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COMMITTEE WORKSHOP
 BEFORE THE
 CALIFORNIA ENERGY RESOURCES CONSERVATION
 AND DEVELOPMENT COMMISSION

In the Matter of:)
)
 Revised Draft Proposed Regulations) Docket No.
 Governing an Electric Transmission) 07-OIR-1
 Corridor Designation Process)
)

CALIFORNIA ENERGY COMMISSION
 HEARING ROOM A
 1516 NINTH STREET
 SACRAMENTO, CALIFORNIA

TUESDAY, AUGUST 14, 2007
 1:33 P.M.

ORIGINAL

Reported by:
 Peter Petty
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COMMISSIONERS PRESENT

John L. Geesman, Presiding Member

Jeffrey D. Byron, Associate Member

ADVISORS PRESENT

Suzanne Korosec

Jan McFarland

Gabriel Taylor

STAFF and CONTRACTORS PRESENT

Arlene Ichien, Assistant Chief Counsel

Gary Collord, Project Manager

Christopher Tooker

Jim Bartridge

ALSO PRESENT

Lynn M. Ferry
Southern California Edison Company

Chris Terzich (via teleconference)
San Diego Gas and Electric Company

Laurence Chaset, Attorney
California Public Utilities Commission

Karen Norene Mills, Attorney
California Farm Bureau Federation

C. Anthony Braun, Attorney
Braun and Blaising, PC

David Wiseman, Attorney
Galati and Blek, LLP

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1 P R O C E E D I N G S

2 1:33 p.m.

3 PRESIDING MEMBER GEESMAN: This is a
4 meeting of the California Energy Commission's
5 Siting Committee. I'm John Geesman, Presiding
6 Member of the Committee. to my left is
7 Commissioner Jeff Byron, the Associate Member of
8 the Committee.

9 To his left is Staff Advisor Gabe
10 Taylor. To my right Suzanne Korosec and Jan
11 McFarland, my Staff Advisors.

12 The purpose of the workshop today is
13 further consideration of proposed regulations
14 governing the transmission corridor designation
15 process created by SB-1059.

16 Arlene, did you want to start us off, or
17 Gary?

18 MS. ICHIEN: I'll turn to Gary first.
19 Go ahead, Gary.

20 MR. COLLORD: Good afternoon,
21 Commissioners. Staff presented draft proposed
22 regulations for implementing Senate Bill 1059 at a
23 workshop held on June 29th.

24 Following the June 29th workshop staff
25 made several revisions to the draft of the

1 proposed regulations to incorporate comments
2 provided by the parties at the June 29th workshop,
3 as well as submitted in writing following the
4 workshop.

5 Staff also initiated some clarifying
6 revisions to the proposed regulations. And copies
7 of these written comments, as well as copies of
8 staff's revised proposed regulations are available
9 on the table out in front.

10 The revisions to staff's proposed
11 regulations are reflected in an underline-and-
12 strikeout format and were posted on the
13 Commission's website on July 24th for discussion
14 at today's workshop.

15 Staff requested that any additional
16 written comments be provided by August 9th.

17 Last week staff met with Karen Mills of
18 the California Farm Bureau Federation to discuss
19 written comments she had provided in further
20 detail. And as a result, staff is proposing some
21 additional changes to the revised draft proposed
22 regulations, which we will also discuss today.
23 And a summary of these additional changes is also
24 provided in a handout out front.

25 PRESIDING MEMBER GEESMAN: Is that the

1 first that these proposed additional changes will
2 have been circulated?

3 MR. COLLORD: Yes. Arlene Ichien with
4 our legal office is going to briefly summarize
5 staff's revisions to the draft proposed
6 regulations for the Committee and today's workshop
7 participants.

8 And we've organized the room again for
9 kind of a workshop discussion. And so we
10 encourage participants to come forward and sit at
11 the tables.

12 PRESIDING MEMBER GEESMAN: Yeah, I would
13 advise anybody that intends to be commenting on
14 this to come up, take a chair. It will facilitate
15 our discussion.

16 Again, the only rule we really follow is
17 that the green light on your microphone come on.
18 There's a horizontal button that says push that
19 will turn that light on. And that you identify
20 yourself by name and affiliation so that we can
21 keep our transcript orderly.

22 ASSOCIATE MEMBER BYRON: If I may, Mr.
23 Collord, can you just make sure I'm on the right
24 page. Is it regulations ending in SD2, the
25 number?

1 MR. COLLORD: That's correct.

2 ASSOCIATE MEMBER BYRON: Okay, --

3 MR. COLLORD: For second draft,
4 essentially.

5 ASSOCIATE MEMBER BYRON: -- thank you.

6 MS. ICHIEN: Good afternoon, --

7 PRESIDING MEMBER GEESMAN: Okay, Arlene.

8 MS. ICHIEN: Okay, thank you. Good
9 afternoon, everybody. I'm Arlene Ichien. And
10 first of all, let me say that staff would like to
11 thank everybody for the comments that we did
12 receive. They were very helpful and instructive
13 in pointing out areas that were unclear about the
14 proposed regs.

