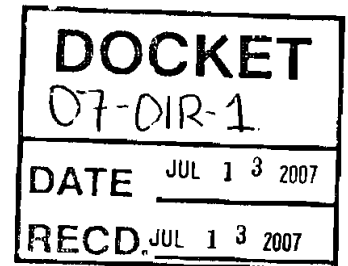


July 13, 2007

Ms. Raquel Rodriguez  
California Energy Commission  
Docket Unit, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

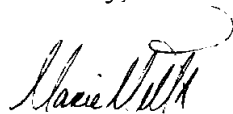


Subject: **Pacific Gas & Electric Company's Comments on Staff's Proposed Regulations for the Transmission Corridor Designation and Implementation of Senate Bill 1059**  
**Docket No. (07-OIR-1)**

Dear Ms. Rodriguez:

Enclosed for filing with the California Energy Commission are one original and 12(Twelve) copies of the **Pacific Gas & Electric Company's Comments on Staff's Proposed Regulations for the Transmission Corridor Designation and Implementation of Senate Bill 1059 Docket No. (07-OIR-1)**.

Sincerely,



Marie Mills  
Administrative Assistant I  
GalatiBlek

July 13, 2007

Siting Regulations Rulemaking Committee  
Commissioner John L. Geesman  
Presiding Member  
Commissioner Jeffrey Byron  
Associate Member  
California Energy Commission  
1519 Ninth Street  
Sacramento, California 95814

***Subject: Comments on Staff's Proposed Regulations for the Transmission Corridor Designation and Implementation of Senate Bill 1059***

Dear Commissioners,

GalatiBlek, LLP represents Pacific Gas and Electric Company (PG&E) in reviewing and assisting the Energy Commission staff in developing siting regulations for the Transmission Corridor Designation and Implementation of Senate Bill 1059. PG&E appreciates the opportunity to provide comments on the development and implementation of these siting regulations because PG&E also recognizes the need to plan transmission projects well into the future. The establishment of protected transmission corridors could assist in that planning process. PG&E supports that the transmission corridor designation process is voluntary. The following section presents the general principles underlying our specific comments on the regulations. Specific comments are attached.

As stated at the March and June Committee sponsored workshops, PG&E's main concern is that any transmission corridor designation process provides a real benefit to the siting of new transmission facilities as opposed to merely adding an additional layer of regulatory review. PG&E believes it shares a common view with the Committee that any designation process should be thorough enough to streamline future permitting efforts while recognizing that at a corridor designation planning level, any environmental review is by its very nature limited by the knowledge of specific transmission projects contemplated.

We understand that in order to strike that balance, the Committee desires to incorporate an adjudicatory process and the proposed regulations reflect that approach. If such an adjudicatory process is employed, PG&E believes that the

principles the Commission already employs in its Power Plant Siting Process should be employed. These principles are clearly understood and have been revised over time to provide clarity while ensuring full and fair participation from the public and the parties. We believe the regulations pertaining to Transmission Corridor Designation would benefit from the existing, and experienced process of those already employed by the Commission.

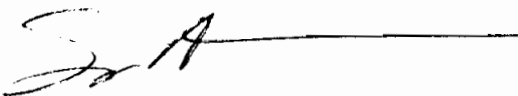
In addition to incorporation of the existing Power Plant Siting regulatory guidance, PG&E believes the regulations should allow the CEC to tailor any environmental review under the California Environmental Quality Act (CEQA) to the particular corridor proposal. For example, if a proposed corridor was limited in breadth and already incorporated existing transmission lines, the CEC should not be precluded by regulation from preparing a CEQA compliant document other than an Environmental Impact Report (EIR).

Similarly, PG&E believes the level of environmental review should be commensurate with the level of detail information provided by the corridor proponent. The regulations should provide the CEC with flexibility in determining the actual scope and focus of the environmental review. This can be achieved during an early scoping meeting and through recommend Committee oversight. Instead of mandating through regulation that the CEC must only perform a Program Level Environmental Impact Report, we suggest a more thorough level of environmental review may be possible thereby allowing more meaningful, and less cumbersome, tiering for subsequent transmission line project evaluations.

