



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

June 8, 2007

THE GOVERNOR

The Honorable Samuel W. Bodman, Secretary  
United States Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Secretary Bodman:

I am writing to express my concern about the U.S. Department of Energy's (DOE) recent designation of the Mid-Atlantic Area National Corridor, including much of Pennsylvania. The extremely broad area encompassed by the proposed corridor, taken together with the process set forth by the Federal Energy Regulatory Commission (FERC), may lead to the approval of a project that fails to satisfy the national interest while ignoring legitimate and critical state concerns.

I am very concerned by the enormous breadth of the DOE's proposed Mid-Atlantic Area National Corridor. I can tell you that Pennsylvania has and will continue to actively promote the security of our energy supplies. The commonwealth is a leader in renewable energy and sustainable fuels. We are actively seeking to attract manufacturers who will make us able to supply significant portions of our own energy needs. We have a well-developed strategy, and I can tell you in detail how we will achieve our energy independence goals.

In contrast, the DOE's construction of the Mid-Atlantic Corridor is so broad as to be meaningless. This invites the filing of projects that may harm Pennsylvania without any balance of benefits. If the DOE truly believes that it must designate corridors to protect the national interest then it should have identified specific needs and the routes that may be necessary to satisfy those needs. Instead, Pennsylvania and a number of other states face the possibility that transmission lines can be located almost anywhere and qualify for designation by FERC. I do not believe that a corridor that includes 50 Pennsylvania counties can be realistically related to actual transmission options. In the end, I believe that this designation will fail to protect our national interest while stimulating enormous controversy.

It appears that the siting process defined by FERC may not result in effective projects. As you know, FERC has established a process, through its final Order in Docket No. RM06-12 (117 FERC ¶61,202), in which it can completely re-evaluate a state's consideration of a proposed transmission project. This can occur even where the Pennsylvania Public Utility Commission has established an extensive record and has fully deliberated before reaching a conclusion. Also, given the substantial scope of some proposed transmission lines, a protracted siting process will be needed simply to establish all of the facts. Thus, a reasonable process may well delay a final decision for more than a year. However, FERC has made it clear that it can immediately take up the proposal a year and a day after the state level filing.

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I am concerned that FERC may force Pennsylvania to accept projects that are far from the best choice. Some neighboring states have historically followed a policy that discouraged the construction of generation resources. In contrast, Pennsylvania is a substantial net electricity exporter. This appears to make us particularly vulnerable to the construction of power lines that will move energy out of Pennsylvania to states with inadequate generating resources. It appears to be a perverse outcome of the designation of such a broad NIETC that our adequate generating resources appear to lead to the construction of transmission lines to support our neighbors. These transmission lines will be on our soil, but may not benefit Pennsylvania's consumers. While I am sensitive to the need for robust interstate commerce, I believe this situation poses an unwarranted burden on Pennsylvania.

I am disturbed by the possibility that if FERC were to supplant our siting authority it may fail to adequately consider alternative technologies and alternative routes. The FERC's final order does not appear to ensure that alternatives to the transmission proposal will be considered, and I am deeply concerned by the statement in Paragraph 179 of the Final Order that "the range of reasonable alternatives can best be determined based upon the facts of a specific siting proposal." This language suggests that the proposed project alone will define FERC's scope of review. For example, when a state rejects a proposed project based on the presence of preferable alternatives, will FERC's review include full consideration of those alternatives? Fundamentally, will FERC's review be narrowly restricted to the merits of the line rather than examining whether generation or demand resources can better satisfy the need? Will FERC examine optimal design technologies that can minimize impact and extent of required siting? Will FERC examine a variety of routes or only the route proposed by the project? There is far too much that is uncertain and FERC must further explain how it will approach siting before any reconsideration of state actions is attempted.

Finally, I am also concerned that approval in one state of a multi-state project may prejudice FERC's review. I point to the facts set forth above regarding Pennsylvania's relative strength in generating assets. I foresee a situation in which a line moving power out of Pennsylvania will be readily approved by a neighboring state that has refused to build generation resources. Will FERC consider the relative positions of the two states or only examine the project in terms of the need for generation in our neighboring state. Harkening back to another point, will FERC examine the presence of alternative resources if the neighboring state has ignored reasonable alternatives in its approval of the project? Again, there is no guarantee of balanced consideration in FERC's process.

I request that the DOE reconsider its designation of the Mid-Atlantic Corridor. In light of FERC's definition of a pervasive authority to reconsider state decisions, the proposed corridor invites the siting of facilities that are inappropriate and unnecessary. I urge that the DOE withdraw its designation and, at a minimum, defer a decision until it is clear that states are unable to site necessary transmission facilities or identify reasonable alternatives.

Sincerely,



Edward G. Rendell  
Governor