Statement of Joanna Prukop, Secretary, New Mexico Energy, Minerals and Natural Resources Department Before the House Natural Resources Committee Subcommittee on National Parks, Forests, and Public Lands and Subcommittee on Energy and Mineral Resources On The West-wide Energy Corridor Process: State and Community Impacts April 15, 2008

Chairman Grijalva, Chairman Costa and Members of the Subcommittees, my name is Joanna Prukop. I am the Secretary for the New Mexico Energy, Minerals and Natural Resources Department. I appreciate the opportunity to speak to you today about the impacts of the Westwide Energy Corridor process on the State of New Mexico.

The mission of the Energy, Minerals and Natural Resources Department is "To position New Mexico as a national leader in the energy and natural resources areas for which the Department is responsible." My department consists of seven divisions, including Forestry, State Parks, Energy Conservation and Management, and Mining and Minerals. The interrelationship of these divisions informs our vision of "A New Mexico where individuals, agencies and organizations work collaboratively on energy and natural resource management to ensure a sustainable environmental and economic future." The manner in which the Department of Energy (DOE) and Bureau of Land Management (BLM) are leading the effort to designate energy corridors under Section 368 of the Energy Policy Act of 2005 should be consistent with and supportive of our mission and vision. Unfortunately, the corridor designation process is currently proceeding without compliance with key federal laws, consideration of New Mexico's renewable energy resources or efforts to protect the other natural resources and communities of our state.

Although the agencies have prepared a Draft Programmatic Environmental Impact Statement (PEIS) pursuant to the National Environmental Policy Act (NEPA), the vast majority of this document is focused on explaining why the designation of corridors will have no impact on the environment. We disagree with that and note that at least one federal agency has similar concerns. Instead of consulting with the U.S. Fish and Wildlife Service and National Marine Fisheries Services (NMFS) as required by the Endangered Species Act (ESA) about the impact of these corridors on threatened and endangered species, the federal agencies in the Draft PEIS spend many pages explaining why there are no likely effects – even though the NMFS expressed its opinion that consultation was required because of the real impacts these designations could have on wildlife. The NMFS comments (also attached to these comments as Exhibit A) state: "The information contained in the PEIS does not allow NMFS to discount adverse effects." The Draft PEIS simply does not allow the DOE and BLM to evaluate the potential effects that may flow from the designation of corridors. The agencies' insistence that there are no actual impacts from designation of these corridors ignores the effect of the incentives built into a corridor designation.

These incentives include the following, all set out in the Energy Policy Act: coordinated rightof-way efforts among the federal agencies, uniform operating rules, one federal point-of-contact for communications, accelerated processing to avoid delays, and required changes to land use management plans of the agencies to include the designated routes. Considering just the last incentive, it is obvious that no future analysis of the environmental impacts conducted during the review of a land use management plan will be able to consider a true "no action" alternative, because the change to the management plan is required by the determination of designated corridors. Since a complete analysis of cumulative impacts is not being completed in the Draft PEIS, it will not be done later in the process. The current designation process is pre-empting the decision-making for future actions in a way that will directly impact the environment. Further, Section 390 of the Energy Policy Act created a new categorical exclusion from NEPA for the placement of oil and gas pipelines in approved right-of-way corridors, such as these energy corridors. Use of this categorical exclusion means that there will be absolutely no NEPA analysis regardless of how many pipelines are put in these corridors or the values they may contain. This is especially concerning where the corridors pass through places like the Sevilleta National Wildlife Refuge in our state, a location well known for research opportunities and tourists attracted by the migrating cranes and other waterfowl.

The agencies' failure to acknowledge the impacts of designating large swaths of land for pipelines and power lines also leads to a failure to consider the direct, indirect and cumulative impacts on adjacent lands from the use of energy corridors and other activities in the areas of the proposed routes. It is easy to "connect the dots" from one link in the designated corridor to the next and find that the route leads through areas that citizens of this state want to protect. The federal designations will provide the incentives that make these routes the most likely based on expense and time considerations, but do not reflect the impacts of the decisions on the surrounding areas. Citizens of this state objected to the proposed corridors at your public meeting in Albuquerque on January 24, 2008. They expressed concern for the land and other resources in the areas between corridor segments. They expressed particular concerns about the town of Placitas, the Pueblo of Santa Ana and areas in the Organ Mountains. Ignoring these concerns at this time is likely to mean failure for the entire process.

The concerns of the citizens of the Placitas area highlight the flaws in this process. More than twenty years ago, they created the Las Placitas Association to help them achieve their community goals to protect open space, restore riparian watersheds, promote recreational, educational and rural activities, and engage the community in appreciating the environmental and cultural richness of the area. Through a Freedom of Information Request, they were able to obtain a map showing the full route of the proposed corridor through Placitas, which would have significant effects on both the residents of this community and of nearby tribal lands. See Exhibit B. The path of this designation leads to significant concerns about the exercise of federal eminent domain to complete the corridor through private land and the destruction of significant portions of this community and its thoughtful goals. It is unacceptable that similar maps were not made available for all of the proposed corridors, that local concerns and goals were not taken into account, and that alternative routes were not considered.

The State of New Mexico's commitment to producing renewable energy is also not sufficiently respected in the Draft PEIS. New Mexico's significant wind and solar resources are driving the need for strategically placed energy corridors to meet in-state electricity demand as well as export demand for clean energy to other states having renewable portfolio standards

requirements, such as Arizona. New Mexico is ranked first among all states in percentage of electricity retail sales from wind power (7.3%, according to a 2006 U.S. Department of Energy report). New Mexico wind power is already being exported to Arizona, provided by the Aragonne Wind (Phase I) 90-MW wind farm, with the Aragonne Wind (Phase II) 110-MW wind farm soon to follow.

