PUBLIC SCOPING REPORT

Environmental Impact Report
SDG&E South Bay Substation Relocation Project

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ACRONYMS AND ABBREVIATIONS LIST

Term	Definition
ALJ	Administrative Law Judge
CAISO	California Independent System Operator
CCP	Comprehensive Conservation Plan
CDP	coastal development permit
CEQA	California Environmental Quality Act
CESA	California Endangered Species Act
CNDDB	California Natural Diversity Database
CPUC	California Public Utilities Commission
CSLC	California State Lands Commission
CVBMP	Chula Vista Bayfront Master Plan
DTSC	Department of Toxic Substances Control
EIR	Environmental Impact Report
EMF	electromagnetic field
EOA	Environmental Oversight Agreement
GHG	greenhouse gas
GIS	geographical information system
kV	kilovolt
LCP	Local Coastal Program
LNG	liquefied natural gas
MHCP	Multiple Habitat Conservation Program
MOU	Memorandum of Understanding
MSCP	Multiple Species Conservation Program
NOP	Notice of Preparation
NWR	National Wildlife Refuge
OMPL	Otay Metro Power Loop
PEA	Proponent's Environmental Assessment
PTC	Permit to Construct
ROW	right-of-way
SAP	Subarea Plan
SANDAG	San Diego Association of Governments
SBPP	South Bay Power Plant
SDAS	San Diego Audubon Society
SDCRAA	San Diego County Regional Airport Authority
SDG&E	San Diego Gas & Electric Company
SDUPD	San Diego Unified Port District
USFWS	U.S. Fish and Wildlife Service
V/C	vehicle-to-congestion (ratio)
VCA	Voluntary Cleanup Agreement
WAG	Wildlife Advisory Group

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1.0 OVERVIEW OF CEQA SCOPING PROCESS

1.1 Introduction

On June 16, 2010, San Diego Gas and Electric (SDG&E) filed an application (A.10-06-007) for a Permit to Construct (PTC) with the California Public Utilities Commission (CPUC) for the South Bay Substation Relocation Project (Proposed Project). According to SDG&E, the project primarily involves relocation of the existing South Bay Substation to a new site approximately 0.5 mile south. The existing South Bay Substation would be relocated to the proposed Bay Boulevard Substation site, which is situated approximately 2 miles south of the City of National City, approximately 5 miles northeast of the City of Imperial Beach, and approximately 7 miles southeast of downtown San Diego. The South Bay Substation is an aging 138/69-kilovolt (kV) substation that was originally built to accommodate the adjacent South Bay Power Plant (SBPP) in the City of Chula Vista (City). The South Bay Substation was originally constructed in 1961 and consists of equipment that was not built to modern seismic standards. The existing 138 kV bus is undersized for current transmission system conditions. The 69 kV bus is also configured in such a way that overloads of the 69 kV transmission line occur in the South Bay region caused by 69 kV bus outages at the South Bay Substation. With the potential retirement of the SBPP, a replacement bulk power source is being proposed to connect to the existing 230 kV transmission lines in the area (Otay Metro Power Loop (OMPL) Project (formerly referred to as the Otay Mesa Power Purchase Agreement Project)).

In October 2004, SDG&E and the City of Chula Vista entered into a Memorandum of Understanding (MOU) regarding several energy issues. One of the objectives of the City in the MOU was relocation of the existing South Bay Substation after retirement of the SBPP. SDG&E's projected schedule is to have the Bay Boulevard Substation energized and transmission line connections completed, so that decommissioning and demolition of the existing South Bay Substation can occur after the potential retirement of the SBPP. SDG&E has indicated that to meet the scheduled in-service date of December 2013, which has been established based on system reliability and load requirements, construction needs to begin in March 2012.

This public scoping report documents the CPUC's scoping process and the comments received for the Proposed Project. Specifically, this report describes the scoping activities and documents the written comments received on the CPUC's Notice of Preparation (NOP). This report serves as an information source to the CPUC in its determination of the range of issues and alternatives to be addressed in the Proposed Project. The CPUC will use the comments received during the scoping period to:

- Identify key issues to focus the analysis
- Identify reasonable alternatives for analysis

- Present environmental impacts of the project and alternatives
- Identify ways to avoid or reduce environmental impacts
- Inform the agency decision-making process.

1.2 Summary of CEQA Scoping Process

The California Environmental Quality Act (CEQA) scoping process provides government agencies, public and private organizations, and the general public the opportunity to identify environmental issues and alternatives for consideration in the Environmental Impact Report (EIR). The scoping process and results are an initial step in the CEQA process. The scoping process for the subject project was initiated with publication of the NOP on July 13, 2011, as required by CEQA Guidelines §15082 (14 CCR 15000 et seq.). The NOP is contained in Appendix A-1 of the Scoping Report. The NOP was sent to more than 300 recipients, including 21 federal agency contacts, 43 state agency contacts, and 118 local agency contacts and planning groups. The NOP was also distributed to 130 private organizations and individuals, 19 Native American groups, and 6 local libraries.

The comment period for the NOP ended on August 15, 2011. In total, 16 letters were received. These comments are incorporated into the EIR project record, and they are documented and summarized in this Scoping Report.

