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Comments on the SunZia Draft Plan of Development

Comments on SunZia's March 2017 draft Plan of Development ("POD") by the Cascabel Working Group ("CWG") are contained herein, and are submitted in accordance with Condition 29 of SunZia's Arizona Certificate of Environmental Compatibility ("CEC"), which is currently being challenged in the Arizona Court of Appeals.

The Cascabel Working Group is an all-volunteer organization that works to prevent the degradation and fragmentation of one of the most remote reaches of the San Pedro River. The San Pedro is a unique desert river ecosystem that has hemispheric importance as a lifeline for both avian and terrestrial wildlife. It remains an important, unfragmented conservation corridor, with federally recognized mitigation designations that offset major impacts in the nearby 'Sun Corridor' development region.

1) What is at stake in the middle San Pedro watershed, and the associated implications on why the standard mitigation hierarchy must be applied in this POD.

The extraordinary ecological value of the middle San Pedro watershed was documented at great length in the records of both the federal and state permitting processes. SunZia's project manager, Tom Wray, acknowledged what was at stake in the middle San Pedro Valley in his June 13, 2012 letter to the federal oversight agency, the Bureau of Land Management (Final Environmental Impact Statement, Appendix J, page 736). Mr. Wray stated that taking this route parallel to the middle San Pedro River would very likely result in "...negative impacts on water resources and riparian habitat in the Lower San Pedro River and increase the risk of erosion. SunZia believes such damage will be very difficult to mitigate." Wray further noted that only twelve miles of the affected 45 miles of new line construction would be co-located with existing linear infrastructure, and this relatively small portion of existing infrastructure is underground (a pipeline), thus leading

to new above-ground impacts to all 45 miles paralleling the San Pedro River, with 33 miles of new and cumulative impacts on previously undisturbed land that Mr. Wray characterized as a “unique riparian environment.” He further cited the impacts of this route on ephemeral streams, water quality, unique wildlife habitat, the Pima County Sonoran Desert Conservation Plan, and on biological, cultural, and paleontological resources. At the end of his letter, Mr. Wray characterized this route as the least environmentally compatible route alternative in the region.

As an electrical engineer, Mr. Wray has only scratched the surface regarding what is at stake in terms of ecological value, but his own letter still serves as a compelling reason why the standard mitigation hierarchy must be applied when making profound land use decisions of this kind. The mitigation hierarchy was cited by intervenors in the Arizona Line Siting Hearings, as well as by SunZia’s own biological resources witness, David Kahrs, when he responded to the Line Siting Committee’s request for a “gold standard” mitigation plan.

Mr. Kahrs presented the mitigation hierarchy as the first and primary consideration in developing a gold standard plan. He stated that the highest priority in this hierarchy is to avoid unnecessary impacts. CWG continues to believe that this transmission project as currently routed is not the best option for achieving the goals outlined by SunZia in their applications for federal and state permits, and it would be unnecessarily damaging to a now-unique region of extraordinary biological wealth. Thus, CWG will continue to oppose this project and request a POD condition that will hold SunZia and the BLM accountable for their highly challenged claims of renewable energy benefits (see Section 2 below).

The second priority in the mitigation hierarchy presented by Mr. Kahrs is to minimize impacts that cannot be avoided entirely. CWG believes that this draft POD is a nearly identical version of the mostly standard mitigation protocols that were presented five years ago by SunZia. It makes no significant improvements to a POD that was written long before SunZia promised the Arizona Line Siting Committee to develop a gold standard mitigation plan (see Section 3 below).

The third priority at the bottom of the mitigation hierarchy is to compensate for residual impacts that remain after avoiding and minimizing impacts to the highest degree possible. CWG asserts that cash payments to two primarily rancher organizations and possible compensation to Pima County do not in any meaningful way address the impacts of major fragmentation and the introduction of cumulative impacts to this remote portion of

southern Arizona's last remaining intact desert river ecosystem. This has now become a foolish exercise in trying to mitigate impacts to Arizona's default mitigation corridor, the very region that already serves to mitigate the prior impacts of the largest utility involved with SunZia (see Section 4 below).