15 And let me assure you that staff tried
16 its best to be responsive to the comments. And so
17 if you feel that one or more of your comments has
18 been overlooked, please feel free to bring it to
19 our attention.

20 I'd like to just summarize the changes
21 that did go out on July 24th. First of all, there
22 was a request referred to the Garamendi
23 principles; and so that was attempted in the
24 revision to section 2401 on the scope and
25 objectives, where there was reference made to

1 encourage use of existing rights of way.

2 And also an explicit allowance for
3 existing corridors to be proposed for designation.

4 With respect to any sections where there
5 was reference to the Commission or assigned
6 committee we attempted to delete any reference to
7 the Commission to make it clear that there would
8 be a committee overseeing all proceedings for
9 designation.

10 With respect to section 2404, review and
11 acceptance of applications, there the committee
12 can be assigned either before, or at the time an
13 application is found to be complete. And if
14 assigned before an application is found to be
15 complete, then the revisions clarify that it would
16 be the committee's responsibility to determine
17 when information is sufficient to complete the
18 application based on the informational
19 requirements in the appendix.

20 Regarding public notification, there
21 were some specific changes made to clarify who at
22 the public level would be sent notification of an
23 application.

24 There's also reference to transmission
25 load-serving entities. This was in response to a

1 comment from Global representing IID, which
2 requested that the regulations notify state
3 political subdivisions such as IID.

4 And so in talking with the staff about
5 how best to identify such entities we came up with
6 the phrase load-serving entities.

7 With respect to section 2406,
8 coordination with interested agencies, we put in,
9 I think it was at the suggestion of Edison, a
10 timeline for -- or maybe it was San Diego -- a
11 timeline for local governments to respond to
12 initial requests for land use plans and
13 information.

14 We also clarified, tried to clarify the
15 intervention rights and duties of intervenors
16 similar to the way they are described in siting
17 cases. And we tied the deadline for intervention
18 to the draft EIR rather than the final EIR. So it
19 did advance the deadline for intervention in that
20 regard.

21 With respect to reimbursement this is
22 pretty much a new section. It would, first of
23 all, require that a fee be submitted with an
24 application based on the estimated cost for
25 reimbursement. And there would be regular

1 accounting of the drawdown from that fee; and
2 regular accounting made to the applicant
3 throughout the proceeding.

4 And at the end of the proceeding after
5 the final decision there would be a final
6 accounting with any revisions to the estimate made
7 accordingly.

8 With respect to reimbursement to local
9 governments, the revisions refer -- will provide
10 two alternatives. One alternative is to use the
11 existing section in the regulations that sets out
12 a process whereby local governments submit a
13 budget for their estimated costs.

14 And the Energy Commission Staff, in
15 effect, serves as a conduit between the applicant
16 and the local government for local reimbursement.

17 An alternative, in fact a preferred way,
18 that's offered in the regulations is to have the
19 applicants just set up an account directly with
20 the local government and deal directly with them
21 without having to go through the more rigorous
22 method that's described in our regulation, section
23 1715.

24 With respect to requests for information
25 or discovery, trying to be responsive to

1 suggestions to tie the discovery approach more
2 closely to what's done in the siting case, we made
3 more explicit reference to section 1716, which
4 does govern siting cases.

5 And explicitly tied the deadline for
6 ending discovery to the date and application as
7 determined to be complete, or to 180 days after
8 it's determined to be complete. And that is the
9 same deadline as in a siting case.

10 Regarding informational hearings and the
11 scoping meeting, again we deleted reference to the
12 Commission so it's clear a committee would oversee
13 this part of the process.

14 We've also generalized reference to the
15 environmental document so that it doesn't
16 explicitly refer to the meeting as a scoping
17 meeting for an EIR, but rather scoping meeting for
18 environmental review.

19 And this is consistent with the
20 flexibility allowed under CEQA, and also
21 responsive to one or more of the comments to allow
22 for that kind of flexibility in terms of
23 environmental review of proposed designated
24 corridors.

25 And then there's also a revision that

1 specifies committee order, that the committee
2 issue an order after the informational hearing
3 basically setting forth the scope and nature of
4 the environmental review based on input from the
5 parties and interested members of the public
6 during the initial informational hearing.

7 With respect to the prehearing
8 conference and hearing order, there was a
9 suggestion made, and we tried to respond to it, to
10 specify that the committee put out a notice making
11 it clear that the prehearing conference would be a
12 public event. And again deleted reference to the
13 Commission to make it clear the assigned committee
14 would be conducting the prehearing conference.

15 Regarding the hearings and the record.
16 In response to a comment we eliminated the
17 statement that basically allowed anybody to ask
18 questions at the hearings. And this helps clarify
19 the role of the public versus formal intervenors,
20 whereby formal intervenors do have certain rights.
21 For example, to cross-examination.

