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UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

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DEVERS-PALO VERDE NUMBER 2 DOCKET NO: PT08-1-000

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TRANSMISSION LINE PROJECT

QUARTZSITE ELEMENTARY SCHOOL
930 W. QUAIL TRAIL
QUARTZSITE, ARIZONA 85346
JULY 8, 2008

The public meeting, pursuant to notice, convened at 7:11 P.M.,
before a Staff Panel:

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APPEARANCES:

- Brandon Cherry, Federal Energy Regulatory Commission
- Jack Horne, Southern California Edison
- Jeff Wright, Federal Energy Regulatory Commission
- Shannon Crosley, Federal Energy Regulatory Commission
- Tyronne Williams, Federal Energy Regulatory Commission
- Bill Staeger, EntriX

PUBLIC SPEAKERS

No members of the public addressed the meeting

1 PROCEEDINGS

2 MR. CHERRY: Good evening. On behalf of the Federal
3 Regulatory or FERC, I would like to welcome you here tonight.
4 This is the scoping meeting for Southern California Edison's
5 Devers-Palo Verde Transmission Line Project. Let the record
6 show that the Quartzsite Public Scoping Meeting began at 7:11
7 P.M. on July 8th, 2008.

8 My name is Brandon Cherry, from the Office of Energy
9 Projects, and I am the FERC Deputy Project Manager for the
10 project. Seated with me here tonight is Shannon Crosley, FERC
11 Permit Coordinator; Tyrone Williams, FERC Project Manager; and
12 Jeff Wright, Deputy Director of the Office of Energy Projects.

13 Also with us tonight, also present is our contractor
14 Entrix, represented by Bill Staeger, and they are assisting us
15 in preparing the environmental impact statement that we will
16 produce for this project.

17 Our goal here tonight is to gather and record your
18 comments on the environmental impacts of the proposed project.
19 Before we hear from you, I'm going to give a description of our
20 agency and our process. Then I'll let SCE come forward and
21 give a brief description of their project. And then we'll hear
22 your comments after that.

23 FERC is an independent agency that regulates
24 interstate transmission of electricity, natural gas, and oil.
25 FERC reviews proposals and authorizes construction of certain

1 electric transmission facilities, interstate natural gas
2 pipelines, natural gas facilities, and liquefied natural gas
3 terminals, and also is responsible for the licensing and
4 inspection of hydroelectric projects.

5 The purpose of the Commission is to protect the
6 public and energy customers, ensuring that regulated energy
7 companies are acting within the law.

8 We are located in Washington, DC, just north of the
9 United States Capitol.

10 FERC has up to five commissioners who are appointed
11 by the President of the United States, with the advice and
12 consent of the Senate.

13 Commissioners serve five-year terms and have an equal
14 vote on regulatory matters. One member of the Commission is
15 designated by the President to serve as Chairman and FERC's
16 administrative head.

17 FERC has approximately 1200 staff employees,
18 including myself, who advise the Commissioners. The Chairman
19 and the four Commissioners are the ones who decide whether to
20 approve or deny an application.

21 In August 2005, Congress enacted the Energy Policy
22 Act of 2005. EPAct 2005 required the Secretary of Energy to
23 conduct a study of electric transmission congestion and release
24 the study for public comment.

25 Based on the study and public comments, in August

1 2006, the Secretary of Energy issued a report which designated
2 two geographic areas that are experiencing constraints and
3 congestion that adversely affect customers, as National
4 Interest Electric Transmission Corridors, or in short, National
5 Corridors.

6 The Southwest Area National Corridor encompasses
7 parts of California and Arizona, including the area in which
8 the proposed project is located. In Arizona, the counties that
9 are part of the Southwest National Corridor include La Paz,
10 Maricopa and Yuma counties.

11 Most transmission projects continue to be approved by
12 the states in which they are proposed; however, under EPAct
13 2005, if a state either withholds approval for more than one
14 year, does not have authority to site transmission lines, or
15 cannot consider interstate project benefits of facilities
16 proposed to be constructed in a National Corridor, the
17 Commission has the authority to consider an application and to
18 consider a permit to construct the proposed facilities.

19 The Commission has concluded that the term "withheld
20 approval" encompasses both the state's failure to act and
21 denial of a proposal to construct.

22 In this circumstance, Southern California Edison
23 applied to the California Public Utilities Commission and the
24 Arizona Corporation Commission for approval to construct the
25 proposed project.

1 The California Public Utility Commission approved the
2 California portion of the project in January, 2007, and the
3 Arizona Corporation Commission denied the Arizona portion of
4 the project in June, 2007.

5 Since the project is located in a designated National
6 Corridor, and the State of Arizona has withheld approval, FERC
7 has the authority to review the project.

