

**Written Testimony of Robert E. Busch, Chairman of the New Mexico Renewable Energy Transmission Authority**

**Subcommittee on Energy and Mineral Resources**

**House Committee on Natural Resources**

**Hearing on “Plugging in Public Lands: Transmission Infrastructure for Renewable Energy”**

**November 16, 2021 at 10:00 a.m.**

**I. Introduction**

My name is Robert Busch, and I have been the Chairman of the New Mexico Renewable Energy Transmission Authority (“RETA”) since approximately 2009. Prior to my volunteer work with RETA, I retired from a 35-year career primarily in the electric utility field. I was the President and COO of Public Service Enterprise Group Services Corporation and the CFO of Public Service Gas and Electric. Earlier in my career I served as the CFO of Northeast Utilities (now known as Eversource). I am an engineer by training, and have a Bachelor of Science degree in Engineering from Case Institute of Technology and a Master of Science degree in Engineering Science from Rensselaer Polytechnic Institute. I also have an MBA from Northeastern University.

**II. Background on RETA**

New Mexico has some of the most extensive and valuable wind and solar energy resources (137,000MW of highest quality wind potential on State Trust and

private lands and 824,000MW of highest quality solar potential on State Trust and private lands)<sup>1</sup> in the United States, yet has virtually no transmission infrastructure to access them. RETA was formed to aggressively help develop transmission and storage to cultivate this unique opportunity. Established by the New Mexico legislature and Governor Bill Richardson's administration in 2007, RETA's mission is to plan, finance, develop and acquire high voltage transmission lines and storage projects in order to promote economic development in New Mexico. RETA is one of a few state-level transmission authorities in the United States and only the second to issue bonds to finance a renewable transmission project. RETA sponsored projects must transmit or store at least 30% of their power from renewable sources. RETA's current projects are planned to have 100% of their power originate from new renewable generation being developed and constructed in New Mexico for in-state and export markets.

### **III. Demonstrated Transmission Infrastructure and Project Success**

Within a few weeks, construction will be completed on the Western Spirit Transmission Project, RETA's first public-private transmission development project. This Project was initially identified by RETA in approximately 2011 through a study of the New Mexico transmission system by the Los Alamos National Labs. Western Spirit is an approximately 150-mile, 345kV AC

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<sup>1</sup> New Mexico Renewable Energy Transmission and Storage Study (2020), *available at* <https://nmreta.com/nm-reta-transmission-study/>.

transmission line. Once in commercial operation, which is expected by the end of 2021, 800 MW of newly developed wind power will flow through the Western Spirit transmission line, making these new wind resources accessible to the electricity grid in New Mexico and the broader western markets. When completed, the Project will be sold to Public Service Company of New Mexico (“PNM”) and added to its existing grid, making it the largest electric transmission grid upgrade to the PNM system since the 1980s. Because the cost of the acquisition will be paid for over time by the transmission customers (four new wind farms), there will be no impact on PNM’s ratepayers. The Western Spirit Project has enabled billions of dollars of investment in renewable power generation projects that could not otherwise have been built due to the limitation of the existing electric transmission grid.

In early 2021, RETA entered into a similar co-development relationship with SunZia Transmission, LLC. The SunZia Transmission Project is a 520-mile transmission project in New Mexico and Arizona, with 315 miles located in New Mexico, and is rated at a capacity of 4,500 MW. As currently planned, 100% of that capacity will be from new renewable energy generation sources.

Also in 2021, RETA entered into a Memorandum of Understanding with Invenergy Wind Development North America LLC to develop a new,

approximately 400-mile transmission line from northeastern New Mexico to northwestern New Mexico, with a capacity of up to 4,000 MW.

RETA is also working with Ameren Corporation, who acquired Lucky Corridor, LLC, (another transmission project that when completed would be capable of moving an additional 182 MWs of renewable energy to market) on projects targeting the northeastern part of New Mexico, where there are tremendous untapped renewable energy resources.

A number of other major developers interested in expanding New Mexico's transmission capacity are approaching and forming relationships with RETA.

In sum, RETA is beginning to fulfill its mission and is doing what it was created to do back in 2007.

#### **IV. Challenges**

RETA has had to overcome significant challenges to achieve these successes. The Western Spirit Project, which does not involve any federal land,<sup>2</sup> has been 10 years in the making. The Project transmission line right-of-way traverses over 430 separate parcels and encompasses approximately 500 additional miles of access right-of-way. This required over 750 separate agreements with landowners. In addition, Western Spirit worked through multiple permitting processes, including licenses with the Middle Rio Grande Conservancy District for

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<sup>2</sup> The Western Spirit Project does include an approximately 10-mile right-of-way across the Pueblo of Isleta that was both agreed to by the Pueblo and approved by the Bureau of Indian Affairs.

river and canal crossings and access, the New Mexico Department of Transportation for aerial highway crossings, the New Mexico Public Regulation Commission for a reliability determination, Pueblo of Isleta right-of-way approval, and the State Land Office right-of-way process, just to name a few.