22 And the interested members of the
23 public, nonintervenors, don't have that same
24 right. They can ask questions, but they don't
25 have the right of cross-examination, for example.

1 And so deletion of that sentence is consistent
2 with trying to clarify the roles of intervenors
3 and nonintervenors.

4 With respect to the proposed decision,
5 at the suggestion of the Presiding Member, we
6 inserted a timeline for the proposed decision, 60
7 days after the completion of the evidentiary
8 hearing.

9 Regarding catalogues of environmental
10 reports, we deleted specific reference to the EIR.
11 Again, to allow for staff maintenance of
12 environmental reports that are other than just
13 EIRs.

14 With respect to the review of designated
15 corridors, as you know, the statute directs the
16 Commission at least every ten years to review and
17 update, as necessary, the designated corridors.

18 The revision to section 2420 is an
19 attempt to make it clear that anybody can request
20 an update for review and revision. And indicates
21 that the Commission has the discretion to review
22 and revise, as necessary.

23 Section 2421 is a new section that has
24 been proposed. And this goes to the comment of
25 allowing flexibility in the environmental review

1 of a proposed corridor. And so the language
2 explicitly says that nothing shall preclude the
3 use of the CEQA exemption or a neg dec or
4 mitigated neg dec unless there are facts to
5 support a fair argument otherwise.

6 It nevertheless obligates a proceeding
7 to have certain basic features, an informational
8 hearing, a prehearing conference, evidentiary
9 hearings as needed, and a proposed and final
10 decision.

11 There were some revisions made to
12 appendix G, which is now referred to as appendix A
13 to avoid confusion with the CEQA guidelines
14 appendix G.

15 The revisions, I believe, by and large,
16 are clarifying revisions. There's a little bit of
17 reorganization, but there's really not substantive
18 change that was made to the appendix, other than
19 reference, at the suggestion of a couple of
20 parties, to refer specifically to the WECC
21 regional planning and facility rating process
22 results, as well as other transmission planning
23 studies, together with the ISO's latest
24 transmission planning results. And this is in the
25 informational section regarding information

1 showing consistency with the strategic plan.

2 So I open it up to any questions or
3 comments, or if anybody believes that one or more
4 of their comments has been overlooked, please feel
5 free.

6 PRESIDING MEMBER GEESMAN: Just so that
7 I'm clear, Arlene, one needs to read the draft
8 that you have handed out which has the cover on
9 it, along with the single sheet printed on both
10 pages. It says, staff-proposed revisions to
11 California Farm Bureau Federation comments,
12 simultaneously?

13 MS. ICHIEN: Yes. And, in fact, I am
14 reminded now that there are additional
15 revisions --

16 PRESIDING MEMBER GEESMAN: Okay, do you
17 want to go through those.

18 MS. ICHIEN: -- in response to the Farm
19 Bureau's comments. And that shouldn't take very
20 long.

21 The Farm Bureau, the first comment they
22 made to us, in need of a response, was to make it
23 clear that linkage with the federal government was
24 such that the federal government wasn't overriding
25 or stepping in place of state government

1 designation.

2 And so the suggested changes to just
3 make it more specific that the coordination with
4 our process with the federal process is to
5 coordinate with federally designated corridors
6 specifically under section 268 of the Federal
7 Power Act of 05. And any land designations that
8 are in adopted federal plans.

9 I believe that was worked out with the
10 Farm Bureau when the staff met last week with
11 them, with Karen.

12 The Farm Bureau had concern about the
13 content of the notice that would be sent to
14 landowners. And so the two suggested changes
15 under the second comment, I think, go to the
16 concerns that the Farm Bureau had.

17 Basically it would standardize the
18 content of the notices sent to interested
19 agencies, as well as members of the public and the
20 landowners.

21 The Farm Bureau had also asked that
22 procedures be clarified as to how to ask and whom
23 to ask for an extension of public review time.
24 And I just want to point out that in the meantime
25 the staff did extend the public comment period in

1 section 2411(b) from 30 days to 45 days. So I
2 think that, in part, goes to addressing the
3 concern that landowners might not get sufficient
4 notice.

5 And as far as clarifying who to ask and
6 when to ask and how to ask, staff recommends that
7 those kinds of unexpected requests be dealt with
8 on a case-by-case basis. This is how they would
9 be dealt with in a siting case.

10 And my concern is that by putting in
11 more explicit language about how to ask for an
12 extension, there may be the apparent right then to
13 ask for an extension. And then the expectation to
14 receive one.

15 But I believe that the regulations do
16 try to balance a timely processing for
17 applications with allowing sufficient time, ample
18 time for public review and comment.

19 Anyway, assuming that balance is
20 observed throughout the proceeding any request for
21 needing more than 45 days, for example, for public
22 review hopefully will be rare. And if needed,
23 will be dealt with on a case-by-case basis.

24 PRESIDING MEMBER GEESMAN: And that
25 would be subject to the discretion of the assigned

1 committee?

