SDG&E Comments on the CEC's Proposed Regulations for an Electric Transmission Corridor Designation Process under SB1059

San Diego Gas & Electric Company (SDG&E) appreciates the opportunity to review and provide input into the promulgation of the above-referenced regulations. We commend the thoughtfulness and cooperative spirit of CEC staff in this process. The following comments are in addition to those provided by SDG&E in June 2007.

There are two issue areas where the proposed regulations, specifically Appendix G, could be augmented to make the corridor designation process more useful for Load-Serving Entities (LSE's) and others proposing electric transmission corridors/projects. These two issue areas are alternatives and cumulative impacts, which must be analyzed under the California Environmental Quality Act (CEQA). SDG&E recommends that the regulations specifically allow the CEC to prepare a Program Environmental Impact Report (PEIR) to address these two issues early during the corridor designation process. The LSE's could provide the CEC with information to prepare a PEIR that analyzes multiple corridors rather than just one corridor, emphasizing the use of existing transmission line rights of way within either its service territory or a larger subarea within its service territory logically connected and/or defined by geography, transmission system configuration, existing generation, proposed generation, renewable energy resources areas, etc. This would facilitate the identification, analysis, assessment and ultimate proposal of the best corridors for the LSE-identified purposes consistent with the latest IEPR. Through that evaluation, certain corridors would likely be eliminated for environmental or other factors. This builds in a useful alternatives analysis that the CPUC could then rely upon for future, specific transmission projects. The logic of this approach is consistent with CEQA Guidelines for alternatives as outlined below:

> ***15126.6 Consideration and Discussion of Alternatives to the Proposed Project.***
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> *(2) Alternative locations.*
> *C) Limited new analysis required. Where a previous document has sufficiently analyzed a range of reasonable alternative locations and environmental impacts for projects with the same basic purpose, the lead agency should review the previous document. The EIR may rely on the previous document to help it assess the feasibility of potential project alternatives to the extent the circumstances remain substantially the same as they relate to the alternative. (Citizens of Goleta Valley v. Board of Supervisors (1990) 52 Cal.3d 553, 573).*

In its consideration of electric transmission line projects, the CPUC spends much of its impact assessment efforts on alternatives. The CPUC could rely upon a CEC PEIR that identified and assessed multiple routes, system and non-wires alternatives, based on the LSE's stated project objectives. Thus, its impact analysis would only include potential impacts and mitigation of the particular transmission line under consideration.

A broader service territory or geographically/system-defined PEIR would identify the best corridors for the same basic goals shared by all LSE's: Reliability, Reduced Costs and/or Access to Generation (conventional or renewable). The PEIR would set forth short- and long-term needs such that the level of detailed analysis could be defined by the timing of the need. This allows for flexibility in the level of environmental review appropriate to anticipated projects. Corridors needed for the near-term could have a more detailed analysis while corridors needed in the longer term could have higher-level, more general analysis. Corridors that could meet more than one of the objectives could be prioritized as the best ones to be carried forward since environmental effects would be reduced by the consolidation of corridors.

Furthermore, the CEC could perform a cumulative impact assessment for the corridors that remained as the best options after the alternatives analysis. This is another CEQA-mandated analysis that specific future transmission projects could rely upon. Below is an excerpt of the CEQA Guidelines for cumulative impacts:

> ***15130. Discussion of Cumulative Impacts***
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> *(d) Previously approved land use documents such as general plans, specific plans, and local coastal plans may be used in cumulative impact analysis. A pertinent discussion of cumulative impacts contained in one or more previously certified EIRs may be incorporated by reference pursuant to the provisions for tiering and program EIRs. No further cumulative impacts analysis is required when a project is consistent with a general, specific, master or comparable programmatic plan where the lead agency determines that the regional or areawide cumulative impacts of the proposed project have already been adequately addressed, as defined in section 15152(f), in a certified EIR for that plan.*

A CEC PEIR that identified the best transmission line corridors within a service territory or geographically/system-defined subarea could focus a cumulative impacts discussion on those corridors and assess a worst-case ultimate build out, thus limiting the need for the CPUC to repeat this analysis in its project specific environmental document. The CEC corridor designation process could be analogous to an "Energy General Plan" under this approach. The CPUC would simply incorporate by reference in its project specific environmental document and provide supplemental analysis if required under CEQA.

The approach outlined above would provide for the most useful environmental documentation and could substantially streamline the electric transmission line permitting process. This assumes, however, the CPUC is amenable to the approach and focused its environmental review. SDG&E is hopeful that all agencies involved in the permitting and approval of transmission projects understand the efficiencies that could be achieved by a PEIR. This approach is consistent with the legislative intent of SB1059 and would

maximize the usefulness of the legislation to ensure the electric transmission line needs of the State are met as efficiently as possible.