The SunZia Project, which does cross federal land, has already been in development for approximately 15 years. It is currently focused on completing the Bureau of Land Management's Environmental Impact Statement ("EIS") process. RETA anticipates that this process will be completed in 2022. Construction is planned to start in 2022, with 2025 targeted for commercial operation of the first 500kV line. The EIS process has been a significant factor in elongating the development timeframe for the SunZia Project.

## **V. Recommendations Regarding Development on Public Lands**

Transmission developers know where to site high-voltage transmission projects in order to access new solar and wind generation facilities to bring renewable power to market. Transmission developers also know how to get high-voltage transmission projects financed. The real challenge is the time it takes to get all of the required permissions and approvals from state and federal agencies. This is especially true if an EIS is required for a project. A recent study by the Council on Environmental Quality found that the average EIS completion time was 4.5 years, with one quarter of the EISs performed from 2010 to 2018 taking more

than 6 years to complete.<sup>3</sup> Experienced developers frequently bypass siting transmission facilities on federal land to specifically avoid this prohibitively lengthy and expensive process.

At the state level, the RETA public-private development model is proving to be successful and effective at enabling new high-voltage transmission infrastructure that public utilities are not pursuing to be built. By partnering with RETA, a private developer can access tax benefits, condemnation powers, bond financing, and RETA's experience and assistance with local and state regulatory agencies, and avoid some state regulatory hurdles altogether.<sup>4</sup> But the timeframe for planning, development, and construction for a large transmission project is still way too long.

At the federal level, the Fast-41 framework<sup>5</sup> is a step in the right direction. At a high level, Fast-41, established in 2015 through the Fixing America's Transportation Act, was designed to improve the timeliness, predictability, and transparency of the federal environmental review and approval process for eligible infrastructure projects. It created the Federal Permitting Improvement Steering Council and new procedures and funding authorities to standardize interagency

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<sup>3</sup> See Fact Sheet: CEQ Report on Environmental Impact Statement Timelines (2010-2018), available at, [https://ceq.doe.gov/docs/nepa-practice/CEQ\\_EIS\\_Timeline\\_Fact\\_Sheet\\_2020-6-12.pdf](https://ceq.doe.gov/docs/nepa-practice/CEQ_EIS_Timeline_Fact_Sheet_2020-6-12.pdf).

<sup>4</sup> N.M. Stat. Ann. §§ 62-16A-3(B)(I), -4(B)(8), -4(B)(11), and -4(E) (2007).

<sup>5</sup> FIXING AMERICA'S SURFACE TRANSPORTATION ACT, 42 U.S.C. §§ 4370m, m-1, m-2, m-4, m-8 (2015).

consultation and coordination practices. Fast-41, however, stopped short of establishing firm deadlines for agency review and approval.

Likewise, the provisions related to interstate transmission siting in the recently enacted Infrastructure Investment and Jobs Act are a good start, but do not go far enough in that the Department of Energy and the Federal Energy Regulatory Commission (“FERC”) are limited to the small role of siting interstate transmission facilities in areas designated as experiencing electricity transmission constraints or congestion (national interest electric transmission corridor). Unfortunately, FERC’s authority to issue permits for siting interstate electricity transmission facilities can only be exercised if the relevant state siting authority has not made a determination within one year or denied the application pursuant to applicable law.<sup>6</sup>

Any federal program wishing to attract transmission developers to siting transmission projects on federal land will need to demonstrate that the permitting for siting such projects will be advantageously simpler, more expedient, and less expensive than avoiding federal land. To meet the zero-carbon goals set by New Mexico, California, and other western states, agency review deadlines must be firm and calculated in months, not years. In addition, federal and state agencies need to find a way to conduct permitting reviews for large transmission projects

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<sup>6</sup> INFRASTRUCTURE INVESTMENT AND JOBS ACT, H.R. 3684, 117<sup>th</sup> Cong. § 40105 (2021).

concurrently. The standard for review for appeal for permitting processes should be set high enough to discourage frivolous appeals, or worse appeals carefully designed to delay final approval. Finally, the timeframe for required resolution of such appeals should be expedited and measured in months, not years. To be clear, RETA is not advocating for any reduction in environmental, cultural, or other relevant regulatory standards. RETA itself has an environmental policy that requires its projects to meet all existing federal and state law standards. Rather, federal regulatory agencies need sufficient staffing, resources, deadlines, and incentives to assess and approve projects in a much more expedited fashion, coupled with an expedited appeal process.

We have the technology in The United States to achieve the zero-carbon goals so critical to our energy and climate future as soon as reasonably possible. Yet without a significant improvement in the transmission capacity of the existing electrical grid we will fail to meet these goals even by the end of the century. A robust and reliable transmission grid is the key to effectively manage the vast amount of new intermittent renewable energy necessary to power our nation. Congress needs to understand some compromise on the endless regulatory and legal hurdles, no matter how well intentioned the individual reviews might be, must be enacted if we are to make renewables work.