2 MS. ICHIEN: Exactly. Each committee
3 would have the discretion to deal with those
4 procedural requests as it sees fit.

5 And then finally, the Farm Bureau had a
6 concern about alternative corridors. In the event
7 an alternative corridor became a proposed corridor
8 for designation, what would happen to property
9 owners along the route of the alternative
10 corridor. Would they be notified to the same
11 extent as for a proposed corridor application.

12 And the answer rests on a couple of
13 things. First, with respect to CEQA, as you all
14 know, CEQA requires the review of alternatives,
15 but requires the review at a less detailed level
16 than for the proposed project.

17 And so in the event there were a
18 preferred alternative to what was proposed because
19 the proposed one had unavoidable, unmitigable
20 impacts, the Commission is not in a position, just
21 as in the siting case, to designate or to approve
22 an alternative corridor unless that alternative
23 were made the subject of an application.

24 So it's conceivable that an applicant
25 might have a change of mind in the course of a

1 proceeding. And based on input, decide that
2 really the merits of the proposed corridor lie
3 with one of the alternatives, and not what was
4 originally proposed.

5 In that event the switching to an
6 alternative corridor, I think, would trigger all
7 of the informational and other requirements,
8 including noticing requirements, that are
9 associated with a proposed corridor that's
10 initially proposed in an application.

11 And I would also point out that in
12 section 2405(a)(2), which has to do with notifying
13 landowners, there's a requirement to notify
14 landowners adjacent to and within a proposed
15 corridor. And the operative word there is
16 proposed.

17 So any corridor that becomes proposed
18 for designation, whether or not it starts out
19 initially as an alternative proposal, I think
20 triggers that requirement for notification.

21 PRESIDING MEMBER GEESMAN: Just a point
22 of clarification. The last two times you've said
23 that, you've allowed the words "I think" to come
24 in there. In my opinion there's no question at
25 all. Is there any reason that you have some doubt

1 on the subject?

2 MS. ICHIEN: I have no doubt personally.

3 PRESIDING MEMBER GEESMAN: Why don't we
4 just leave it at that.

5 MS. ICHIEN: I habitually --

6 (Laughter.)

7 MS. ICHIEN: -- used "I think" simply
8 because it wasn't explicit.

9 PRESIDING MEMBER GEESMAN: No, I
10 understand that.

11 MS. ICHIEN: But I am expressing my
12 legal opinion --

13 PRESIDING MEMBER GEESMAN: Okay.

14 MS. ICHIEN: -- about what would be
15 required.

16 PRESIDING MEMBER GEESMAN: Okay, I want
17 to make certain our record stays clear on that.

18 Okay, --

19 MS. ICHIEN: So, with that, shall we --
20 first of all, are there any volunteers, anyone
21 with an urge to make a comment or ask a question
22 or make a suggestion? Otherwise, we can just
23 start. Yes.

24 MS. FERRY: I'm sorry. I have two
25 comments. I don't know if we just want to do a

1 roundtable like last time, or -- and they're
2 fairly brief, so --

3 PRESIDING MEMBER GEESMAN: You need to
4 identify yourself.

5 MS. FERRY: I will. I'm Lynn Ferry with
6 Southern California Edison Company. And thank
7 you, staff and the Commission, for going through
8 all the comments. I think you did a fabulous job
9 in incorporating many of the proposed changes that
10 were made at the last workshop.

11 My first question is with section
12 2409(d). -- the new language that was in 15 days
13 of informational hearing the assigned committee
14 shall issue an order regarding the type and scope
15 of environmental review.

16 I'm just wondering if we maybe want to
17 include some language that allows the applicant to
18 request the specific environmental review and
19 maybe have the committee issue an order based on
20 that request.

21 It seems that PG&E had wanted a more
22 specific environmental review whereas Edison was
23 looking at maybe a more programmatic environmental
24 review. So I don't know if we want to make that
25 differentiation there.

1 MS. ICHIEN: Well, do you think that
2 would be something that the applicant would see
3 fit to present at the informational hearing?

4 MS. FERRY: Absolutely, yes --

5 MS. ICHIEN: As opposed to allowing time
6 after the informational hearing for additional
7 comments to be received?

8 It occurs to me that the informational
9 hearing would be an appropriate forum to present
10 the applicant's point of view on the environmental
11 review needed.

12 MS. FERRY: Okay, procedurally that
13 certainly makes sense. It just didn't seem
14 explicit here. So, maybe with the application,
15 itself, it would be -- the request would be made
16 there. I don't know if there's a proper place to
17 include language to that.

18 MS. ICHIEN: Okay, anyway, we'll
19 consider that. See if we need to clarify --

20 MS. FERRY: Okay.

21 MS. ICHIEN: -- maybe the contents of
22 the notice inviting parties, including the
23 applicant, to submit opinions about what the
24 environmental review should look like.

25 MS. FERRY: Okay. I think that makes

1 sense certainly.