During the NOP comment period, the CPUC held a public scoping meeting on August 1, 2011, at the Chula Vista Civic Center, 430 F Street, Chula Vista, California.

The scoping meeting provided the public and government agencies the opportunity to receive information about the CEQA process and SDG&E's Proposed Project. Approximately 18 people attended the scoping meeting, including representatives from two local agencies, one organization, and private citizens. Materials provided to the public at the CEQA scoping meeting are contained in the following appendices:

- Appendix A-1 – Notice of Preparation
- Appendix B-1 –Meeting Agenda
- Appendix B-2 – Scoping Meeting Presentation
- Appendix C-1 – August 1, 2011, Scoping Meeting Sign-In Sheet
- Appendix D-1 – Letters from Federal, State, and Local Agencies and Planning Groups
- Appendix D-2 – Letters from Private Organizations
- Appendix D-3 – Letters from Private Citizens

1.3 Agency Notification

The NOP was distributed to responsible agencies under CEQA, and to federal, state, and local agencies that may be affected by, or have an interest in, the Proposed Project. The NOP was sent to 21 federal agencies, 43 state agencies, and 118 local agency contacts and planning groups. The NOP was also distributed to 130 private organizations and individuals, 19 Native American groups, and 6 local libraries.

1.4 Public Notification

Public notification for the South Bay Substation Relocation Project and scoping meetings entailed newspaper announcements and the mailing of the NOP. Notice for the public scoping meeting was published in the San Diego Union Tribune on July 13, 2011. The NOP was also distributed to over 310 individuals, which included property owners within 300 feet of the project ROW. Appendix A-1 contains the NOP. SDG&E was responsible for preparing the notification list of property owners within 300 feet of their proposed facilities.

The NOP was also made available to the public on the CPUC website for the South Bay Substation Relocation Project at:
http://www.cpuc.ca.gov/environment/info/dudek/sbsrp/SouthBaySub.htm.

1.5 Agencies, Organizations, and Persons Providing Scoping Comments

Written comments were received during the CEQA scoping process from federal, state, and local agencies; private and public organizations; and the general public. Written comments provided in response to the NOP are contained in Appendix D.

Table 1 presents the agencies, organizations, and private citizens that provided comments during the CEQA scoping process.

Table 1
Comments Received During Public Scoping Period

Commenter	Date
Federal, State, Local Agencies and Planning Groups, and Native American Groups	
California Coastal Commission (Alison Dettmer)	August 3, 2011
California Department of Fish and Game and U.S. Fish and Wildlife Service, San Diego National Wildlife Refuge Complex (Andrew Yuen and Stephen Juarez)	August 15, 2011
California State Lands Commission (Cy Oggins)	August 15, 2011
City of Chula Vista (Gary Halbert)	August 15, 2011
Department of Toxic Substance Control (Greg Holmes)	August 8, 2011

Table 1
Comments Received During Public Scoping Period

Commenter	Date
Port of San Diego (Chris Hargett)	August 10, 2011
County of San Diego – County Clerk	July 14, 2011
County of San Diego Regional Airport Authority (Ted Anasis)	August 15, 2011
Private Organizations	
San Diego County Archaeological Society (James W. Royle)	July 14, 2011
San Diego Audubon Society (Jim Peugh)	July 19, 2011
San Diego Audubon Society (Jim Peugh)	August 12, 2011
San Diego Gas and Electric (SDG&E) (Christopher Terzich)	August 15, 2011
Wildcoast (A.J. Schneller)	August 15, 2011
Private Citizens	
Paul Butler	July 28, 2011
Inland Industries Group	August 11, 2011
Latitude 42, Inc	August 15, 2011

The input received during the CEQA scoping process will assist the CPUC in identifying environmental issues and the range of alternatives to be addressed in the EIR. All issues raised in the scoping process will be reviewed by the CPUC to determine the appropriate level of analysis and consideration.

1.6 Scoping Report Organization

Summary information on SDG&E's stated project objectives and the South Bay Substation Relocation Project description is presented in Section 2.0 and provides background information regarding the applicant's Proposed Project. The results of the EIR Scoping Process are subsequently summarized in Section 3.0. Appendices A, B, and C include notification and scoping meeting materials, and Appendix D provides letters received in response to the NOP.

2.0 SUMMARY OF SDG&E'S PROPOSED PROJECT

This section provides an overview of the South Bay Substation Relocation Project, located approximately 2 miles south of the City of National City, approximately 5 miles northeast of the City of Imperial Beach, and approximately 7 miles southeast of downtown San Diego.

2.1 Summary of SDG&E's Proposed South Bay Substation Relocation Project Facilities

The proposed South bay Substation Relocation Project consists of five primary project components: (1) construction of the Bay Boulevard Substation approximately 0.5 mile south of the existing South Bay Substation, (2) dismantling of the existing South Bay Substation, (3) construction of a 230 kV loop-in, (4) extension of 138 kV transmission lines, and (5) relocation of 69 kV transmission lines.

