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25 *SunZia Transmission, LLC*

26 IN THE UNITED STATES DISTRICT COURT
27 FOR THE DISTRICT OF ARIZONA
28 TUCSON DIVISION

Tohono O’odham Nation; San Carlos
Apache Tribel Archaeology Southwest;
and Center for Biological Diversity,

Plaintiffs,

vs.

U.S. Department of the Interior; Deb
Haaland, U.S. Secretary of Interior; and
U.S. Bureau of Land Management,

Defendants.

Case No. 4:24-cv-00034 JGZ

DECLARATION OF KEVIN WETZEL

I, Kevin Wetzel, declare as follows:

1. I am Assistant Vice President for Business Development for Pattern Energy Group Services LP (together with its affiliates “Pattern”), an affiliate of SunZia

DECLARATION OF KEVIN WETZEL

1 Transmission, LLC (“SunZia”), which holds the development rights for the SunZia
2 transmission line, a 3,000-MW high-voltage direct current (“HVDC”) transmission
3 line under construction in New Mexico and Arizona (the “SunZia Transmission
4 Line”). I am the lead project developer for the SunZia Transmission Line, the first
5 of two transmission lines that will be developed under a right-of-way (“ROW”) that
6 the Bureau of Land Management (“BLM”) has authorized for the SunZia Southwest
7 Transmission Project (the “Project”). The total projected cost of the SunZia
8 Transmission Line is nearly \$4 billion.

9 2. The SunZia Transmission Line began construction in April 2023 under a Limited
10 Notice to Proceed (“LNTP”) issued by the BLM, authorizing activity at four staging
11 areas located on private and state lands. To date, BLM has issued eleven (11) LNTPs
12 for construction activities on federal lands in Arizona and New Mexico, some of
13 which also included state and private lands, covering all types of project scopes,
14 including roads, substations, laydown yards, foundations, towers, and other project
15 components. BLM also has issued eleven (11) LNTPs providing cultural resource
16 clearance for activities on state and private lands in Arizona and New Mexico.
17 Currently, construction of the SunZia Transmission Line is fully underway with
18 approximately 667 workers on site across New Mexico and Arizona.

19 3. The project has executed all major Engineering, Procurement, and Construction
20 (“EPC”) contracts, including equipment purchase contracts for the HVDC converter
21 stations, high voltage switchyards, transmission towers, and conductor. Similarly,
22 the project has executed construction services contracts for the HVDC converter
23 stations, the high voltage switchyard, and the transmission line. Through December
24 31, 2023, SunZia has spent approximately \$1.4 billion on the SunZia Transmission
25 Line project, including payments for land, permits, interconnection, design,
26 procurement, and construction. Additionally, SunZia has posted approximately \$56
27 million in surety bonds for the project. The SunZia Transmission Line has been in
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1 development for more than 15 years and is scheduled to achieve energization in late
2 2025 and be fully available for commercial operation by early 2026.

- 3 4. The SunZia Transmission Line is being developed and constructed to enable delivery
4 of renewable energy produced by the Pattern-owned SunZia wind energy projects, a
5 planned 3,515 MW of wind energy generating projects located in Lincoln, Torrance
6 and San Miguel Counties in New Mexico (the “SunZia Wind Projects”), which will
7 interconnect to the SunZia Transmission Line in New Mexico, and which will use
8 the transmission line to deliver power to its customers, primarily in Arizona and
9 California. The total projected cost of the SunZia Wind Projects is nearly \$7 billion.
10 Construction of the SunZia Wind Projects currently are underway with 259 workers
11 on site in New Mexico. Construction of SunZia Transmission and Wind together are
12 expected to produce 2,000 jobs at the peak of activity. Should the SunZia
13 Transmission Line not proceed, or be materially delayed, the SunZia Wind Projects
14 would be similarly affected. SunZia’s affiliates developing the SunZia Wind
15 Projects have executed all major EPC contracts including equipment purchase
16 contracts for the wind turbines and main power transformers and construction
17 services contracts for the construction of the SunZia Wind Projects. They have
18 signed ten (10) Power Purchase Agreements with customers to buy renewable energy
19 from the SunZia Wind Projects and have signed multiple Transmission Service
20 Agreements with third parties and with SunZia Transmission to enable delivery of
21 its generated renewable energy through transmission systems to customers. Physical
22 work has also commenced on site for the SunZia Wind Projects, including
23 installation of roads, laydown yards, and even wind turbine foundations. Through
24 December 31, 2023, the Pattern entities developing the SunZia Wind Projects have
25 spent over \$2 billion on it, including payments for land, permits, interconnection,
26 design, procurement, and construction. They have posted approximately \$188
27 million in letters of credit for the SunZia Wind Projects which would be forfeited if
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1 the project is cancelled or materially delayed. The SunZia Wind Projects have been
2 in development for approximately 7 years and are scheduled to be completed in early
3 2026, shortly after the SunZia Transmission Line is placed in service.