8 FERC is the lead federal agency responsible for the
9 National Environmental Policy Act review of the Devers-Palo
10 Verde Number Two Project and is responsible for the preparation
11 of the EIS.

12 NEPA requires FERC to analyze the environmental
13 impacts, consider alternatives, and provide appropriate
14 mitigation measures on proposed projects. Other federal, state
15 and local agencies and tribes, have been invited to participate
16 as cooperating agencies.

17 This meeting is a NEPA public scoping meeting. The
18 purpose of tonight's meeting is to provide you with an
19 opportunity to comment on the environmental impacts of the
20 proposed projects. We are here tonight to learn from you, so
21 please be as specific as possible regarding the potential
22 impacts and reasonable alternatives of the proposed project.
23 Your comments will be used to determine what issues we will
24 evaluate in the EIS.

25 Since many of you have attended one of the open

1 houses conducted by Southern California Edison Company in June,
2 I wanted to take a minute to explain the difference between an
3 Open House and tonight's NEPA Scoping Meeting.

4 The Southern California Edison meetings were held
5 with two primary purposes: providing information about its
6 electric transmission projects; and to gain feedback from
7 landowners and other stakeholders about issues they had
8 concerning the project.

9 The scoping meeting tonight will be different. The
10 first difference is that this meeting is conducted by FERC.
11 You may also have noted that this meeting is being transcribed
12 and the transcript of the meeting will be included in the
13 Commission's record of this proceeding.

14 The main purpose of tonight's meeting is to solicit
15 input from the public on issues you feel should be addressed in
16 the environmental analysis that the FERC conducts, and the EIS
17 that we will prepare.

18 These issues generally focus on the potential for
19 environmental effects, including economic impacts, but it may
20 also address construction issues, mitigation, the environmental
21 review process, and the need for the project. It also gives us
22 the opportunity to answer any questions you may have about
23 FERC's review process.

24 If you prefer to send written comments, please pick
25 up one of the comment forms from the sign-in table that

1 provides instructions on how to send written scoping comments
2 to us.

3 I would like to add that the FERC strongly encourages
4 electronic filing of all comments. The instructions for this
5 can be located on our website, www.ferc.gov, under the e-filing
6 link.

7 Southern California Edison will keep its maps out and
8 be available after the close of the formal meeting to allow you
9 the opportunity to both participate in the meeting, and review
10 the maps and ask them questions.

11 On June 17, 2008, FERC issued a Notice of Intent to
12 prepare an EIS for this project, which was published in the
13 Federal Register on June 25, 2008. Issuance of the Notice of
14 Intent opened the formal comment period. It is during this
15 period that we accept written comments on the project.

16 The mailing list for this project is large and
17 undergoing constant revision, so if you did not receive the
18 notice, we apologize, but we brought extra copies with us.
19 We'll also explain how you can get one on the mailing list, if
20 you are not already there.

21 The comment period will end on August 1st, 2008. We
22 will accept comments after that date; however, we encourage you
23 to submit your comments as soon as possible in order to give us
24 time to adequately evaluate the issues. It is very important
25 that any comments you send or electronically file with the

1 Commission, include the docket number for the project. The
2 docket number is in the Notice of Intent, and is also included
3 on the comment form at the sign-in table. But let me also give
4 it to you now so you can write it down.

5 If you decide to send us a comment letter, please put
6 the docket number on it. That will ensure that members of the
7 staff evaluating the project will get your comments. The
8 docket number for Devers-Palo Verde Number Two Transmission
9 Line Project is PT08-1-000. Once again, that's PT08-1-000.

10 Regarding our process, we have begun what is called
11 the pre-filing review process for this project. The purpose of
12 the pre-filing review process is to encourage involvement by
13 the public, governmental entities, and other interested
14 stakeholders in a manner that allows for the early
15 identification and resolution of environmental issues.

16 A formal application has not been filed with FERC;
17 however, the FERC has already started our NEPA review. We have
18 a handout at the sign-in table that shows the environmental
19 review process in a flowchart and depicts the various public
20 input opportunities.

21 During our review of the project, we will assemble
22 information from a variety of sources, including the comments
23 we receive here tonight and any written comments we receive, in
24 addition to information provided by the applicant; other state,
25 local, and federal agencies; and our own independent analysis

1 and field work.

2 We will analyze the information and prepare the draft
3 EIS that will be distributed for comment. If you want to
4 receive a copy of the draft EIS, there are three ways to let us
5 know. You can send a written comment to the FERC, you can sign
6 up at the sign-in table tonight, or you can return the mailing
7 list retention form that was included in the Notice of Intent
8 that we mailed out. You must do one of those three things to
9 ensure that you stay on our mailing list.

10 After the draft EIS is issued, you will have 45 days
11 to review and comment on it. Towards the end of the comment
12 period, we will schedule a public comment meeting similar in
13 format to this one, to hear comments on the draft EIS.