2 And the only other comment I had was in
3 appendix A, subsection (c), number 8. And I think
4 Edison is certainly more than willing to provide
5 any of the Cal-ISO transmission planning results
6 or WECC planning results if they're available.
7 But we were looking at this process going on maybe
8 five or ten years, and so we may not have a
9 specific project identified for the underlying
10 corridor.

11 So I was just worried that, you know, if
12 that information was not available would we not be
13 in compliance with the regulations.

14 MS. ICHIEN: Okay, so to allow for more
15 flexibility based on what's actually available, we
16 should look at the wording there to make sure it's
17 not overly rigid.

18 MS. FERRY: Right. That would be very
19 helpful.

20 MS. ICHIEN: And, again, that was in?

21 MS. FERRY: Appendix A, subsection (c),
22 number 8. Conformity with strategic planning.

23 That's it for us.

24 MS. ICHIEN: Maybe just including the
25 word "as available"?

1 MS. FERRY: Yes, maybe you could start
2 it off with "if available" or "as available".

3 MR. COLLORD: And I understand we have a
4 caller from SDG&E, Chris Terzich. So if you want
5 to hear from him next.

6 MR. TERZICH: Okay, thank you. Yes,
7 Chris Terzich, SDG&E. Appreciate the opportunity
8 to comment. We'd submitted some written comments
9 previously and had some discussions about kind of
10 a broader programmatic approach kind of like what
11 SoCalEdison was just referring to.

12 And, you know, if you look at the
13 objectives and the way things are written there
14 might be room, or appears to be room, for maybe a
15 more programmed approach based on a broader kind
16 of either geographical area, you know, defined by
17 a set of circumstances or defined by, let's say, a
18 service territory, or something like that.

19 But we were kind of hoping to have
20 something a little bit more, something more
21 explicit written to allow or take that into
22 account so that, you know, this process could
23 marry up with the IEPR process. And maybe, you
24 know, you could have more of a, for lack of a
25 better term, kind of a general plan of energy

1 corridors.

2 The way this is geared now is more
3 towards a kind of a single corridor assessment.
4 And what we're finding is that it may be helpful
5 to have a multiple corridor assessment done all at
6 once so that you could prioritize and identify the
7 best corridors based on a geographical area,
8 whether that be a service territory or based on a
9 set of either renewable resources or standard
10 energy resources, or, you know, what-have-you.

11 So, just wanted to kind of throw that
12 out there. And I'm not sure if there's any way it
13 could be integrated in there. But if it could be,
14 or put in more explicitly, that would be very
15 helpful, I think, to this process.

16 MS. ICHIEN: With respect to the
17 programmatic or the program EIR, there is nothing
18 barring use of a program, or preparation of a
19 program EIR. In fact, I think that's what the
20 statute generally contemplated with respect to
21 environmental review for a proposed corridor, on
22 the assumption that the proposal would be pretty
23 far in advance of when the actual project would
24 materialize.

25 As for considering a series of energy

1 corridors, as you put it, that's an exercise that
2 I think could be dealt with in the strategic plan
3 process.

4 PRESIDING MEMBER GEESMAN: Well, isn't
5 is also simply a function of the scope of what
6 kind of application is filed?

7 MS. ICHIEN: Certainly, but, you know,
8 keep in mind that the statute contemplates a
9 single corridor. It authorizes the Energy
10 Commission to designate a corridor.

11 PRESIDING MEMBER GEESMAN: And if the
12 utility, in this instance San Diego, came in with
13 an application that contemplated several corridors
14 within its service territory, you know, we could,
15 at least in theory, construe that either as a
16 single application or four or five applications.

17 MS. ICHIEN: That's true. I mean
18 there's nothing in the statute or in the
19 regulations that would suggest that is outside the
20 authority of the Energy Commission.

21 It would require, I think, similar level
22 of analysis --

23 PRESIDING MEMBER GEESMAN: Right.

24 MS. ICHIEN: -- for each of the proposed
25 corridors.

1 PRESIDING MEMBER GEESMAN: Right.

2 MS. ICHIEN: So, an ambitious, a more
3 ambitious undertaking.

4 PRESIDING MEMBER GEESMAN: Right. I see
5 our strategic plan people moving --

6 MS. ICHIEN: I see a hand up.

7 PRESIDING MEMBER GEESMAN: -- to the
8 microphone.

9 MS. ICHIEN: Larry Chaset.

10 MR. CHASET: Yeah, I'm Larry Chaset with
11 the California Public Utilities Commission. Just
12 following up on this thought of the multiple
13 corridors in one application, I was intrigued with
14 the proposed revision in response to the Farm
15 Bureau Federation's comments, making explicit
16 reference to section 368 of the EPACT. And as you
17 know, the EIR, programmatic EIR on those westwide
18 corridors is currently being prepared. And I
19 understand a draft is going to be out before the
20 end of this year.

21 My sense is that the idea of having, you
22 know, state corridors that finish up what's left
23 just continuous. And the federal process would be
24 exactly the kind of multicorridor study that, you
25 know, might be contemplated here.