- 4 5. In September 2008, SunZia submitted an application to BLM for the Project’s
5 transmission line ROW. The Project was proposed as two parallel transmission lines
6 running from central New Mexico to south-central Arizona. The proposed route
7 crossed only federal, state, and private lands, with none of the route located on any
8 tribally-held lands.
- 9 6. BLM evaluated alternatives for the proposed Project route through the National
10 Environmental Policy Act (“NEPA”) process, published a Draft Environmental
11 Impact Statement (“EIS”) on May 29, 2012, and a Final EIS on June 14, 2013.
- 12 7. To satisfy requirements of the National Historic Preservation Act (“NHPA”), BLM
13 developed a Project-specific Programmatic Agreement (“PA”) with Consulting
14 Parties, which was signed by BLM and by the Advisory Council on Historic
15 Preservation (“ACHP”) in December 2014.
- 16 8. In January 2015, BLM signed a Record of Decision (“ROD”) approving the Project
17 ROW across federal lands and the NEPA evaluation of the effects of the route on
18 state and private lands. In the ROD, as well as the FEIS, BLM described the SunZia
19 Transmission Line’s purpose and need to be to provide for upgraded and new
20 electricity transmission and distribution facilities to improve reliability, relieve
21 congestion, and enhance the capability of the national grid to deliver electricity, as
22 directed by federal statute and Executive policies. In March 2016, BLM issued a
23 ROW Grant to SunZia for the federal lands portion of the Project route.
- 24 9. BLM’s 2015 ROD selected the preferred alternative route described in the Final EIS
25 for the ROW Grant. About 50 miles of that route traverses the San Pedro Valley in
26 Arizona on state and private lands only; this portion of the route does not cross
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1 federal lands. No portion of the SunZia project route in the San Pedro Valley is on
2 tribally-held lands, nor is any other portion of the Project's 553-mile route.
3 Approaching the Valley from the east, the route crosses the San Pedro River parallel
4 to two existing 345-kV transmission lines, already constructed and visible in the San
5 Pedro Valley. It then continues northwesterly, maintaining three to five miles of
6 distance from the River. The route also parallels existing and visible pipelines and
7 other utility infrastructure where possible, diverging for part of the route in order to
8 better avoid cultural resource impacts that were identified during detailed surveys
9 and BLM's NHPA consultation process.

- 10 10. Around the time of the BLM's issuance of the 2016 ROW Grant for the Project,
11 Pattern had begun discussions with SunZia regarding the potential use of the Project
12 to transmit electricity from the wind energy projects that Pattern was developing in
13 central New Mexico to markets in the west. At that point, SunZia was owned by
14 Southwestern Power Group, the original developer of the Project.
- 15 11. Via separate orders in 2017 and 2022, the Federal Energy Regulatory Commission
16 ("FERC") approved the SunZia Transmission Line as the primary transmission line
17 for electricity generated by Pattern's planned SunZia Wind Projects. The orders
18 made Pattern the lead, primary customer for the SunZia Transmission Line. The
19 SunZia Wind Projects' over 3,500 megawatts ("MW") of generating capacity will
20 make this the single largest wind energy development in the United States to date.
21 Together, SunZia Transmission and Wind will deliver enough renewable electricity
22 to western markets to provide power to 3 million people, thereby singlehandedly
23 reducing U.S. greenhouse gas emissions by 0.2%.
- 24 12. Between 2018 and 2020, Pattern worked closely with the then-unaffiliated SunZia
25 to develop alternatives for the Project route through central New Mexico. This effort
26 led to SunZia's March 27, 2020, application to BLM for an amendment to the
27 existing ROW Grant to modify the Project route in New Mexico. This effort was
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1 undertaken, and the resulting change to this portion of the previously approved route
2 was proposed, to advance national security interests by avoiding potential adverse
3 impacts on the White Sands Missile Range and also to allow the Rio Grande crossing
4 and other elements of the Project to parallel Pattern’s recently constructed Western
5 Spirit transmission line in New Mexico.