Bay Boulevard Substation

The new Bay Boulevard Substation would be approximately 10 acres in size and would be located on a portion of the former liquefied natural gas (LNG) plant to the west of Bay Boulevard and south of the SBPP. The proposed Bay Boulevard Substation would support 12 kV, 69 kV, and 230 kV circuits. Initially, the new substation would include a 230 kV yard with 2 five-bay, breaker-and-a-half, 230/69 kV transformers and associated circuit breakers, disconnects, and controls; a 69 kV yard with 14 double-breaker bays in a quad bus configuration; a communications tower used by SDG&E to monitor the substation operations remotely; and a control house to house substation controls. The ultimate arrangement of the Bay Boulevard Substation would include the addition of one 230/69 kV and four 69/12 kV transformers and associated circuit breakers, disconnects, and controls; two 230 kV capacitors or one 230 kV synchronous condenser; a new distribution control house; and four 12 kV capacitors.

South Bay Substation Dismantling

The project includes decommissioning and demolition of the existing 7.22-acre South Bay Substation following several conditional requirements, such as energization of the Bay Boulevard Substation and cutovers of the existing transmission lines from the South Bay Substation to the Bay Boulevard Substation. Decommissioning and demolition of the South Bay Substation would include removal of all above-grade components, including both the 138 kV and 69 kV transmission equipment.

230 kV Loop-In

To reroute existing utilities in the area to the proposed Bay Boulevard Substation, the project includes construction of a 230 kV loop-in. This project component includes an approximately 1,000-foot-long underground interconnection and an approximately 300-foot-long overhead interconnection of the existing 230 kV tie-line, located east of the proposed Bay Boulevard Substation.

138 kV Extension

The project includes rerouting existing 138 kV circuits that terminate at the South Bay Substation by constructing a 138 kV extension of an approximately 3,800-foot underground and approximately 200-foot overhead span from one new steel cable pole to an existing steel lattice structure.

69 kV Relocation

The project includes relocation of six 69 kV transmission lines and associated communication cables to the proposed Bay Boulevard Substation, requiring the relocation of approximately 7,500 feet of overhead line and the construction of approximately 4,100 feet of underground line.

2.2 Project Location

The project components are located in the City of Chula Vista, in the southwesterly portion of San Diego County. The existing South Bay Substation would be relocated to the proposed Bay Boulevard Substation site, which is situated approximately 2 miles south of the City of National City, approximately 5 miles northeast of the City of Imperial Beach, and approximately 7 miles southeast of downtown San Diego.

2.3 SDG&E's Stated Project Objectives

The South Bay Substation is an aging 138/69 kV substation that was originally built to accommodate the adjacent SBPP in the City. The South Bay Substation was constructed in 1961 and consists of equipment that was not built to modern seismic standards. The existing 138 kV bus is undersized for current transmission system conditions. The 69 kV bus is also configured in such a way that overloads of the 69 kV transmission line occur in the South Bay region, caused by 69 kV bus outages at the South Bay Substation.

With the planned retirement of the SBPP, a replacement bulk power source is being proposed to connect to the existing 230 kV transmission lines in the area (OMPL project).

In October 2004, SDG&E and the City entered into an MOU regarding several energy issues. One of the objectives of the City in the MOU was relocation of the existing South Bay Substation after retirement of the SBPP. SDG&E's projected schedule is to have the South Bay Boulevard Substation energized and transmission line connections completed so that decommissioning and demolition of the existing South Bay Substation can occur after retirement of the SBPP.

SDG&E has identified the following four primary project objectives:

- Replace aging and obsolete substation equipment
- Design a flexible transmission system that would accommodate regional energy needs subsequent to retirement of the SBPP
- Facilitate the City's Bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E–City of Chula Vista MOU
- Provide for future transmission and distribution load growth for the South Bay region.

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3.0 SUMMARY OF SCOPING COMMENTS

Section 3.0 summarizes the scoping comments received from federal, state, and local agencies; local planning groups; private and public organizations; and the general public. Comments are organized by issue area. Please see Appendix D for full copies of NOP comment letters.

3.1 Project Description and Objectives

California State Land Commission (CSLC), Sacramento, California

- The EIR should provide a thorough project description to facilitate meaningful environmental review of potential impacts, mitigation measures, and alternatives. The project description should be as precise as possible in describing the details of all proposed activities as well as the timing and length of activities. A thorough project description will facilitate CSLC staff's review and minimize the need for subsequent environmental analysis.

Inland Industries Group, San Diego, California

- The commenter states that SDG&E has not provided a valid reason as to why it is necessary to convert the substation from its existing 138/69 kV configuration to a 230/69 kV arrangement. In the event a smaller substation (138/69 kV) were determined to be feasible, it would potentially result in sites not located on the Bayfront to be feasible for a 138/69 kV substation.
- Engineers retained by Inland Industries Group reviewed the project purpose and need provided in the Proponent's Environmental Assessment (PEA) and the February 3, 2010, California Independent System Operator (CAISO) Board memorandum. Based on the information provided by SDG&E and CAISO, it has been suggested by the commenter that CAISO and SDG&E have failed to both demonstrate that the project is needed and that incurring costs for the Proposed Project are not in the consumers' best interest. Exhibit 4 of the letter provided by Inland Industries Group on August 11, 2011, provides an overview as to why CAISO and SDG&E have failed to both demonstrate that the project is needed and that incurring costs for the Proposed Project are not in the consumers' best interest.