2. Specifying the order of construction in the POD, and associated relationship to the purpose and scope of this transmission project.

Remarkably, there is no written specification in the POD about the order of constructing the various line segments. Order of construction, if done in the opposite fashion implied in all prior characterizations of the project's origination and termination points, would have significant implications on how the lines will actually be used, as opposed to the repeatedly claimed renewable energy use of the lines. The primary renewable energy purpose of this project has been a hallmark aspect of SunZia's presentation to the public and is reflected in the very name of the project, the public statements of official representatives of the Department of the Interior (including the former Secretary), and in pervasive renewable energy graphics that have consistently been used in promoting alleged benefits to local economies and the environment.

Local conservation groups were characterized by SunZia's spokesman as environmental "hypocrites" for embracing renewable energy but not accepting claims that this project's infrastructure would be used to transport primarily renewable energy (<http://www.nextgov.com/defense/2013/07/pentagon-and-environmentalists-unite-opposition-proposed-power-line-route/67535/>). It is clear that claims about alleged renewable energy benefits were used to influence important land use decisions.

Given Mr. Wray's own description of what is at stake in the remote middle San Pedro region and the similar comments from many credible groups that specialize in ecosystem conservation, and given that SunZia justifies the environmental costs through the environmental benefits of renewable energy, it is essential that the order of construction be consistent with the repeatedly emphasized primary purpose of the project. CWG does not accept that government officials should turn a blind eye to possible bait-and-switch schemes and ignore the evidence presented.

Although a specification of the order of construction is conspicuously absent in the POD, Mr. Wray did testify before the Arizona Line Siting Committee and reiterated to the Arizona Corporation Commission ("ACC") that SunZia intended to start construction at

the termination point of the transmission project and work eastward. He explained that this was necessary because SunZia needed a source of power for testing and security purposes as the line was being constructed. However, shortly before the vote on whether to grant the state permit, Mr. Wray made a point of telling the Commissioners that once the western line segment was completed, regulations of the Federal Energy Regulatory Commission (“FERC”) would force SunZia to immediately begin accepting applications for interconnection to the first constructed line segment, including from major fossil-fueled plants in the region. Additionally, Salt River Project, the largest utility involved in SunZia, had previously stated during the Line Siting Hearings that their primary interest was to use the termination portion of SunZia to transport existing fossil-fueled resources from eastern Arizona.

This 11th hour change in how SunZia characterized energy use of their proposed line, and other compelling evidence, resulted in expressions of significant concern by three of the Commissioners about possible misrepresentation of purpose. Obviously if the termination segment of the transmission project, the same 160-mile segment that passes through the middle San Pedro Valley, were occupied by fossil-fueled energy resources, there would be much less capacity available to accommodate the claimed primary use of the lines for wind energy from New Mexico, and much less incentive to investors to even construct the most expensive and least efficiently used portions of the project east of the Willow Substation.

Given this testimony from SunZia and the high potential for bait-and-switch, it is essential that SunZia include in this POD a written commitment that construction would first proceed eastward from the Willow Substation, and that the 160-mile termination portion of the project would be completed last, after the rest of the project had already been constructed to the origination point in the wind generation region of New Mexico. SunZia witness Mark Etherton testified that there would indeed be a source of power (that could be used for testing and security purposes during line construction) at the Willow Substation through a wires-to-wires agreement with Tucson Electric Power Company. This written commitment in the POD would ensure that the project would be constructed as a whole, and would ensure the validity of the federal review process that eliminated less impactful alternatives from consideration based upon SunZia's unique claim of needing two 500 kV transmission lines for accessing high capacity wind energy from central NM.

As stated on the cover page, this POD is going to be submitted to the New Mexico State Office of the BLM, and yet, at this time, the federal permit still includes no requirement

that the current or future owners of SunZia build any portion of the proposed transmission project in the state of New Mexico.

3. Lack of necessary protocols in the POD to minimize impacts by avoiding the construction of new roads.

POD Volume I and the Appendices are supposed to include "...detailed information regarding the required mitigation measures, protocols, and procedures for construction, operation, and maintenance of the transmission line and ancillary facilities" (page 1-7).