1 You know, we'll have a federal corridor
2 that does a preliminary or programmatic
3 environmental review of the 368 corridors, and
4 then there's all this other land that's not
5 subject to federal jurisdiction that your
6 Commission might finish up the job on.

7 And that is exactly, I think, what San
8 Diego's talking about. So, I don't know whether
9 you're thinking about that. It's a big job,
10 Arlene. It's very big.

11 MS. ICHIEN: And certainly the
12 Commission, on its own initiative, could initiate
13 such a process. Because it has the authority, on
14 its own initiative, to propose a corridor for
15 designation.

16 MR. CHASET: Right. Which actually gets
17 to my other comment, which either I can make it
18 now or we can -- or I can come back to it later.

19 MS. ICHIEN: Go ahead.

20 MR. CHASET: Yeah. In the comments we
21 submitted late last month we made a reference to
22 the need for you to put a sentence somewhere in
23 here, whether it go in appendix now A, or up in
24 the front of the regulation, that states that if
25 the Commission, on its own initiative, is

1 proposing a corridor or a series of corridors, you
2 need to essentially put the same burden on
3 yourself with regard to the information that needs
4 to be provided as your regs put on outside project
5 proponents.

6 So, you know, I think once sentence will
7 do it. Something along the lines of to the extent
8 that the Commission, or the Commission Staff, on
9 its own initiative, proposes the designation of a
10 corridor, the same information requirements set
11 forth hereunder shall also apply.

12 Something along that line.

13 MS. ICHIEN: Or maybe just a note that
14 the word application in appendix A shall also
15 include reference to the Commission's own
16 initiative or motion to initiate a process.

17 MR. CHASET: Yeah, either way.

18 MS. ICHIEN: So that it's clear.

19 MR. CHASET: I think you need just to
20 tie that bow.

21 PRESIDING MEMBER GEESMAN: Yeah, I think
22 that makes sense.

23 MS. MILLS: Perhaps I could go next
24 here, the microphone's on. Karen Mills with the
25 California Farm Bureau Federation. And I

1 appreciate staff taking the time to meet with me
2 and discuss some of our concerns.

3 Obviously we're motivated by making sure
4 that the process is as transparent as possible to
5 the landowners and affected parties by this.h

6 There is a multitude of transmission
7 efforts going on throughout the state these days.
8 I know there's another one going on, just starting
9 up through the PIER program. And other agencies,
10 as well. So, it's a challenge certainly, for us
11 to provide information; and then to make sure that
12 through this kinds of processes where the
13 landowners are directly impacted, that they get
14 the information needed.

15 So some of these revisions that have
16 been made, I think, are really helpful in
17 clarifying the kind of notice that the landowners
18 will get. We appreciate it, and providing
19 notification and the initial notice about how they
20 would go about requesting an extension of time.

21 Certainly in the context of your
22 discussing multiple corridors in a region, when
23 you're talking about something like that, that
24 ratchets up what kind of impact there may be to
25 the surrounding areas. And what kind of review

1 parties might want to do for something of that
2 nature.

3 PRESIDING MEMBER GEESMAN: It also
4 exponentially expands the noticing requirements.

5 MS. MILLS: Right, absolutely. And so I
6 assume that there would be a careful review before
7 something like that happened, because obviously it
8 would impact the payor --

9 PRESIDING MEMBER GEESMAN: Right.

10 MS. MILLS: -- in that context. And
11 then just finally with respect to the alternative
12 discussion, you know, it wasn't real clear to me
13 in the appendix, and tying to the draft
14 regulations, themselves, what was envisioned by
15 the use of the alternatives in this context.

16 Because certainly in siting transmission
17 lines, when that occurs at the PUC, the
18 alternatives have somewhat of a different status.
19 And I just want to have clarified. And it was
20 very helpful for Arlene to offer her legal opinion
21 about the proposed, is proposed, is proposed.

22 And if you're calling it anything else,
23 then that doesn't count for any of those purposes.
24 And so it creates a different status and the
25 requirements are rigorous for it. So that's very

1 helpful to have that clarified how that would be
2 used.

3 So, I appreciate, again, the time and
4 we're still trying to make sure that the
5 landowners who, looking at this going over their
6 land, are adequately protected. So, thanks.

7 PRESIDING MEMBER GEESMAN: We share that
8 interest. Thank you for your comments, Karen.

9 MS. MILLS: Yeah.

10 MS. ICHIEN: Shall we just continue
11 around here.

12 MR. BRAUN: Thank you. Tony Braun on
13 behalf of the California Municipal Utilities
14 Association. My comments, I think, are in the
15 mode of clarification and hopefully improving the
16 work product.

17 And I would note, as a procedural
18 matter, we did review the initial draft
19 regulations; didn't find any issues with them, so
20 we did not participate in the last workshop. We
21 did not file written comments on the second
22 version, so I apologize to the Commission and
23 staff that some of these points are new. But
24 hopefully they're minor, and should not be a point
25 of controversy.