6 13. The amendment application sought to change the route for Project segment 4 in
7 Socorro and Torrance Counties in New Mexico. It also addressed six localized route
8 modifications, provided more granular identification of access roads and temporary
9 workspaces.¹ The 2020 amendment application did not, however, make any changes
10 to the Project route in the San Pedro Valley.

11 14. In July 2022, Pattern acquired SunZia Transmission, LLC, which held the
12 development rights and assets for the SunZia Transmission Line, from Southwestern
13 Power Group, which has retained the rights to the second transmission line
14 authorized by the BLM ROW (now referred to as Rio Sol). As a result of this
15 acquisition, Pattern owns 100% of the equity interests in SunZia Transmission, LLC.

16 15. On May 16, 2023, BLM issued its ROD approving a ROW amendment revising the
17 Project route in New Mexico and making other minor changes, none of which
18 changed the Project route in or around the San Pedro Valley. When BLM approved
19 the Project route in 2015, the potential impacts from temporary and permanent access
20 roads to facilitate construction had been evaluated in the 2013 Final EIS. However,
21 construction plans were not well enough developed to identify specific access road
22 locations, so the 2015 ROD contemplated final access road locations would be
23 identified later in the Project’s Plan of Development and subject to BLM approval.
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26 ¹ The amendment application also sought BLM review of planned ground disturbance
27 for the SunZia West Substation, which will convert the Direct Current power to
28 Alternating Current. However, ultimately the decision was made to locate the converter
station adjacent to the Pinal Central Substation (the Project’s western terminus), within
an area that already had been evaluated in the 2015 ROD.

1 By the time BLM was considering the route change within New Mexico, access plans
2 were finalized for the other Project segments, including those in the San Pedro
3 Valley. Accordingly, BLM incorporated its review of the Project's access roads into
4 its deliberations on the New Mexico route change. The 2023 ROD approved the
5 Project's access plan, along with the reroute within New Mexico and five localized
6 route modifications. Cultural resource surveys were complete for all access road
7 locations. The access roads in the San Pedro Valley approved in 2023 will avoid all
8 cultural resources.

9 16. The plaintiffs in this action have asserted claims specific to the SunZia Transmission
10 Line's route through the San Pedro Valley in Arizona. As part of the ongoing BLM
11 process of issuing LNTPs, which as described above in paragraph 2 have authorized
12 construction activities for specified elements of the Project, on September 26, 2023,
13 BLM issued a LNTP authorizing SunZia to proceed with construction on state and
14 private lands in the San Pedro Valley portion of the Project. The LNTP authorized
15 construction in areas where the cultural inventory report prepared through the NHPA
16 process showed no historic properties were present. It also identified the
17 transmission structure spans and roads where construction activities were not yet
18 authorized, awaiting implementation of treatment plans for the few archaeological
19 resources in the Valley that were identified during the NHPA process and that were
20 potentially affected by construction activities.

21 17. Within the San Pedro River Valley, there is approximately eight miles of the Project
22 route in the Paige Canyon area that, as a result of commitments made during the
23 Arizona permitting process, must be constructed using helicopters to minimize
24 surface disturbance.

25 18. Currently, crews are preparing (grading) the fly yards at both ends of the Paige
26 Canyon segment and commencing helicopter work. These yards will serve as staging
27 grounds, material storage and the take-off/landing point for helicopter flights
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1 supporting construction in the Paige Canyon segment. Helicopter work within Paige
2 Canyon has commenced consisting of plant salvage, clearing and drilling/installation
3 of the transmission line structure foundations. This work must be completed by the
4 May timeframe, after which the heat can cause limitations on the helicopters lifting
5 capacities and the risk of encountering a protected species significantly increases,
6 which would result in a work stoppage. Between now and May 2024, SunZia must
7 complete the pads and foundations for thirty-five (35) structures. Crews, equipment,
8 and drill rigs will be delivered to each location by helicopter to install micropiles for
9 the structure foundations. While the foundations will be completed by May 2024,
10 the erection of structures on these foundations is not scheduled to occur until next
11 winter, beginning in late 2024. Since construction of the Paige Canyon segment can
12 only be done in the winter due to the physical limitations of helicopter-supported
13 construction, there is a 2-year build cycle for this segment (winter 2023-2024 and
14 winter 2024-2025).