However, with regard to mitigation measures, there is very little difference in the text portions of the most recent version of SunZia's POD and a preliminary version that was published by SunZia five years ago (http://www.sunzia.net/documents_pdfs/preliminaryplanofdevelopmentdraft_may2012.pdf).

This does not bode well for SunZia's promise to the Arizona Line Siting Committee to deliver a gold standard mitigation plan. The lack of significant revisions to the 2012 version of a preliminary POD indicates the adoption of a standard approach to construction and maintenance. This approach belies SunZia's promise during the permitting process to avoid unnecessary impacts and fully mitigate residual impacts, while at the same time providing present and future owners of the Arizona and federal permits an enormous amount of wiggle room to under-deliver on the avoidance and mitigation of significant impacts.

The most obvious example of this lack of revision to the preliminary 2012 POD is that despite all the discussion during the Arizona Line Siting Hearings about the avoidance of new road construction and the use of aerial construction methods to achieve this objective, there is no significant difference in the extremely cursory discussion of helicopter-facilitated construction between the 2012 POD version and the most recent version, while there is great detail provided in both versions about road construction and ground-vehicle-facilitated construction methods. See the very brief sections on the use of helicopters in both versions (Item 13 in Table 6-2 and Appendix Sections 4.4.2 and 4.8.4) and the continued absence of helicopters or associated specifications in Tables 4.1 and A1-1.

No methodology is described in either POD version for installing foundations at towers that would not be accessible by roads. The two POD versions only briefly mention

possible helicopter placement of “the structure, insulators, and hardware” (Appendix A1, section 4.4.2).

Lacking these important details and protocols for helicopter-facilitated construction at multiple tower sites, there is an enormous amount of wiggle room for current or future owners of SunZia’s federal and state permits to circumvent the helicopter-facilitated construction requirement in various ways. This flexibility would also apply to associated helicopter designations in Volume II maps. Additionally, there is a loophole in CEC Condition 26 that would allow SunZia to work with the Arizona State Land Department (“ASLD”) in “determining how, when, and where the use of helicopters could assist in mitigating the impact of construction activities, setting transmission structures and conductors...” This consultation is limited to ASLD, even though the impacts of new roads affect the ecosystem as a whole.

There is no firm commitment in the draft POD about how, when, and where helicopters would be used to avoid the construction of temporary or permanent new roads or to avoid the modification of existing roads. Despite the extensive discussion during the Arizona Line Siting Hearings about the exclusive use of helicopter-facilitated construction in large portions of another transmission project in California (Exhibit MCV-24), there are no detailed specifications of protocols for helicopter-facilitated construction in this draft POD.

The most recent version of the draft POD is not substantially different in written protocols from the version that was published five years ago, and thus offers insufficient assurance that SunZia would fulfill the second priority of the mitigation hierarchy, which is to minimize impacts.

4. Compensation for residual impacts in Arizona’s default mitigation corridor is not achievable.

In the letter referenced in Section 1 of these comments, Mr. Wray pointed out that it would be very difficult to mitigate impacts to the middle San Pedro Valley. Nowhere is this more apparent than in SunZia’s decision to pay two local Natural Resource Conservation Districts (“NRCs”) a total of \$600,000 over a three-year period following initiation of construction in exchange for these NRCs dropping all opposition to the SunZia project. Given that it is impossible to mitigate the impacts, SunZia opted to reduce political opposition to incurring major fragmentation impacts in the most

environmentally sensitive region. While the funding involved in this deal would purportedly be used for conservation purposes, such a minimal amount of funding over a three-year period would not compensate for the permanent impacts to this desert river ecosystem. The local NRCDs assumed it was a “done deal” that the project would be approved by the ACC. They assessed the project’s impacts mainly on the basis of the ecosystem’s value for livestock pasture purposes, and decided to go for the money offer, despite being reminded during their deliberations that more conservation interests were at stake than agricultural interests.