New Mexico now has a total of 496 MW of wind capacity producing "green power", making New Mexico the tenth–ranked state for developed wind power capacity. This capacity will continue growing, with an additional 210 MW planned for construction. The wind farms are located in the eastern half of the state where the best wind resources are located. See Exhibit C. Another boom in renewable energy development is anticipated for concentrating solar power technology, utilizing world-class solar resources available in the southwest part of the state.

The department, on behalf of the State of New Mexico, submitted an energy corridors map during scoping and again with our comments on the Draft PEIS that showed corridors important for the development of renewable energy resources and recommended that they be designated in this process. I have included a copy of this map with these comments. See Exhibit D. The Draft PEIS incorporates some, but not all, of the recommended corridors. For instance, corridor 81-213 on the map of designated corridors for New Mexico is likely to be the most effective in aiding the development of new solar and wind resources in New Mexico, and there is not another route that will directly serve that purpose. Much of that corridor is also supported by regional planning efforts considering transmission facilities. Corridor 81-213 is well located to facilitate future development of solar and geothermal resources in the Southwest and South-Central regions of New Mexico and may assist the development of wind resources by providing a way to move the power west. Other corridors are needed to develop wind energy in other parts of eastern New Mexico. The Draft PEIS should prioritize access for renewable energy resources and we provided information that would help to make this a reality. However, the agencies appear to be missing the opportunity to support renewable energy development and transmission.

We also identified a corridor in the west-central region of the state to transmit wind power from eastern New Mexico to loads further west, by following Interstate Highway 40 and other existing facility corridors, while avoiding sensitive areas such as national monuments and wilderness areas. The Draft PEIS fails to designate this corridor, as well, again missing an opportunity to support renewable energy and to designate a corridor that avoids and minimizes impacts on the natural values of New Mexico.

In fact, the Draft PEIS does not sufficiently protect sensitive areas on either federal land in the corridors or on tribal, state, or privately owned lands adjacent to the corridors. In no situation is there an attempt to analyze the cumulative impact of additional transmission lines. For example, corridor 81-272, the major north-south corridor in the state, runs through the Sevilleta National Wildlife Refuge. While an interstate highway and an existing corridor are present in the same area, there are a number of concerns that maximizing the use of this corridor by designating it in this process may cause unacceptable damage to endangered wildlife species and important scientific research projects. These impacts should be thoroughly evaluated before the refuge is designated as an energy corridor for multi-modal use. The same corridor route also runs along the Rio Grande River which is one of the most endangered rivers in the country. Along the

likely path, there are also state wildlife refuges, one of which contains the endangered Pecos sunflower. Impacts on these areas are not considered in the PEIS and this is evidence of the problem of not considering the cumulative impact of the designations.

Further south, a designated corridor cuts through a Proposed National Conservation Area (NCA) east of Las Cruces in the Organ Mountains. I have also provided a map of this area. See Exhibit E. The NCA status has been supported by local governments, civic organizations and citizens in the area, but the Draft PEIS does not address any of these potential impacts. Discussion with local land management authorities, including the local BLM, would have identified the potential conflict.

The PEIS should seriously examine the impacts to federal, tribal, and state lands, with a special focus on areas that have identified for conservation or having important natural or cultural values. Designating corridor routes on federal lands that will logically lead into areas of specific concerns to New Mexico will ultimately prevent the corridors from benefiting the state and the public. Areas in need of special protection include parks, monuments, wildlife management areas, refuges, migratory bird habitats, migratory paths for large game animals, breeding areas, wilderness, wetlands, and riparian areas. By actively investigating state, regional and local priorities and concerns, the DOE and BLM can then analyze the impacts on these areas and consider how to avoid or minimize them before designating corridors on federal lands.

The New Mexico Energy, Minerals and Natural Resources Department generally recognizes the benefits that could come from designating corridors that will assist in improving energy distribution in the West and encouraging the development of renewable energy resources. We have serious concerns with the lack of environmental analysis in the Draft PEIS, which is the sole analysis to support designation of sizeable corridors for large-scale development with limited chances for later review or consideration of alternatives. The failures to address the real impacts of corridor designation, support renewable energy development and protect the values of the affected federal, state, tribal and private lands which I have described above are not limited to the State of New Mexico and must be addressed west-wide.

We request that the federal agencies thoroughly analyze the direct, indirect and cumulative impacts of the proposed corridors on both federal and adjacent lands to accurately portray the entire picture in a supplement to the PEIS, which should also include measures to support renewable energy development and protect natural and cultural resources, as well as various alternatives for public comment. After public comment on the supplement, in addition to consultation with affected Indian Tribes, municipalities and other federal agencies, a decision can be made on the designated corridors. The State of New Mexico and the department have expressed their willingness to work with DOE and BLM on this effort, but we have had no indication that the agencies are interested in ensuring that the citizens of New Mexico and the other affected western states will have the environmental and other impacts of the energy corridors fully evaluated before the designations occur.

Thank you for the opportunity to highlight these issues. I hope that Congress will urge and even direct the DOE and BLM to fulfill their responsibilities under the Energy Policy Act before making decisions that will have unacceptable impacts on the citizens of the West.