3.2 Alternatives

California Coastal Commission, San Francisco, California

- The California Coastal Commission states that a comprehensive alternatives analysis is critical to the Coastal Commission's review of the Proposed Project due to the potential impacts to wetlands on site and to demonstrate the project is potentially consistent with Section 30233(a) of the Coastal Act.
- The California Coastal Commission requests that the EIR identify whether the Proposed Project has been designed to minimize to the extent feasible wetland habitat impacts.

State of California, Department of Fish and Game, San Diego, California

- CDFG indicates that the CEQA alternatives analysis for the Proposed Project is extremely important. The EIR should provide a range of reasonable alternatives to the project that include minimizing development encroachment into biological resource areas.
- CDFG states that in order for the CEQA document to be utilized by the department as a responsible agency, the alternatives must include those which avoid or otherwise minimize impacts to sensitive biological resources that are regulated by the Fish and Game Code.

San Diego Audubon Society (SDAS), San Diego, California

- SDAS indicates the EIR should provide alternatives that will reduce potential biological impacts below a level of significance such as by undergrounding lines, lowering communication towers, or moving them elsewhere.

Latitude 42, San Diego, California

- The EIR should include an alternative that places all new power poles and lines on Bay Boulevard as well as placing those poles and lines proposed on the project site underground so as not to substantially degrade the existing visual character and quality of the site and its surroundings.
- The EIR should include an alternative with the option of eliminating the power poles entirely, both on Bay Boulevard and on the project site, and instead, installing the wires underground. The EIR should include this alternative to alleviate the substantial degradation of the visual character of the Chula Vista Bayfront.
- The EIR should include an alternative that contemplates putting all new power poles and lines on Bay Boulevard as well as those poles and lines proposed on the project site underground so as to avoid a substantial adverse effect, either directly or through habitat modifications, on endangered species.

- The commenter indicates that when an agency uses the scoping process to narrow the range of potential alternatives to be analyzed in detail in an EIR, the EIR should ultimately describe the facts and rationale by which rejected alternatives were deemed infeasible.
- The EIR should consider the cost savings from the 138/69 kV alternative, which incorporates Transmission System Load Management and Energy Conservation Alternatives.
- The 138/69 kV alternative configuration should be addressed in the EIR. The 138/69 kV configuration could be located on two of the smaller identified alternative sites, the Toy Storage Site and the Broadway and Palomar Site.
- The Transmission System Load Management Alternative and Energy Conservation Alternative should be studied in combination so as to accommodate a 138/69 kV configuration.

Inland Industries Group, San Diego, California

- The EIR should study putting all new power poles and lines underground to protect both the visual impact to the public traveling on Interstate 5, Bay Boulevard, and the bike path as well as to protect two endangered species potentially nesting in the area.
- The geographic information system (GIS) alternative should be considered for both the Toy Storage and Broadway/Palomar sites that are both owned by SDG&E.
- The Transmission System Load Management Alternative and an Energy Conservation Alternative, as well as a Bay Boulevard Substation at a 138/69 kV configuration, should be studied in combination and evaluated as an alternative in the EIR.
- The EIR should consider cost factors when moving and rebuilding the proposed substation relative to the fact that SDG&E owns both the Toy Storage and Broadway/Palomar sites.
- The EIR should evaluate the costs associated with development of the Tank Farm, Existing Substation, and power plant sites relative to the cost factors of moving and rebuilding the substation at another site. The EIR should take into consideration the actual costs of the alternative sites, which will ultimately be borne by the rate payers.
- The EIR should evaluate the potential visual impacts from the Proposed Project vs. those that would result from Tank Farm Site Alternative, Existing Substation Site Alternative, and Power Plant Site Alternative. The EIR should consider visual separation between the "Harbor Zone" and the existing substation site, and indicate whether after removal of the power plant, due to the separation and sight line from the harbor zone, visual impacts would be significant.
- The EIR should consider whether potential contamination issues exist on the Proposed Project site, and if so, determine whether the tank farm site, existing substation site, or the power plant site may in fact be more appropriate locations since these sites are likely already highly disturbed and not realistically readily available for redevelopment.

3.3 Human Environmental Issues

3.3.1 Transportation and Traffic Issues

City of Chula Vista, Chula Vista, California

- The City indicated that the project has not been completely defined at this stage and there are unknowns regarding access and circulation for vehicles as well as the potential impacts due to providing access points along Bay Boulevard for ingress/egress.
- The City indicates the project should be designed to ensure that it does not preclude the future waterfront alignment for the Bayshore Bikeway bike path that is shown on the San Diego Association of Governments' (SANDAG's) Regional Bikeway Plan and the Chula Vista Bikeway Master Plan.

3.3.2 Land Use Compatibility and Recreation Impact Issues

California Coastal Commission, San Francisco, California

- The EIR should evaluate the project's consistency with Chapter 3 of the California Coastal Act.
- The EIR should evaluate the project's potential impact on the public's ability to travel to and enjoy the beach and other coastal recreational areas.