1 The first note is on page 3, section
2 2401(c). I think i would start with a clarifying
3 question because I was unsure about the purpose of
4 that language.

5 It seemed, when I first read it, I
6 thought perhaps it was taking a shot at trying to
7 define persons, as who could be an applicant.
8 Then I thought perhaps it was meant to just make
9 clear that upgrades to existing facilities
10 could -- persons that were going to attempt that
11 could also be applicants.

12 And the reason I raise this is because
13 I'm painfully burdened by history and knowledge of
14 the evolution of the ISO and the rules. We have
15 ISO facilities that in some parts of the state are
16 below 200 kV. We have other parts of the state
17 where it's only the system at 200 kV and above.

18 Also the reference, I think literally
19 read, the transmission line that is, under
20 operational control of the California ISO or would
21 operate at a voltage of 200 kV or more, creates a
22 little confusion as to what subset of upgrades we
23 were talking about.

24 So, I wasn't quite sure -- before I
25 suggest language I wasn't quite sure what the

1 underlying intent of the section was.

2 MS. ICHIEN: That wording referring to
3 the ISO and 200 kV, that's taken directly from the
4 statute, itself; from SB-1059.

5 MR. BRAUN: And so is the --

6 MS. ICHIEN: And --

7 MR. BRAUN: I'm sorry.

8 MS. ICHIEN: -- so the purpose of this
9 revision is to just clarify that applicant may
10 include those who are simply planning to upgrade
11 an existing transmission line.

12 MR. BRAUN: So if there was a new
13 transmission line the applicants may also,
14 obviously, include --

15 MS. ICHIEN: Yes.

16 MR. BRAUN: So then I would suggest,
17 just to clarify for the record, that "or" means
18 that it could be a person, an applicant could be a
19 person that plans to upgrade a transmission line
20 that may or may not be under the ISO's operational
21 control, such that if an applicant was Los Angeles
22 or SMUD or another municipal, Transmission Agency
23 of Northern California, and the line was -- the
24 upgrade would result in an operating -- the
25 current language is capacity, I would suggest

1 voltage of 200 kV or above, that that person could
2 also be included as an applicant.

3 MS. ICHIEN: Do you think that's already
4 taken care of by the "or", the last line.

5 MR. BRAUN: I think it is. I just want
6 to clarify for the record. I mean I'm trying to
7 avoid major modifications to the section. I think
8 the "or" does take care of that.

9 I would suggest operating voltage
10 irrespective of the legislative language, because
11 operating capacity would be a megawatt number.

12 MS. ICHIEN: Okay.

13 MR. BRAUN: My next clarifying point,
14 and it is one that you've already touched upon.
15 It's at page 5, 2405(3). The new language,
16 transmission load-serving entities.

17 MS. ICHIEN: Yes.

18 MR. BRAUN: The Public Utilities Code
19 definition of load-serving entity does not
20 including local publicly owned electric utilities.
21 So I think that choosing that defined term, which
22 you can find somewhere in the California Code,
23 might create a bit of confusion.

24 MS. ICHIEN: Um-hum.

25 MR. BRAUN: I would suggest, and this

1 would also include IID, because this definition
2 includes IID. It's locally transmission owning
3 and then I would use the defined term in the Code,
4 local, publicly owned electric utilities.

5 And if you want to get very specific,
6 would be as defined in section 9604(d) of the
7 Public Utilities Code.

8 And that will cover all the CMUA
9 members, including the joint powers authorities.

10 MS. ICHIEN: Okay.

11 MR. BRAUN: And then, again, a point
12 that you reference, and this is truly in the
13 matter of clarification in the appendix. We
14 already -- section (c)(8) that we've discussed
15 previously.

16 The reference to other planning studies
17 I would certainly argue in any future forum
18 includes anything that the municipal utilities are
19 doing.

20 But given that we have 50 percent of the
21 import capability and a large section of the
22 transmission system, I was thinking that perhaps
23 it would be good to reference the transmission
24 plans that the municipal utilities have out there
25 already.

1 The point of this, I think, and the move
2 that we're all trying to get to is to have a
3 better integrated planning mechanism. And we
4 would believe it would be appropriate to
5 specifically and affirmatively reference the
6 transmission plans of local publicly owned
7 electric utilities there, rather than relying on
8 the generic reference to other transmission
9 planning studies.

10 MS. ICHIEN: Okay, thank you. That's
11 helpful.

12 That phrasing was local publicly
13 owned --

14 MR. BRAUN: Electric. Yes, the
15 definition is local publicly owned electric
16 utilities. And through whatever vehicle you deem
17 appropriate I can get that to -- any of these
18 modifications in writing and --

19 MS. ICHIEN: That would be helpful.
20 Thank you.

21 MR. BRAUN: Thank you.

22 MR. BARTRIDGE: Tony, what was the
23 Public Resources Code on that?

24 MR. BRAUN: It's actually Public
25 Utilities Code section 9604(d) has the definition

1 of local publicly owned electric utilities.

