FINAL ENVIRONMENTAL IMPACT STATEMENT

Project Financing for Southwest Intertie Project – South

DOE/EIS-0443
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Western
AREA POWER
ADMINISTRATION

COVER SHEET

Responsible Federal Agency: U.S. Department of Energy, Western Area Power Administration

Title: Final Environmental Impact Statement (FEIS) – Project Financing for Southwest Intertie Project – South (DOE/EIS-0443)

Location: Clark, Lincoln, Nye, and White Pine counties, Nevada

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Background: The U.S. Department of Energy (DOE), Western Area Power Administration (Western), is considering whether to provide partial financing of the southern portion of the Southwest Intertie Project (SWIP-South) which consists of approximately 235 miles of 500-kilovolt (kV) transmission line. SWIP-South would extend from Harry Allen substation near Las Vegas, Nevada northward to the proposed Thirtymile Substation near Ely, Nevada. Partial financing of SWIP-South is being considered under the provisions of Western's Transmission Infrastructure Program (TIP) which was created to implement Section 402 of the American Recovery and Reinvestment Act of 2009 (Recovery Act). Under the Recovery Act, Western was given authority to borrow funds from the U.S. Treasury to construct, finance, facilitate, plan, operate, maintain, and/or study construction of new or upgraded electric power transmission lines and related facilities.

Great Basin Transmission (GBT), in conjunction with Western and NV Energy, proposes to construct, operate, and maintain, the Southwest Intertie Project (SWIP). The SWIP is a proposed 520 mile, single-circuit, overhead alternating current 500-kV electric transmission line from the Harry Allen Substation near Las Vegas, Nevada, to the Midpoint substation, near Twin Falls, Idaho. The SWIP is being developed as two independent transmission projects, SWIP-South and SWIP-North. In July 1993, the Bureau of Land Management (BLM) completed the *Southwest Intertie Project Environmental Impact Statement and Proposed Plan Amendment*, herein referred to as the SWIP Environmental Impact Statement (EIS), in cooperation with the Forest Service, Bureau of Reclamation, National Park Service, and Bureau of Indian Affairs, to analyze the environmental impacts that would be associated with construction and operation of the entire SWIP. The environmental mitigation measures for the SWIP are identified in the Record of Decision (ROD) issued by BLM on December 14, 1994, (59 FR 30678) herein referred to as the BLM ROD. In 2008, BLM prepared the *Environmental Assessment for the Southwest Intertie Project Southern Portion NV-040-07-048*, herein referred to as SWIP-South Environmental Assessment (EA). In the 2008 SWIP-South EA, BLM considered the impacts of amending the previously approved Right-of-Way (ROW) Grants to allow a 4-mile extension on the southern end to allow interconnection with the existing Harry Allen Substation and a shift in the location on the northern end of less than one mile to the newly proposed Thirtymile Substation to take better advantage of the since-constructed Falcon-to-Gonder 345 kV-line. The SWIP-South EA also provided an update on the key resource areas and impacts from the 1993 SWIP EIS.

Due to the size of the SWIP project (approximately 520 miles in length), and because different components of the SWIP have independent utility, GBT proposes to complete the permitting and construction of the project in phases. Consistent with this phased approach, in June 2007, GBT submitted an application to the Nevada Public Utilities Commission (PUC) for a Utility Environmental Protection Act permit for the first phase of the project, known both as the Harry Allen-to-Thirtymile Project and as the SWIP-South. The PUC approved the application in December 2008. It is anticipated that GBT will enter into a Transmission Service

Agreement with NV Energy that would provide 100 percent of the transmission capacity on SWIP-South to NV Energy and that NV Energy would acquire a 25 percent ownership interest in SWIP-South and fund its 25 percent share, approximately $139 million.

The SWIP-South would begin at the existing Harry Allen Substation, located in Dry Lake, Nevada, approximately 20 miles northeast of Las Vegas, Nevada, and run north to the proposed Thirtymile Substation approximately 18 miles northwest of Ely, Nevada, where it would interconnect with Sierra Pacific Power Company's existing Falcon-to-Gonder 345-kV transmission line. The SWIP-South would traverse approximately 235 miles through parts of White Pine, Nye, Lincoln, and Clark counties in Nevada, and would consist of self-supporting, steel-lattice and steel-pole H-frame structures, placed approximately 1,200 to 1,500 feet apart.