California State Lands Commission, Sacramento, California

- The EIR should include an analysis of any potentially significant impacts to surrounding public trust lands from project-related activities. In addition, the EIR should evaluate both direct and indirect effects related to the intensity of the Proposed Project activities adjacent to tidal wetlands and waterways.

City of Chula Vista, Chula Vista, California

- The EIR should evaluate the Proposed Project's consistency with the City of Chula Vista Bayfront Master Plan (CVBMP) and Local Coastal Program.

State of California, Department of Fish and Game, San Diego, California

- The EIR should evaluate consistency with the Subareas Plan (SAP) and Implementing Agreement per various environmental resources, including land use, landform alteration/visual quality, traffic/circulation, biological resources, drainage/urban runoff/water quality, noise, and cumulative effects.

- The EIR should evaluate why the Proposed Project, irrespective of other alternatives to the project, is consistent with and appropriate in the context of the SAP.
- The EIR should identify the project site location in relation to the South San Diego Bay Unit of the San Diego Bay National Wildlife Refuge (NWR). The salt crystallizer ponds located west of the project site should be identified as being part of the NWR. The EIR should identify both the current use of the salt crystallizer ponds and their proposed future use as restored intertidal habitat.
- The EIR should evaluate the project's consistency with the San Diego Bay NWR Comprehensive Conservation Plan (CCP).

San Diego County Regional Airport Authority, San Diego, California

- The San Diego County Regional Airport Authority (SDCRAA) expressed concern regarding the Proposed Project's effect on the lease and revenue of its tenant's salt production and operations at the South Bay Salt Works. The SDCRAA is concerned that the Proposed Project may affect the SDCRAA interest, enjoyment, and value of the property and revenues, including those from the salt production. The potential effects of the Proposed Project to the evaporating ponds may reduce the quantities and/or qualities of salt production conducted by the South Bay Salt Works Company.
- The SDCRAA has been coordinating with the U.S. Fish and Wildlife Service (USFWS) for the long-term disposition of the 17-acre South Bay Salt Works.

Latitude 42, San Diego, California

- The commenter expresses concern that the Proposed Project will separate the commenter's hotel zoning from what would be a contiguous property line with similarly zoned property to the north, and that the property to the north of the Proposed Project site will be potentially developed with a higher density use than that which the commenter's property currently has on site. The commenter believes that the isolation of the commenter's site would reduce future property values.
- The EIR should evaluate the project's consistency with underlying environmental documents. As proposed, the project is not consistent with SDG&E and the City of Chula Vista's MOU, the City of Chula Vista General Plan, the CVBMP, the certified Local Coastal Program, or the Port Master Plan.
- The commenter suggests the Proposed Project is inconsistent with the land use and scenic resources elements of the Chula Vista General Plan. Specifically, one objective of the land use and transportation element is to "require undergrounding of utilities on private property and develop a priority-based program of utility undergrounding along public rights-of-way."

- The EIR should evaluate the project's consistency with the Chula Vista Bayfront Local Coastal Program (LCP) Amendment and Bayfront Specific Plan. The Specific Plan and LCP include an objective to plan and develop the Chula Vista Bayfront to ensure protection of important views around the project area, as well as an objective to preserve and establish views from the freeway and major entry ways and roadways within the site perimeters. SDG&E's proposed aboveground utility poles on Bay Boulevard and the project site seem to conflict with these policies and should be carefully considered in the EIR.

Inland Industries Group, San Diego, California

- The commenter states the Proposed Project does not appear to be consistent with SDG&E and City of Chula Vista's MOU and some of the policy elements in the City of Chula Vista's General Plan regarding land use and scenic resources, as well as the Chula Vista Bayfront Specific Plan and approved Coastal Program. Specifically, the MOU states that lattice tower 188701 was to be removed along with the 138 kV supporting structures and to be paid for by SDG&E; however, the project as proposed does not include the removal of the lattice structure or the 138 kV supporting structure.
- The EIR should consider the revised EIR for the CVBMP, which indicates the "Energy Utility Zone" has been removed on parcel O4 in the Otay District and does not designate any electrical substation at the Proposed Project location.
- The EIR should evaluate the development goals or projects that are to be facilitated by moving the substation south of the Bayfront.

3.3.3 Public Health and Safety Issues

California Coastal Commission, San Francisco, California

- The EIR should evaluate the project's potential coastal hazards that could affect the long-term stability and operation of the project. Coastal hazards that should be evaluated include tsunami risk, coastal erosion, sea level rise, wave uprush, and coastal flooding.

Department of Toxic Substances Control (DTSC), Cypress, California

- The EIR should evaluate whether conditions within the development footprint may pose a threat to human health or the environment. DTSC provides a list of regulatory agency databases.
- The EIR should identify the mechanisms to initiate any required investigation and/or remediation for any site within the Proposed Project area that may be contaminated and

indicate the government agency to provide appropriate regulatory oversight. DTSC would require an oversight agreement in order to review such documents.