In order for any environmental review to have value to subsequent proposals, PG&E believes that it should evaluate and establish mitigation and avoidance strategies to reduce impacts to acceptable levels. Then if a subsequent transmission line project proponent incorporates these strategies into its project proposal, the project level environmental review should be less burdensome and would not need to "reinvent the wheel". PG&E believes without such strategies, the transmission corridor environmental document would not have any value to assist in subsequent permitting.

PG&E appreciates the opportunity to participate in the rulemaking process and looks forward to staff's responses and the upcoming workshop. If you need any additional information, please do not hesitate to contact me at (916) 441-6575

Sincerely,

A handwritten signature in black ink, appearing to read "S. Galati", followed by a long horizontal line extending to the right.

Scott A. Galati  
Counsel to PG&E

## SPECIFIC COMMENTS

### Section 2404(d) – Review and Acceptance of Application

Subsection (d) reads, “If the commission determines that the application is incomplete, it shall specify in writing the deficiencies based on section 2402 and the application shall not be accepted.”

We recommend section 2404(d) incorporate the procedure of section 1709(c). Section 1709(c) reads in pertinent part “[i]f the commission determines the notice or application for certification is incomplete, the commission shall indicate, in writing, those parts of the notice or application for certification which fail to meet the information requirements and the manner in which it can be made complete.” Section 1709(c) is an efficient process by which the commission identifies the applicant’s deficiencies and the manner in which an application can be made complete, in addition providing the applicant direction on curing an incomplete application.

Section 2404(e) – This section provides that the commission shall “consider” whether to assign a committee to preside over the proceeding.

We recommend that in all cases a committee be assigned to preside over the proceeding to provide the guidance and dispute resolution routinely employed in the power plant siting cases. Therefore we recommend adopting language similar to Section 1709(e).

### Section 2404(f) – Review and Acceptance of Application

Subsection (f) reads in pertinent part, “If determined to be complete, the application shall be accepted as of the date the commission or committee so determines and the proceeding for considering whether to designate the proposed corridor shall begin.”

We recommend the date that section 2404(f) accepts an application as complete remain consistent with the date an application is accepted under 2404(c). Under section 2404(c) an application determined by the commission as complete shall be accepted as of that date.

### Section 2406 – Coordination with Interested Agencies and Public Participation

Subsection (c) enumerates an intervenor’s rights, yet does not comment upon an intervenor’s obligations or duties as section 1207 does. We believe the language in section 2406 subsection (c) is somewhat ambiguous and may confer upon an intervenor additional rights without subsequent duties and obligations.

We believe an intervenor’s rights and duties would be better understood if section 2406 mirrored section 1207. Under section 1207(c), “[a]ny person whose

petition is granted by the presiding member shall have all the rights and duties of a party under these regulations.”

Additionally, section 1712 states, “[n]o person who becomes a party shall be permitted to reopen matters or reopen discovery dealt with in the proceeding prior to the time when such person became a party, without a showing of good cause.” We believe this provision should also be incorporated into section 2406.

Section 2406 should also incorporate section 1207(e) which provides an intervenor an opportunity to withdraw should they wish to do so. Providing an intervenor a mechanism for withdraw enables an intervenor to relieve themselves of the rights, burdens and obligations of a party.

We recommend the entire section of 1207 be incorporated into section 2406 with additional language from section 1712 as described above.

#### Section 2407 – Reimbursement

We understand that the Commission Staff is reworking the reimbursement section and therefore withhold comments on the current language

#### Section 2408 – Requests for Information

Section 2408(a) reads in pertinent part, “the staff shall have the authority to request from the applicant or any source such information as is necessary to complete an environmental impact report in accordance with the California Environmental Quality Act... .”

