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SUPPLEMENTARY INFORMATION:

Background on Transmission Projects

Executive Order 10485, as amended by Executive Order 12038, requires that a Presidential permit be issued by DOE before electric transmission facilities may be constructed, operated, maintained, or connected at the U.S. international border. The Executive Order provides that a Presidential permit may be issued after a finding that the proposed project is consistent with the public interest. In determining consistency with the public interest, DOE considers the impacts of the project on the reliability of the U.S. electric power system and on the environment in the United States. The regulations implementing the Executive Order have been codified at 10 CFR 205.320-205.329.

On February 27, 2001, BCP, a special purpose company and wholly-owned subsidiary of InterGen Aztec Energy V, B.V., and an indirect subsidiary of InterGen N.V., a Dutch limited liability company, filed an application with the Office of Fossil Energy (FE) of DOE for a Presidential permit. BCP proposed to construct a double-circuit 230-kV transmission line across the U.S.-Mexico international border. In a separate but similar proceeding, SER applied to DOE for a Presidential permit on March 7, 2001. SER, a non-regulated generating company, also proposed to construct a double-circuit 230-kV transmission line across the U.S.-Mexico international border.

In each of these projects, the applicants proposed to use the international transmission lines to connect separate powerplants located in Mexico to the SDG&E Imperial Valley Substation. Within the United States, both transmission lines were proposed to be constructed on BLM land parallel to an existing SDG&E 230-kV transmission line (IV—La Rosita line) connecting the Imperial Valley Substation with Mexico's La Rosita Substation. BCP and SER both also applied to BLM for right-of-way grants in order to be able to construct their respective projects on this Federal land.

BCP Powerplant and Transmission Line Project. In its application, BCP proposed to construct and operate a double-circuit 230-kV transmission line that would originate at the La Rosita Power Complex (LRPC), located 10 miles west of Mexicali, Mexico, and

extend north for approximately 3 miles where it would cross the Mexico-U.S. border west of Calexico, California. From the border, the line would extend approximately 6 miles on Federal land managed by BLM and terminate at the SDG&E Imperial Valley Substation. The LRPC contains four generating units that total 1060 megawatts (MW) of generating capacity. Two 250-MW generating units were developed at the request of the Mexican national electric utility, Comision Federal de Electricidad (CFE), and the electrical output of those two units is designated for use within Mexico. The electrical output (560 MW) of the two remaining generating units is designated for export to the United States. The electrical output (250 MW) of one of these generating units, owned by Energia Azteca X, S. de R.L. de C.V., could be exported to the U.S. over either the pre-existing IV—La Rosita line or the new BCP 230-kV line that is the subject of this EIS. The electrical output (310 MW) of the other unit designated for export to the U.S., owned by Energia de Baja California, could only be exported to the U.S. over the proposed BCP 230-kV line. The BCP application, including associated maps and drawings, can be downloaded in its entirety from the FE Web site (<http://www.fe.doe.gov>; choose "Electricity Regulation," then "Pending Proceedings").

SER Powerplant and Transmission Line Project. In its application, SER proposed to construct a double-circuit 230-kV transmission line that would originate at a 500-MW electric powerplant being developed by Termoelectrica de Mexicali (TDM) near Mexicali, Mexico, and extend north approximately 3 miles to the Mexico-U.S. border. From the border, the transmission line would extend approximately 6 miles on Federal land managed by the BLM and terminate at the SDG&E Imperial Valley Substation. The SER application, including associated maps and drawings, also can be downloaded in its entirety from the FE Web site given above.

Background on Prior NEPA Review

DOE and BLM originally determined the appropriate level of NEPA environmental review for both the BCP and SER proceedings to be an environmental assessment (EA). DOE and BLM prepared a single EA that assessed the potential environmental impacts that would accrue in the United States from the two transmission lines and from the operation of the two related Mexican powerplants. In December 2001, DOE and BLM issued the "Environmental Assessment for

Presidential Permit Applications for Baja California Power, Inc. and Sempra Energy Resources" (DOE/EA-1391). DOE relied on this EA to issue, on December 5, 2001, a FONSI and Presidential permits to both BCP and SER authorizing each to construct, operate, maintain, and connect electric transmission facilities crossing the international border between the United States and Mexico. BLM issued two FONSIs based upon the EA for the projects on December 19, 2001, and two Decision Records to grant the rights-of-way on December 20, 2001. The text of the EA and the DOE FONSI based upon it may also be found on the FE Web site listed above.

After the filing of the two Presidential permit applications, the maximum capacity of the TDM powerplant was increased from 500 MW to 600 MW. The analysis contained in the EA reflected this higher capacity. Subsequent to the issuance of the FONSIs, the two Presidential permits, and the two right-of-way grants, the two 230-kV transmission lines were placed into operation. Also, since issuance of the FONSIs, the developers of the LRPC powerplant have committed to install selective catalytic reduction technology on the remaining two units of the facility, the portion designated to generate power for Mexico. The equipment, which has been already ordered, is scheduled to be installed by the first quarter of 2006.

BCP completed construction of its transmission lines in September 2002 and placed the Mexican powerplants in commercial operation to export electricity to California on July 25, 2003. SER completed construction of its transmission lines in February 2003 and placed the Mexican powerplant in commercial operation to export electricity to California in July 2003.

On March 19, 2002, the Border Power Plant Working Group (Border Power) sued the DOE and BLM in the United States District Court for the Southern District of California (Case No. 02-CV-513-IEG (POR)) alleging violations of NEPA and the Administrative Procedure Act. Border Power sought to have the EA, DOE FONSI, Presidential permits, and right-of-way grants determined to be illegal and requested an injunction forbidding the use of the transmission lines to import electricity from the powerplants into California. After briefing and argument, the court issued two Orders. On May 2, 2003, the court held that the EA and the FONSI did not comply with NEPA. On July 8, 2003, the court sent the matter back to DOE and BLM for additional NEPA review consistent with the May and July