2 MS. ICHIEN: Thank you very much.

3 Let's go around, past the lectern.

4 MR. WISEMAN: Good afternoon. David
5 Wiseman with Galati and Blek, representing PG&E.
6 Once again, thank you for inviting us to
7 participate in the regulatory workshop.

8 We would agree that staff was very
9 responsive to all of our comments that we
10 submitted. So much so that today I'll be focusing
11 mainly on the type and scope of the environmental
12 review expressed by Scott Galati at the last
13 workshop.

14 Notwithstanding section 2421, we
15 recognize the revisions made to 2410 and 2411(a),
16 which show the purpose of the informational
17 hearings are to scope the environmental review in
18 the transmission corridor zone.

19 Our concern is that it would seem that
20 2410(a), as well as 2411, would still work to bind
21 staff in issuing an EIR instead of the ability to
22 publish the appropriate level of review, as
23 referenced under 2409.

24 So our comments mainly focus on -- which
25 we'll be submitting in a written format -- that

1 possibly we could adjust some of the language
2 under section 2411, as well as 2410, to not
3 require staff to publish a draft environmental
4 impact report, but also to allow them to be able
5 to publish other forms of environmental review.

6 MS. ICHIEN: So maybe just insertion of
7 simple wording like, unless otherwise directed, or
8 unless otherwise ordered. Because there is
9 allowance in the proposed revisions for the
10 committee to come out with an order, after the
11 informational hearing, setting forth the scope and
12 nature of environmental review.

13 MR. WISEMAN: That would seem
14 acceptable, especially in light of section 2421,
15 defining the application of CEQA.

16 PRESIDING MEMBER GEESMAN: I thought
17 though, at the last workshop, and we spent a fair
18 amount of time discussing this, in order to take
19 into account the possibility of other types of
20 environmental documentation we were going to try
21 and strike all of the references to environmental
22 impact report in the regs; and use appropriate
23 environmental document, or some other slightly
24 more generic phrase.

25 MS. ICHIEN: I mean that's another way

1 to do it, as well. I mean it was done in a couple
2 of sections, for the scoping meeting and for the
3 cataloging of reports.

4 PRESIDING MEMBER GEESMAN: I heard,
5 though, and I don't want to put words in his
6 mouth, but I heard Mr. Galati arguing at the last
7 workshop that his concern was that our use of the
8 phrase environmental impact report seemed to
9 create an expectation -- and frankly, it may be an
10 accurate expectation in the majority of cases --
11 but seemed to create an expectation that an EIR
12 would always be required.

13 And I think that probably better to be a
14 little more neutral than that.

15 MS. ICHIEN: So, anyway, we will
16 consider either neutralizing any reference to the
17 EIR specifically, or putting in qualifying words
18 like, unless otherwise ordered.

19 MR. WISEMAN: Thank you.

20 MS. ICHIEN: Thank you. Chris and Jim,
21 do you have comments, questions?

22 DR. TOOKER: This is Chris Tooker from
23 the Energy Commission Staff. We just came forward
24 because it would appear that we were talking about
25 some new concepts, and we wanted to be here if we

1 needed to engage.

2 But I think my concerns about the
3 complexity of multiple corridor applications have
4 been expressed by the Farm Bureau and others.

5 MS. ICHIEN: Are there any other
6 comments or questions?

7 Okay, hearing none, then staff will take
8 under consideration those suggestions that have
9 been made today, and we'll make additional
10 changes.

11 Would you then like the staff to publish
12 the additional changes for public review?

13 PRESIDING MEMBER GEESMAN: Well, I think
14 that Commissioner Byron and I would prefer to take
15 this to the full Commission. So, yes, you should
16 certainly make that publication, but I think that
17 it would probably be best to put that under the
18 Committee sponsorship as something that we would
19 be recommending to the full Commission.

20 MS. ICHIEN: Okay, the next --

21 PRESIDING MEMBER GEESMAN: I think we've
22 had a good process here and gotten input from a
23 lot of people. I think it's now ripe to move
24 beyond the Committee.

25 ASSOCIATE MEMBER BYRON: I concur. I

1 feel that all the comments have been
2 satisfactorily resolved here.

3 MS. ICHIEN: Okay, good.

4 Well, the next major step then is to
5 prepare the package for OAL for publication in the
6 California Register. And then also for
7 commencement of the formal rulemaking process,
8 which would start the 45-day public review process
9 of the Committee's then proposed regulations.

10 PRESIDING MEMBER GEESMAN: That's where
11 we are.

12 Any public comment today?

13 I want to thank you all for your
14 attendance both today and in our earlier workshop.
15 I think this has been a very productive process.

16 We'll be adjourned.

17 (Whereupon, at 2:21 p.m., the Committee
18 Workshop was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Committee Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said workshop, nor in any way interested in outcome of said workshop.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of August, 2007.

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