14 At that meeting you can provide your oral comments on
15 the draft EIS. At the end of the comment period, we will use
16 your comments and any new information that we've gathered, to
17 finalize the EIS.

18 The final EIS will be mailed to people who are on our
19 environmental mailing list. If you receive a copy of the draft
20 EIS, you will receive a copy of the final EIS.

21 After the final EIS is issued, the FERC Commissioners
22 will use our findings in the EIS, to assist their determination
23 on whether or not to issue a permit for the project.

24 Before we start taking your comments, we've asked
25 Southern California Edison to provide a brief overview of the

1 project. So now I will turn this over to Jack Horne from
2 Southern California Edison.

3 MR. HORNE: My name is Jack Horne. I am with
4 Southern California Edison Company. I am a manager in
5 regulatory policy and affairs for SCE. And I am here on the
6 request of the Federal Regulatory Energy Commission to provide
7 a brief overview of the DPV2 project.

8 DPV2, which stands for Devers-Palo Verde Number Two
9 is a transmission infrastructure project which has been the
10 subject of numerous regulatory reviews and approvals, over an
11 extended period of time.

12 Sometimes DPV2 has also been called Palo Derby --
13 Palo Verde-Devers Number Two, or PVD2. Whether it's called
14 DVD2 or PVD2, these are just different names for the same
15 project. The most commonly used name is DPV2 and that's the
16 name that I'll use today. But I do think it is very
17 interesting, if not telling, that both names can be descriptive
18 of the project.

19 Transmission lines by their very nature, allow for
20 electricity to travel in both directions. DPV2 is no
21 different. Power will be able to flow from California to
22 Arizona as well as from Arizona to California.

23 DPV2 involves two major transmission lines. One of
24 the transmission lines is the Devers to Harquahala line. It is
25 a new 500 kilo volt, that's kV transmission line, to be

1 constructed between Arizona and California. It would connect
2 the proposed Harquahala Junction Switch Yard, located
3 approximately 40 miles west of Phoenix, to SCE's existing
4 Devers substation near Palm Springs California.

5 The Devers-Harquahala line will be about 225 miles
6 long, of which approximately 97 miles will be located in
7 Arizona. The remainder would be located in California.

8 The Devers-Harquahala line will parallel the existing
9 Devers-Palo Verde Number One 500 kV transmission line for most
10 of its route. The fact that it would parallel the existing
11 DPV1 line is a great positive for this project because it means
12 the majority of the line would be built within existing rights-
13 of-way, within already approved utility corridors.

14 The second transmission line is the Devers-Valley
15 Number Two line. The Devers-Valley Number Two line will be a
16 new 500 kV transmission line connecting SCE's Devers-Valley
17 substation to SCE's existing Valley substation in California.
18 It will be approximately 42 miles long.

19 The Devers-Valley Number Two line will be located
20 entirely within California and will be parallel -- it would
21 parallel SCE's existing Devers-Valley Number One line.

22 Altogether DPV represents about 267 miles of
23 transmission lines, nearly two-thirds of which will be located
24 in California. And importantly, the DVP2 project, will be paid
25 for by California customers.

1 DPV2 has been reviewed and approved by multiple
2 regulatory bodies. The California Public Utility Commission
3 approved DVP2 in January of 2007. In the CPUC evidentiary
4 hearings, the California Public Utility Commission evidentiary
5 hearings on the need for DPV2, all parties agreed that DVP2 is
6 needed and is cost effective.

7 Other approvals include the California Independent
8 System Operator and the United States Department of Interior's
9 Fish and Wildlife Service.

10 Additionally, the CPUC and the United States Bureau
11 of Land Management, that's the BLM, published a joint
12 environmental impact report and environmental impact statement
13 on October 25th, 2006.

14 SCE has requested BLM to amend the 1989 right-of-way
15 grant that it previously issued, to include land that is
16 required for some series capacitors and to reflect a change in
17 the final terminus of the line in Arizona, as well as make
18 other minor revisions to the existing right-of-way grant,
19 issued by the BLM. BLM has not yet issued a record of
20 decision on SCE's request for the amended right-of-way grant.

21 In March 2007, the Arizona Public -- the Arizona
22 Power Plant and Transmission Line Siting Committee, I'll refer
23 to it as the Arizona Siting Committee. This is a committee of
24 the ACC. That Committee approved -- it actually granted a
25 certificate of environmental compatibility, or CEC, for the

1 Arizona portion of the DPV2 project.

2 On June 6th, 2007, however, the Arizona Corporation
3 Commission, the ACC, issued a decision that denied SCE's
4 request for a permit to site the DPV2 facilities in Arizona,
5 effectively overturning the Siting Committee's recommendation.

