

## New Incentives for Solar and Transmission on BLM Lands in the Southwest

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The Bureau of Land Management (BLM) and the U.S. Department of Energy (DOE) have issued a Final Programmatic Environmental Impact Statement (PEIS) for Solar Energy Development in Six Southwestern States. It is anticipated that the BLM, after the close of a 30-day protest period which began July 27th, will adopt the PEIS, which sets forth new land use policies on BLM land to help facilitate development of utility-scale solar energy facilities in 17 Solar Energy Zones (SEZs) in Arizona, California, Colorado, Nevada, New Mexico and Utah. These SEZs, a total of about 285,000 acres, are areas where the BLM has conducted a thorough environmental review under the National Environmental Policy Act (NEPA) and determined the optimum locations for solar energy development with the fewest environmental concerns.

Applicants for right-of-way (ROW) authorizations for utility-scale solar energy facilities will be able to make use of the BLM's NEPA findings and will only have to focus their review on site-specific and facility-specific issues. In other words, proposed projects in SEZs will be able to "tier" to the BLM's analysis. "Tiering" allows an applicant to utilize the relevant portions of the PEIS and focus on site-specific issues in developing its NEPA documents. Moreover, the PEIS analyzes the likely environmental effects of utility-scale solar development and identifies SEZ-specific design features that will be required of all solar projects in those zones. This will help solar energy developers avoid some of the risks and costs associated with an environmental review because they will not have to develop NEPA documents from scratch and can focus on designs with a high likelihood of being acceptable to BLM.

Other financial incentives include rental fee schedules that will reduce overall costs to operators of solar facilities in SEZs, such as longer phase-in schedules and fixed rental payments for the life of the ROW authorization. In addition, the BLM will prioritize ROWs for utility-scale solar energy development projects in SEZs over all other ROW applications. The BLM will also "endeavor to adhere internally to strict schedules for the completion of environmental reviews for projects in SEZs." It is expected that many, if not all, ROW authorizations in SEZs will not be subject to administrative appeals because they will be authorized by the Secretary, Deputy

Secretary or Assistant Secretary of the Interior, rather than a lower-level official whose decision would be subject to appeal. However, it remains to be seen how the BLM will implement these policy goals.

The PEIS also analyzes transmission needs in the SEZs, and the BLM will offer incentives to projects that propose to bring transmission to SEZs. The BLM and DOE analyzed environmental issues to support the planning and policy decisions, including transmission rights-of-way policies, that will form the program for utility-scale solar energy development on BLM lands. The PEIS contains generic analyses of the environmental impacts of the construction and operation of transmission lines and substations related to utility-scale solar development, as well as proposed design features that could reduce or eliminate such impacts.

Initially, BLM and DOE also attempted to analyze transmission constraints to determine whether additional transmission corridor designations by DOE on BLM lands would be needed to facilitate solar development in the proposed SEZs. The SEZ-specific transmission analysis presented in the Draft PEIS represented an assessment of the minimum or lower-bound, transmission-related impacts for SEZ, but after adverse comments on the Draft PEIS, the agencies also included an upper-bound scenario for transmission development, which attempts to establish parameters for determining an upper bound of potential impacts of transmission access at each SEZ.

As it develops its Solar Program, the PEIS states that BLM is proposing a variety of activities to help facilitate the permitting of transmission to SEZs. Perhaps most significantly, the PEIS states that BLM intends to engage in the transmission planning processes of the Western Electricity Coordinating Council (WECC) and the California Independent System Operator (CAISO), and other regional planning and cost-allocation processes required by the Federal Energy Regulatory Commission under Order No. 1000. BLM is also planning on proposing other activities under the Solar Program, including, among other things, (1) re-evaluation of transmission needs, including currently available capacity on existing lines and the need for new or modified transmission corridors; (2) offering permitting incentives for projects that would bring transmission capacity to SEZs; (3) further submission of study requests to the WECC in its regional transmission planning processes; and (4) in preparing SEZ parcels for competitive offer, considering opportunities for co-location of projects and how to avoid geographically stranding future projects from key interconnection points with the grid.

The BLM's transmission, permitting, and environmental review plans could become final at the end of the 30-day protest period for the PEIS. Interior Secretary Ken Salazar can adopt the new solar energy program, referred to in the PEIS as the BLM's preferred alternative. Or, the Secretary can choose to adopt one of the two other alternatives in the PEIS: take no action or adopt a plan that does not allow for any solar development outside of the 17 SEZs. The preferred alternative identifies an additional 19 million acres outside of the SEZs that will also be made available for solar energy development. However, the review process in these areas will be more stringent and the granting of ROW authorization would be the "exception rather than the rule." The Secretary can also choose to adopt a combination of the alternatives.

The full text of the PEIS, including appendices and comments, can be found at <http://solareis.anl.gov/>.

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