15 19. Additionally, there is a seasonal restriction adjacent to the San Pedro River due to
16 wildlife habitat that will commence in March, or in April if US Fish and Wildlife
17 Service accepts a variance. Prior to the commencement of this seasonal restriction,
18 foundations for the structures near the San Pedro River must be complete to support
19 the project schedule and the project stringing/conductor plan.

20 20. The seasonal restrictions near the San Pedro River and the time required to conduct
21 helicopter-supported construction in Paige Canyon is a significant limiting factor for
22 completion of the entire transmission line. If insufficient work is completed adjacent
23 to the San Pedro River by March 2024 (or April if a variance is granted) and in Paige
24 Canyon by May 2024, this segment of the SunZia Transmission Line cannot be
25 completed until the winter of 2025-2026. This would delay commercial completion
26 of the SunZia Transmission Line by up to one year, which would likely put its
27 commercial viability at risk. There is strong demand for some of the key components
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1 of the Project and a delay in required progress payments would very likely result in
2 the Project losing its place in the suppliers' que, resulting in delivery delays as long
3 as six years – which would not be viable. Project financing has been secured in order
4 to make the large payments required for these orders and for overall project
5 construction payments.

6 21. The Power Purchase Agreements for the SunZia Wind Projects, under development
7 by SunZia's affiliates, are premised on the current construction schedule, which
8 contemplates the SunZia Transmission Line being energized in late 2025. The
9 California Public Utilities Commission ("CPUC") is currently imposing multiple
10 state mandates on Load Serving Entities in California for power procurement,
11 renewable energy, and reliability. In order to meet this critical reliability mandate,
12 SunZia power is now actively marketing its offtake which would be available in
13 2026, and a significant portion has already been competitively procured by a diverse
14 group of utilities, including municipal utilities, community choice aggregators, and
15 energy service providers throughout the state, which collectively serve more than 11
16 million Californians. These load Serving Entities have included SunZia procurement
17 agreements in their plans for complying with state reliability requirements and the
18 CPUC, including compliance with requirements for achieving certain compliance
19 deadlines for commercial operation of new capacity (i.e., June 1, 2025 and June 1,
20 2026). The CPUC has accepted these compliance plans, as part of their exercise of
21 their authority over energy procurement in the state. In addition, the California
22 Independent System Operator and other Balancing Authority Areas in California and
23 the Southwest have requirements under NERC reliability standards pursuant to
24 federal law that will also be met by SunZia. These executed and approved SunZia
25 contracts represent more than 9% of the current emergency reliability procurement
26 measures put in place by the CPUC, and the competitive nature of the contracts
27 means that alternative sources of clean reliability other than SunZia would have
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1 likely presented a higher cost to California ratepayers, and would have led to higher
2 overall Green House Gas (“GHG”) emissions for the state’s electric sector. In other
3 words, the cancellation of SunZia at this point would likely lead to higher electricity
4 rates for millions of Californians and would place in jeopardy California’s need for
5 critical reliability measures, as well as its long-term climate goals for GHG
6 reduction.

7 22. A delay in completing the SunZia Transmission Line – and in particular, any material
8 delay in the current construction in Paige Canyon and adjacent to the San Pedro River
9 – would have a cascading effect on the SunZia Transmission Line and the related
10 SunZia Wind Projects, with the potential to delay funding under the integrated
11 financing that has been arranged for both the transmission line and the wind farm,
12 with corresponding delay and adverse impacts on equipment delivery and
13 construction schedules, which would then materially and adversely impact the timing
14 of power delivery, and even project viability for both the SunZia Transmission Line
15 and the SunZia Wind Projects.

16 23. Despite the current turbulence in the world’s financial markets, in December 2023
17 Pattern arranged and closed over \$10 billion in project financing, which has financed
18 construction of both the SunZia Transmission Line and the SunZia Wind Projects.
19 This represents the largest renewable energy financing in North America and the
20 continued funding under the financing would be put at risk by delay of construction
21 of the SunZia Transmission Line.

22 I declare, under penalty of perjury under the laws of the United States that the foregoing
23 is true and correct.

24 Executed January 23, 2024, at New York, NY.

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28 Kevin Wetzel

DECLARATION OF KEVIN WETZEL

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CERTIFICATE OF SERVICE

I hereby certify that on January 23, 2024, I electronically transmitted the attached document to the Clerk of the Court using the ECF System for filing and transmittal of a Notice of Electronic Filing to all ECF registrants.

/s/ Brian Imbornoni
Brian Imbornoni