During the Line Siting Hearings, SunZia was asked by Committee members if any other payments would be provided to conservation interests other than the NRCDs, to which SunZia’s attorney replied that SunZia had already paid out enough. CWG asserts that no amount of cash could compensate for the permanent impacts to a major river ecosystem that is the last of its kind in the region.

Similarly, cash payments to or mitigation land purchases for Pima County would not compensate for fragmentation effects and permanent impacts to the middle San Pedro region. In fact, this would be a foolish exercise in mitigating impacts to lands that were already designated to compensate for prior impacts in Pima County, initiating the absurd cycle of mitigating impacts to designated mitigation lands. If additional infrastructure were added to this new infrastructure corridor in the future, as is encouraged under federal co-location policies, this irrational cycle would continue.

Especially troubling is that the largest utility involved in the SunZia project, the Salt River Project, already depends upon the San Pedro conservation corridor to compensate for impacts they caused at Roosevelt Lake when they increased water storage capacity for the Phoenix area. These are federally approved mitigation designations in the lower and middle San Pedro watershed. However, the BLM, the Department of the Interior, and Salt River Project are acting as if the overall integrity of the ecosystem that provides this environmental value would not be significantly damaged by introducing a new industrial scale infrastructure corridor.

CWG asserts that this absurd situation represents a major failure in implementing the final priority of the mitigation hierarchy in Arizona, which is to compensate for residual impacts. The impacts of this project should not take place in what has unfortunately become Arizona’s last intact desert river ecosystem available to compensate for impacts in the growth areas. By any rational ecological assessment, compensation for SunZia’s impacts in this important region is not achievable.

5. Conclusion.

The mitigation hierarchy presented by SunZia's biological resources witness as the gold standard for avoiding, minimizing and compensating for impacts has not been adequately applied in this Plan of Development. If this project were allowed to continue with such a weak and unexceptional document, it is likely that the renewable energy justification would not come to fruition, and the gold standard for minimizing impacts would be averted because of the lack of rigor and specificity in the POD. It would become evident to future generations that the project's impacts had not been mitigated in an effective manner. By building the SunZia line through the relatively undisturbed San Pedro Valley, regardless of the construction method, there would be significant long-term effects on the ecosystem health and species richness of the valley.

If SunZia were truly interested in pursuing a "gold standard" mitigation plan, now is the time to work with the Participating Stakeholders in making that possible. So far, however, SunZia has chosen not to be cooperative. They have declined to provide GIS data that would assist in the review process, and have provided an incomplete preliminary Draft POD upon which to comment. According to Condition 29 of the CEC, SunZia agreed to coordinate with the participating stakeholders regarding cultural and historic resources and erosion management techniques. According to the table of contents of Volume I, Appendix C is to contain Cultural and Paleontological Considerations. However, there is no mention of Cultural Considerations in Appendix C, and the Paleontological and Historic Considerations have only placeholders and no information. Additionally, the POD does not include a Stormwater Pollution Prevention Plan, where erosion management would be addressed. Given these deficiencies, the Plan of Development provided to Stakeholders for comment is incomplete.

We now call upon SunZia and the BLM to, at a minimum, take effective action on this POD to

- a) require construction of this project east of the Willow Substation to the stated origination point in central New Mexico before allowing construction west of the Willow Substation;
- b) prohibit the widening or paving of existing roads, or the construction of any new permanent or temporary roads in the San Pedro Valley or any other previously undisturbed route segments that are located in regions recognized as having extraordinary biological wealth;

- c) require that this POD include a detailed plan for helicopter-facilitated construction, with specific written commitments for installation protocols and locations where these protocols would be applied along the route.

CWG will continue to oppose this project because it does not restrict its impacts to areas that have already been disturbed by growth and development. This project provides no benefits to the San Pedro ecosystem, degrades mitigation designations that were made in good faith, and avoids short term land acquisition costs along the existing major infrastructure corridors at the expense of long term impacts to a previously undisturbed conservation corridor.

**Submitted this 3rd day of May, 2017 by the designated contact person for the
Cascabel Working Group,**

A handwritten signature in black ink, appearing to read "Elna L. Otter". The signature is written in a cursive, flowing style.

Elna L. Otter