The second phase, referred to as the SWIP-North, would run from the proposed Thirtymile Substation to Idaho Power Company's Midpoint Substation near Shoshone, Idaho. A third possible phase, the Southern Nevada Intertie Project (SNIP), is an approximately 60-mile extension paralleling the existing NV Energy line between the Harry Allen and Mead Substations in Nevada. The SNIP could also be permitted and constructed separately from the remainder of the SWIP. Applications with the Nevada PUC are pending for both SWIP-North and SNIP. At this point, it is not certain that either SWIP-North or SNIP will be approved or constructed, and SWIP-South has independent utility of these other phases based on filings with the Nevada PUC and transmission service agreements; therefore, the different phases of SWIP are considered to have independent utility.

The BLM was the lead agency in the preparation of the SWIP EIS as well as the SWIP-South EA. Western did not participate as a cooperating agency in the preparation of the EIS or EA because Western was not considering partial financing of the project nor was the Recovery Act then law. Western's potential financing of the SWIP-South does not change the environmental impacts as analyzed in the BLM environmental documents.

Western is adopting both BLM's EIS and EA to meet its obligations under the National Environmental Policy Act (NEPA). The BLM EIS and EA address the environmental impacts of the SWIP-South. Since the BLM EIS and EA do not specifically identify Western's partial financing action under the Recovery Act, Western has prepared this Cover Sheet to accompany the BLM EIS and EA. This Cover Sheet addresses Western's need for agency action, its proposed action, and a discussion on intentional destructive acts. The BLM SWIP EIS and SWIP-South EA and this Cover Sheet serve as Western's NEPA documents for the proposed partial financing of the SWIP-South. Western has performed an independent evaluation of both BLM environmental documents and has determined that both meet the requirements of the DOE NEPA Implementing Procedures (10 CFR part 1021).

Western's Purpose and Need - Under section 402 of the Recovery Act, Western is given authority to borrow funds from the U.S. Treasury to construct, finance, facilitate, plan, operate, maintain, and/or study construction of new or upgraded electric power transmission lines and related facilities. These transmission lines and related facilities must have at least one terminus in Western's marketing area and deliver or facilitate the delivery of power from renewable resources constructed or reasonably expected to be constructed after the date of enactment of the Recovery Act.

On March 4, 2009, Western published a Notice of Proposed Program and Request for Public Comments in the *Federal Register* (74 FR 9391) describing its proposed TIP and soliciting public input on that program. After considering the comments received on its March 4 *Federal Register* notice, Western published its final TIP Notice of Program on May 14, 2009 (74 FR 22732). The TIP will guide how Western evaluates proposals for funding under the Recovery Act.

Western also published a Notice of Availability of Request for Interest on March 4, 2009, (74 FR 9391) that initiated a public process to help identify the first round of transmission projects to be

developed under the Recovery Act. The SWIP was one of the projects proposed for funding in response to this notice.

Western's Proposed Action - Western's proposed action is to partially finance SWIP-South under its TIP authority. Western's financing would amount to 85 percent of GBT's 75 percent share of the costs of developing and constructing SWIP-South, approximately $354 million. In return for its portion of Project funding, Western would have the rights, under certain provisions, to acquire a 7.5 percent ownership interest (physical assets and capacity rights) which is currently estimated to be 45 MW of bi-directional capacity.

Intentional Destructive Acts - After the recent decisions made by the U.S. Court of Appeals, DOE NEPA documents are now required to include an evaluation that considers "intentional destructive acts," (i.e., acts of sabotage or terrorism) and the potential environmental consequences of such acts.

As with any U.S. energy infrastructure, the proposed SWIP-South could potentially be the target of terrorist attacks or sabotage. If a fire, explosion, or chemical release occurred at either of the substations as the result of a terrorist attack, such events could cause injury and/or death of workers. The risk to workers or the public from damage to the substation, as a result of accidental or intentional actions by outside parties, is low because public access would be controlled by a fence, and the site would be monitored. An emergency response plan and site security plan would be prepared for each substation. Due to the sensitive nature of information contained within these plans, the documents would not be available for general public review. The proposed action would not increase the risk for environmental impacts from intentional destructive acts.

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