- Environmental investigations and sampling should be conducted under a Work Plan approved and overseen by an appropriate regulatory agency, in addition to being summarized in the document. Proper investigation, sampling, and remedial actions, if necessary, should be conducted at the site prior to new development or construction.
- If any building structures, asphalt or concrete-paved surface areas or other structures are to be demolished, an investigation should be conducted for the presence of lead-based paints or products, mercury, and asbestos-containing materials. If any of these materials are found, precautions should be taken during demolition, and contaminants should be remediated.
- Sampling of any excavated soil should be required prior to disposal. If soil is contaminated, it should be properly disposed of rather than relocated. Land disposal regulations may be applicable to these soils. Proper sampling of any import soil should be conducted to ensure soils are free of contamination.
- Human health and the environment of sensitive receptors should be protected during construction and demolition. If necessary, a health risk assessment, overseen and approved by the appropriate government agency, should be conducted by a qualified health risk assessor to determine whether there are, have been, or will be any release of hazardous materials that may pose a risk to human health or the environment.
- If the site was/is used for agricultural, livestock, or related activities, on-site soils and groundwater might contain pesticides, agricultural chemicals, organic waste, or other related residue. Investigation and remedial action should be conducted at the site prior to construction if necessary.
- If it is determined that hazardous waters are or will be generated by the proposed operations, the wastes must be managed in accordance with the California Hazardous Waste Control Law and Hazardous Waste Control Regulations. If hazardous wastes will be generated, the facility should obtain a U.S. Environmental Protection Agency Identification Number. Certain hazardous waste treatment processes or hazardous materials, handling, storage, or uses may require authorization from the local Certified Unified Program Agency (CUPA).
- DTSC can provide cleanup oversight through an Environmental Oversight Agreement (EOA) for government agencies that are not responsible parties, or a Voluntary Cleanup Agreement (VCA) for private parties.

Latitude 42, San Diego, California

- The commenter is concerned that the Proposed Project's potential negative physical effects on humans in the area resulting from the electromagnetic field (EMF) are potentially fatal problems.

3.3.4 Air Quality and Greenhouse Gas Emissions (GHGs)

California Coastal Commission, San Francisco, California

- The EIR should calculate the project's expected construction and operational GHG emissions.

California State Lands Commission, Sacramento, California

- The EIR should include a GHG emissions analysis consistent with the California Global Warming Solutions Act (Assembly Bill 32) and required by Section 15064.4 of the State CEQA Guidelines. The analysis should identify a threshold of significance, calculate the GHG emissions to determine the significance of the impacts and whether impacts are significant, and identify mitigation measures to reduce or minimize the emissions. The analysis should also evaluate cumulative impacts of GHG emissions.
- The EIR should consider the effects of sea level rise on all resource categories potentially affected by the Proposed Project. A report on sea level rise preparedness should be utilized to consider the effects of sea level rise on hydrology, soils, geology, transportation, recreation, and other resource categories in all environmental determinations associated with the CSLC leases.
- When considering lease applications, CSLC is required to complete the following: 1) request information from applicants concerning the potential effects of sea level rise on their proposed projects, 2) if applicable, require applicants to indicate how they plan to address sea level rise and whether water adaptation strategies are planned during the projected life of their projects, and 3) where appropriate, recommend project modifications that would eliminate or reduce potentially significant adverse impacts from sea level rise, including adverse impacts on public access.

San Diego County Regional Airport Authority, San Diego, California

- The EIR should evaluate any potential emissions discharged from the Proposed Project that may result in air pollutants ultimately landing in the evaporation ponds and changing the chemistry or damaging the salt production.

3.3.5 Hydrology and Water Quality

California State Lands Commission, Sacramento, California

- The EIR should disclose and analyze the project's potential impacts to adversely affect water quality such as increased turbidity; sedimentation from construction disturbance, dredging, fill, and other in-water construction work; and potential pollution from worksite spills or mobilization of pollutants from the disturbed soils. Feasible mitigation measures should be identified if any effects are potentially significant.

State of California, Department of Fish and Game, San Diego, California

- CDFG requests that the EIR evaluate the effects of the Proposed Project and post-development drainage to adjacent areas, which include the salt crystallizer ponds and the Palomar drainage channel. The EIR should evaluate downstream effects to the Palomar drainage channel as a result of the increase in runoff. CDFG states runoff or other drainage from the site should not be permitted to flow into the adjacent salt crystallizer ponds or the Palomar drainage channel.
- The EIR should evaluate whether any grading activities completed within the former LNG site would result in the need for soil remediation.

San Diego County Regional Airport Authority, San Diego, California

- The EIR should evaluate any potential impacts to hydrology and water quality in the series of evaporating ponds located adjacent to the site that could reduce quantities of salt production by the South Bay Salt Works Company.
- The EIR should describe how stormwater runoff would be managed on the proposed site to avoid flows into the evaporation ponds and identify mitigation measures to capture and discharge stormwater to existing stormwater utilities along the east side of Bay Boulevard.

