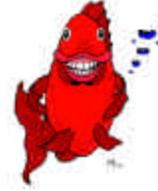




Red Herrings v. Reality



There have been some highly misleading claims about the Department of Energy's (DOE) proposal to designate two vast regions of the country as National Interest Electric Transmission Corridors. We thought you might be interested in knowing where these claims differ from reality. Below is information you may want to be aware of:

- Claim:** *Project sponsors must go through the State siting process first.*
Reality: **If a state doesn't approve a project exactly as it was proposed within one year, the electric utility can trump the state and get it approved by bureaucrats in Washington, DC. Utility companies could simply stall the process by failing to give complete applications. Utility companies are monopolies which the state commissions will no longer be able to adequately monitor to ensure consumers are receiving the service they deserve.**
- Claim:** *There is an open public process at DOE to select carefully defined National Interest Electric Transmission Corridors.*
Reality: **DOE is as precise as a meat axe. They proposed to designate all of New Jersey and Delaware, most of New York, Pennsylvania and Maryland and large portions of West Virginia, Virginia, California, Arizona and Nevada.**
- Claim:** *Under certain circumstances, if the State cannot or will not site the needed facility within the corridor, the utility may ask the Federal Energy Regulatory Commission to approve the facility.*
Reality: **Energy companies can circumvent state authority by applying for permits to build electric transmission lines directly with the Federal Energy Regulatory Commission (FERC), if any of the following conditions are met:**
- **A state withholds approval of a transmission line permit application for more than one year;**
 - **A state in which the transmission line is to be constructed does not have authority to approve the siting of lines;**
 - **The state requires mitigation of the project that the applicant believes makes the project economically infeasible; or**
 - **The energy company does not serve end-use customers in the state.**
- Claim:** *No Federal laws regarding the environment, parks or historic preservation are waived during this process.*
Reality: **According to testimony from the National Trust for Historic Preservation: "DOE is interpreting its responsibilities under Section 1221 to exclude compliance with the National Environmental Policy Act (NEPA), and other environmental laws such as Section 106 of the NHPA, prior to designating National Corridors." NEPA loses its ability to effectively analyze all alternatives to minimize impacts on the environment when boundaries are narrowed by a NIETC designation.**

Claim: *After a lengthy public rulemaking process, DOE has designated only two National Interest Electric Transmission Corridors – one in the mid-Atlantic region and one between the Phoenix area and Southern California.*

Reality: DOE has not conducted a rulemaking; it conducted a study based on data provided by the utility companies. Additionally, although the law required DOE to consult with the affected states in preparing this study, DOE failed to do so. In fact, underlying data for the study has not even been released and many states and their utility experts have pointed out flaws in the study method and analysis.

Claim: *Sec. 1221 was debated vigorously over the last two Congresses.*

Reality: The House Rules Committee did not allow this provision to be debated. Only 13 percent of the 109th House of Representatives -- Members who served on the Energy and Commerce Committee -- ever heard debate or voted on this provision. Therefore should only 13 percent of the country be available for designation?

Claim: *This amendment is really directed at two proposed transmission lines in New York and Virginia.*

Reality: Once DOE finalizes their designations, landowners in 11 states will have doubt cast across the value of their property for the next 12 years until the designations expire. Nothing in EPAct limits the availability of state preemption and eminent domain to just two proposed transmission lines. Energy companies can propose as many lines as they wish.