We believe section 1716 has been an efficient and structured rule, which enables all parties to obtain needed information during the siting process. Section 1716(d) reads, “[a]ny party may request from a party other than the applicant information which is reasonably available to the responding party and cannot otherwise be readily obtained, and which is relevant to the proceeding or reasonably necessary to make a decision on the notice or application. All such requests shall state the reasons for the request.”

Should CEC staff need further information relevant to the proceeding which cannot otherwise be readily obtained, section 1716(g) provides staff a mechanism in which they can petition the commission for an order directing a responding party to answer. In addition, section 1716(e) ensures informational requests do not continue in perpetuity by requiring the party requesting information to show good cause if the request was made 180 days from the date the was determined complete.

PG&E recommends section 1716 be incorporated in its entirety to replace section 2408.

#### Section 2409 – Informational Hearing and Scoping Meeting

Section 2409(c)(5) refers to a definition of the term feasible as being defined in section 1702(e).

We believe section 2409(e) is referencing the definition of feasible as defined under section 1702(f).

In addition, we recommend that 2409(c)(4) be revised to make clear that the Committee can decide to undergo environmental review using some other form of CEQA compliance such as a negative declaration, mitigated negative declaration, etc. Additionally this section should state clearly that the Committee should issue an order after the Informational Hearing stating the type and scope of environmental review. We believe the Committee should have the flexibility to tailor the review to the type and detail of the proposal before it.

#### Section 2410 – Preparation of Environmental Impact Report, Need Assessment and Staff's Role

Consistent with the comments above regarding the flexibility of documentation other than and EIR, we recommend the terms “and final environmental impact report” be replaced with “environmental documentation prepared pursuant to CEQA”.

In addition, we recommend that subsection (d) be revised to require Staff to prepare an initial report rather than allow discretion. These early reports have proven useful in power plant siting cases and we believe it can be used as the Staff's recommendation to the Committee regarding the type of environmental document and scope of review to be employed.

#### Section 2411 – Publication of the Environmental Impact Report, Need Assessment, and Public Review

We recommend the timelines associated with the issuance of a negative declaration or mitigated negative declaration be included as the section as currently drafted only refers to the preparation of an EIR.

Section 2411(a) directs staff to publish a draft environmental impact report on the proposed designation within 120 days of the final informational hearing. Section 2411(c) directs staff to prepare their final environmental impact report within 30 days after the conclusion of the public comment period on the draft environmental impact report. Section 2412 provides staff additional time frames once they issue their final environmental impact report.

Section 1747 of the siting regulations directs staff to issue their final staff assessment at least fourteen (14) days prior to evidentiary hearings.

We believe in keeping with the spirit of section 2411 and section 2412 a time should also be placed directing staff to issue their final environmental impact report. PG&E would recommend setting a point of reference for such direction,

such as 60 days from the conclusion of the public comment period of staff's draft environmental impact report.

Section 2411(a) reads in pertinent part, "[w]ithin 120 days of the final informational hearing under section 2408...".

We believe section 2411(a) is actually referencing section 2409 instead of section 2408.

#### Section 2412 – Prehearing Conference and Order

Consistent with comments above, we recommend the language be revised to clarify that these activities will be governed by the committee and not the full commission.

#### Section 2413 – Hearings and Record

We recommend that the language "based on the draft environmental impact report" be deleted from subsection (a).

Subsection (b) inadvertently confers the right of cross examination to any person. Consistent with the power plant siting regulations, this right should be limited to parties.

#### Section 2414 - Proposed Decision

PG&E recommends that the proposed decision be issued within 60 days of the conclusion of hearings.

#### Section 2416 – Final Decision and Hearing

Section 2416 should be revised consistent with the comments above to allow environmental documents other than an EIR.

#### Appendix G

##### Section (b) Project Description

We recommend that Subsection (8) be revised as follows:

(8) a discussion of the latest CAISO transmission planning results **or the relevant WECC Regional Planning and Facility Rating Process results** that would support the addition of the transmission project(s) that the applicant anticipates within the proposed corridor zone in the planning timeframe.