San Diego Audubon Society, San Diego, California

- SDAS identifies an area of the project that drains into a storm-drain channel which flows through the South Bay NWR. This is an area that supports salt marsh vegetation and Belding's savannah sparrows (*Passerculus sandwichensis beldingi*), and it provides foraging for California least terns (*Sterna antillarum browni*) during high tides. This channel flows into the portion of San Diego Bay that is most heavily used by green sea turtles (*Chelonia mydas*). Any accidental spills of liquids from the site could result in serious impacts to wetlands and these sensitive and endangered species; therefore, this issue should be evaluated in the EIR.
- SDAS recommends that multiple levels of containment measures be provided around any work, staging, or storage area where toxic materials are used and that traps for small debris be installed so no wire, insulation, tape, parts, etc., can escape the site from work or storage areas and flow into the NWR during storms. In addition, the EIR should consider whether a total stormwater retention and diversion system, such as those installed at local shipyards, should be used to prevent contaminants and debris from flowing into the NWR. It should be noted that the Wildcoast provided a similar comment on the NOP.

3.3.6 Recreation

California State Lands Commission, Sacramento, California

- The EIR should analyze the project's short- and long-term impacts on recreation resources, both during construction and for the life of the project. Any significant impacts should require mitigation measures that either minimize or reduce the potential impacts.

3.3.7 Visual Environment

California Coastal Commission, San Francisco, California

- The EIR should evaluate the project's visibility from any scenic view corridors or other public viewing areas such as parks.
- The EIR should provide a visual simulation of the project's effects on the coastal scenic vista from public viewing areas. The California Coastal Commission also indicates that the project's effects on the existing visual character of the site and its surrounding areas should be identified in the EIR.

City of Chula Vista, Chula Vista, California

- The City states that the Proposed Project infrastructure components, which include an approximately 70-foot-tall communication tower, would result in significant visual impacts. The City further identifies that the proposed communication tower is almost twice as high as the permitted height of the 44-foot limit within the industrial district.
- The City requests that a landscape plan be prepared by a licensed landscape architect to include a combination of screening solutions, such as landscaping materials of various types and solid walls.
- The City has identified that an agreement between the City and SDG&E, and supporting resolutions adopted by the Port District, call for the removal and/or undergrounding of utility poles and transmission lines related to the Proposed Project. The City further indicates that the continuing interest and emphasis on implementing the substation relocation project in a manner that minimizes negative visual and wildlife impacts is reflected in the City Council's letter dated May 11, 2010.

Latitude 42, San Diego, California

- The commenter states that the potential visual effects resulting from the project will be visible to the property owner located to the south of the Proposed Project.
- A visual simulation of what the power poles on Bay Boulevard and the power poles and substation on the project site will look like to motorists, those using the bike path, and pedestrians, as well as from various points surrounding the project site, should be included in the EIR.
- A visual simulation of the project, including proposed aboveground power poles and the substation itself, from adjacent properties, including the Latitude 42 Inc. property located at 1120-28 Bay Boulevard, should be included in the EIR.

Inland Industries Group, San Diego, California

- The EIR should provide a visual simulation for people traveling along Interstate 5, Bay Boulevard, from the approved bike path, and from various points looking west from Inland Industries Properties.
- The EIR should consider the future visual impacts for the properties located east of the Proposed Project site that would be subject to redevelopment.

3.4 Cultural Resources Issues

San Diego County Archaeological Society, San Diego, California

- The San Diego County Archaeological Society is pleased to note that cultural resources will be evaluated in the EIR and requests inclusion on the distribution list for the EIR.

California State Lands Commission, Sacramento, California

- The EIR should evaluate the possibility of submerged cultural resources in the project area.
- The EIR should indicate that the title to all abandoned shipwrecks, archaeological sites, and historic or cultural resources on or in the tide and submerged lands of California is vested in the State under the jurisdiction of CSLC. CSLC staff also requests the opportunity to review the proposed mitigation measures and further requests that the CPUC consult with CSLC staff should any cultural resources be discovered during construction.

3.5 Natural Environmental Issues

3.5.1 Biological Issues

California Coastal Commission, San Francisco, California

- The California Coastal Commission requests that the loss of wetland habitat caused by the project be evaluated in relation to Section 30233(a) of the Coastal Act, which indicates the filling of wetlands may be allowed for an energy project when there is (1) no feasible, less environmentally damaging alternative and (2) where feasible measures have been provided to minimize adverse environmental effects of the wetland fill.
- The EIR should identify that where wetlands cannot be avoided, a 4:1 mitigation ratio for wetland restoration will be required by the California Coastal Commission.
- The California Coastal Commission requests that the EIR provide an assessment of the extent and quality of the state-protected wetland resources on the proposed site and the project's habitat impacts.
- The California Coastal Commission requests that in the event wetland impacts are determined to be unavoidable, the EIR include SDG&E's proposed wetland restoration plan and an analysis of its adequacy to mitigate identified impacts, if feasible, even if only at the conceptual stage of development.

California State Lands Commission, Sacramento, California

- The CSLC recommends that the CPUC conduct queries of the CDFG, California Natural Diversity Database (CNDDB), and the USFWS Special-Status Species Database to identify any special-status plant and animal wildlife species that may occur in the area. In addition the CSLC recommends early consultation with CDFG. The EIR should evaluate potential impacts to special-status species if present and, if found to be significant, provide feasible mitigation measures.
- The EIR should consider a plan for prevention programs for terrestrial and aquatic invasive species to slow the introduction of invasive species into high-traffic sensitive areas.
- The EIR should evaluate noise and vibration impacts on fish and birds from construction, relocation, and demolition activities. CSLC recommends early consultation with CDFG and USFWS to identify species-specific work windows.