6 It's because of this denial of the ACC, by the ACC,
7 that we are here today in a FERC scoping meeting. But it
8 cannot be emphasized enough, that it is SCE's priority and
9 preference to gain approval of the DPV2 project via the Arizona
10 State Regulatory process. I would not be surprised if this was
11 also the preference of the FERC. I will let the FERC speak for
12 itself on that.

13 Virtually all parties that I speak with have a stated
14 preference to achieve a satisfactory resolution for the DPV2
15 project at the State level. SCE remains committed to the
16 construction of a transmission project that will relieve
17 congestion on the existing transmission facilities between
18 Arizona and Southern California.

19 By the way, the DPV2 project falls within the
20 southwest corridor that has been identified by the Department
21 of Energy as a National Interest Electric Transmission
22 Corridor, or NIETC.

23 In addition to granting a certificate of
24 environmental compatibility for the Arizona portion of the DPV2
25 project, the Arizona State Siting Committee identified

1 substantial benefits that will be created by DPV2, including
2 improving Arizona's and the regions access to renewal
3 resources.

4 Since the denial of the DPV2 by the ACC, SCE has been
5 working very closely with Arizona and regional stakeholders to
6 develop a mutually acceptable alternative plan to present to
7 the ACC in the form of a new application.

8 SCE intends to continue its on-going work with
9 Arizona and regional stakeholders, in order to secure the ACC's
10 approval of the portion of the DPV2 that would be located in
11 Arizona.

12 The list of stakeholders that SCE is working with
13 includes ACC staff, Arizona utilities, regional utilities and
14 planning groups such as the Southwest Area Transmission
15 Planning Group.

16 Electric transmission is not a state-by-state issue;
17 at the very least, it is a regional issue and largely, it is a
18 national issue. It is very analogous to the interstate highway
19 system.

20 Nevertheless, our focus is on achieving a resolution
21 for a successful project in Arizona, with the State of Arizona.
22 That said, in the interest of preserving all options for a
23 successful project, SCE is pursuing multiple avenues
24 simultaneously.

25 SCE has appealed the ACC's decision denying the

1 project. That appeal is currently under a stay; a stay agreed
2 to mutually by SCE and the ACC in order to make progress on the
3 development of mutually acceptable -- of a mutually acceptable
4 project in Arizona.

5 SCE is also pursuing the authority granted to the
6 FERC to site transmission facilities under the siting
7 provisions of the Energy Policy Act of 2005. SCE submitted an
8 initial filing at FERC in May 2008.

9 FERC staff may speak more to this process, but SCE is
10 currently working through the fairly prescribed pre-filing
11 process at FERC. These FERC scoping meetings are part of that
12 pre-filing process.

13 It's important to note that there has been no formal
14 application made at FERC yet. The pre-filing process has
15 begun, but if SCE is to file at FERC, it would come only after
16 satisfying all of FERC's requirements in the pre-filing
17 process, and only after SCE has exhausted all efforts to
18 develop mutually acceptable DPV2 project for facilities in
19 Arizona.

20 If, as I stated earlier, we can achieve our priority
21 and preference for a successful project in Arizona from state
22 authorities, then that is our goal and there would be no need
23 for the FERC filing.

24 This concludes my project overview.

25 MR. CHERRY: Thanks. I would also like to point out

1 that there are other Southern California Edison representatives
2 here and they have brought detailed maps of the route. You can
3 talk to them and look at the maps in the back of the room after
4 the formal portion of the meeting concludes.

5 We'll now begin the important part of the meeting
6 with your comments. If you intend to comment tonight, please
7 be sure that your name is on the speakers list at this time.
8 When your name is called, please step up to the microphone and
9 state your name for the record.

10 Your comments will be transcribed by a court reporter
11 to ensure that we'll get an accurate record of your comments.
12 The transcript of this meeting will be placed on the public
13 record at FERC so that everyone has access to the information
14 collected here tonight.

15 Currently there is no one on the speaker list, so I
16 will ask if there is anyone else that would like to speak?

17 Seeing no additional speakers, the formal part of the
18 meeting will conclude.

19 On behalf of the Federal Energy Regulatory
20 Commission, I would like to thank you all for coming tonight.

21 Let the record show that the Devers-Palo Verde Number
22 Two Transmission Line Project Scoping Meeting concluded at 7:31
23 P.M.

24 Thank you.

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CERTIFICATE

I, Deborah Gonzalez, as the court reporter in this matter, hereby certify that the attached proceeding held in Quartzsite, Arizona, on July 8th, 2008, was held as herein appears; that the statements that appear in this transcript were digitally recorded by me and transcribed under my direction. I also certify that this transcript is the original transcript thereof, and is a true and accurate record of the proceeding.

Deborah Gonzalez