some of the "unclear guidance" that Reid refers to is the initial acceptance of the SunZia line route north of the base by officials at White Sands Missile Range and DOD, said Ian Calkins, a spokesman for SunZia Transmission.

Calkins also pointed to a July 2011 letter to BLM from David Belote, the former director of the DOD siting clearinghouse, in which Belote notes that SunZia was one of 45
projects the clearinghouse had reviewed and given a "green" rating, meaning it could move forward.

"We greatly appreciate Senator Reid's efforts to help facilitate a solution," he said. "In his letter he points out the very argument we've been making all along, which is the importance of the clearinghouse and the good work they've already done on this project."

A DOD spokesman said the department would not comment on Reid's letter.

But in a 15-page report DOD submitted to Congress last month detailing siting clearinghouse activity for the 2013 calendar year, Defense officials showed no signs of relenting on their concerns that the SunZia project would impede operations at the White Sands Missile Range.

In total, 2,075 projects went through the siting clearinghouse "Mission Compatibility Evaluation" process, more than half of which -- 1,203 projects, or 58 percent -- were transmission projects.

Eight of the projects submitted to the clearinghouse for review were submitted by the Bureau of Land Management, which is leading the regulatory evaluation of the SunZia project.

The SunZia project was the only BLM project reviewed by the siting clearinghouse that was determined "to have an unacceptable risk to national security," according to the DOD report to Congress.

"Other than the SunZia project, all other projects were determined to have no adverse impact to military operations and readiness," the DOD report concluded.

Calkins said that despite the latest clearinghouse report to Congress, the project backers are in regular contact with DOD, BLM and the White Sands Missile Range.

"If we were pessimistic, we would have walked away months ago," he said. "But we see the light at the end of the tunnel, and all the entities are working hard now on a solution."

They better be working hard, Reid wrote in his letter to Hagel and Jewell.

"This project is an important test of the Clearinghouse model and I strongly suggest that the Department of Defense work collaboratively with the Department of the Interior immediately to find and deploy the solution that comports with national security needs and provides for the rapid construction of SunZia," Reid wrote.

"Given the delays already experienced by SunZia's investors and renewable energy generator customers, I look forward to hearing of your progress soon," he concluded.
DOD's long-standing concern

DOD officials have been working for the last five years with BLM and the project backers.

BLM in June 2013 released a final environmental impact statement (EIS) that included a "preferred alternative" for the line that proposed running it through the Northern Extension Area.

But even before the final EIS was released, Frank Kendall, the undersecretary of Defense for acquisition, technology and logistics, wrote in a March 2013 letter to David Hayes, the former Interior Department deputy secretary, objecting to the proposed SunZia project route to be outlined in the forthcoming final EIS and offering an alternative route.

DOD officials began to ratchet up their displeasure with the route of the line after the EIS was released in June 2013.

John Conger, an acting deputy undersecretary of Defense, wrote in a strongly worded letter to Neil Kornze, BLM's principal deputy director, that DOD "officially objects" to that section of the power-line route and appeared to suggest that BLM consider burying that section of the line underground so as not to interfere with the mission of the missile range.

"Our objection is based on our belief that the [EIS] has not adequately analyzed the significant risks to national security should an above-ground transmission line be constructed across the White Sands Missile Range (WSMR) Northern Extension Area (NEA) in New Mexico," Conger wrote (Greenwire, Aug. 12, 2013).

But there are ample reasons to work out a solution and build the power line.

The Obama administration identified the SunZia transmission line as a priority project in large part because of the area's potentially significant wind resources and the fact that wind farms will not be built without the ability to transport the electricity they produce to major load centers as far away as Los Angeles.

The Western Governors' Association has estimated that southwest New Mexico and southeast Arizona, near the SunZia line, have the potential to produce as much as 10,000 megawatts of solar power. The WGA and the New Mexico Renewable Energy Transmission Authority have estimated 11,000 MW of wind power capacity in central and eastern New Mexico alone.

The proposed starting point for the SunZia line in east-central New Mexico "targets a significant cluster of wind resources," and existing wind farms are already operating in the area, according to a 2012 study conducted by Bozeman, Mont.-based Headwaters Economics and the Tucson, Ariz.-based Sonoran Institute. The study examined
potential economic and energy market conditions and projected federal and state energy policies in the next decade and beyond (Greenwire, Nov. 19, 2012).

To help find a resolution, DOD directed the Massachusetts Institute of Technology’s Lincoln Laboratory to study whether the proposed power line will interfere with the mission of the White Sands Missile Range and, if so, what operational changes the range could make to coexist with the power line.

To date, the results of the MIT study have not been released to the public.

DOD officials and representatives from the White House Council on Environmental Quality, however, briefed congressional staffers and the project proponents last month on the study results.

New Mexico Sen. Martin Heinrich (D), a big supporter of the SunZia project, said last month that the formal briefing revealed the MIT study offers some "pragmatic solutions to allow SunZia and [the missile range] to mutually exist." Officials with SunZia Transmission echoed those comments.

But Rep. Steve Pearce (R-N.M.), whose district includes the White Sands Missile Range, told reporters last month that the MIT study revealed the SunZia line could harm the missile range and should be rerouted (E&ENews PM, March 11).

Pearce called on SunZia to reroute the section of line near the missile range.

Rerouting or burying the section of the line near the missile range might not be practical five years into the permitting process, say proponents of the power-line project.

"The whole process is mind-boggling," SunZia’s Calkins said. "Just when you think you've cleared all the major obstacles, then you run into certain individuals that oppose [the power line] and you just think, oh well. If there hadn't been delays and conflicting messages and all that's gone on, we'd be well under construction if not looking at the completion of construction today."