State of California, Department of Fish and Game, San Diego, California

- CDFG requests that the EIR evaluate whether the Proposed Project has met all the requirements and conditions of the Multiple Species Conservation Program (MSCP) SAP. The EIR should also evaluate any potential biological impacts that would result which are not addressed in the SAP and Implementing Agreement, such as potential impacts and associated mitigation requirements for wetlands or sensitive species and habitats not covered by the SAP and Implementing Agreement.
- CDFG identifies that the occurrences map provided in the PEA is incomplete. An updated occurrences map has been provided by CDFG. CDFG also indicated monitors have observed plover adults moving chicks along the Palomar drainage channel within the project limits.
- The EIR should address the presence of nesting seabirds within the project area, and seabird nesting locations on the salt ponds and levees have been provided by CDFG.
- The EIR should evaluate direct and indirect impacts to listed species and other sensitive species, particularly during the nesting season. The impacts evaluation provided in the EIR should consider construction disturbances, perching creation, night lighting, noise, and potential changes in accessibility to NWR lands that could increase human disturbance and access.
- CDFG recommends that an effort be made to quantify the expected construction noise level and identify whether there would be potential impacts to the NWR and other nearby sensitive receptors. In the event active nests are found during construction, buffers and other noise attenuation measures should be incorporated to ensure noise levels do not

exceed 60 dB at the nest. CDFG indicates that buffers should measure at least 300 feet around the nests (and 500 feet around raptor nests) and should be flagged and avoided to prevent disrupting nesting activity.

- The EIR should provide specific measures such as light shielding that would not allow an increase in ambient lighting in sensitive habitats.
- The EIR should evaluate how the Proposed Project could lead to an increase in predation levels of federal and state-listed species due to an increase in nocturnal lighting and increased predator perches. The evaluation provided in the EIR should consider how predation of sensitive bird species nesting in the NWR could increase if opportunities for raptor perching are provided within the project site, as well as how additional lighting may contribute to increased predation of sensitive species in the nearby NWR.
- CDFG requests a detailed grading plan and drainage plan for the project, as well as a description of how existing fencing and access restrictions between the NWR and the former LNG and proposed substation site would change as a result of project implementation. CDFG indicates that there appears to be a gap between the proposed substation screening wall and the edge of the property line, and there is a concern as to how public access will be controlled and the effect of potential impacts on the NWR area if access is not being controlled.
- CDFG identifies that the adjacent NWR lands and surround area support the following federal and state endangered species: light-footed clapper rail (*Rallus longirostris levipes*), California least turn, California brown pelican (*Pelecanus occidentalis*), and salt marsh bird's-beak (*Cordylanthus maritimus* Nutt. ssp. *maritimus*), as well as the federally threatened western snowy plover (*Charadrius alexandrinus nivosus*) and state-endangered Belding's savannah sparrow and peregrine falcon (*Falco peregrinus*). CDFG also indicates that the Salt marsh bird's beak and elegant tern (*Sterna elegans*) are both considered California Species of Special Concern.
- CDFG identifies that clapper rail, least turn, and brown pelicans are also state fully protected species and that the site is potential habitat and foraging habitat for burrowing owl (*Athene cunicularia*). CDFG recommends that both spring and summer surveys be completed.
- The EIR should evaluate the potential impacts to nesting birds during the breeding season (February 15 to September 15) within the area of the project.
- The EIR should evaluate the project's consistency with the California Endangered Species Act (CESA). The evaluation should identify whether an incidental take permit is required and whether the project has the potential to result in "take" of species, plants, or animals listed under CESA both during construction and operation.

- CDFG requests that bird strikes associated with the proposed utility infrastructure be evaluated in the EIR. The EIR in particular should evaluate the overhead segment of the relocated 69 kV line proposed along the NWR boundary and identify potential measures to reduce the potential for bird strikes.
- CDFG identifies that coyote brush scrub (*Baccharis pilularis*) is considered a sensitive habitat by the City and CDFG and may be present within the proposed development footprint. The EIR should provide a detailed discussion regarding the success criteria that would be used for determining the location and required mitigation for impacts to wetlands, and upland vegetation communities should also be included in the EIR.
- The EIR should evaluate wildlife corridor/movement areas due to the proximity of the Proposed Project to the Multiple Habitat Conservation Program (MHCP) Biological Core and Linkage Areas.

San Diego County Regional Airport Authority, San Diego, California

- SDCRAA indicates that the potential impacts to brine shrimp production which may affect coastal birds foraging or nesting in the South San Diego Bay Wildlife Refuge should be evaluated in the EIR.
- The EIR should evaluate any unauthorized access that may occur without adequate barrier fencing.

San Diego Audubon Society, San Diego, California

- SDAS indicates that the site is located in area important for wildlife. SDAS expresses concern regarding potential impacts that may result from the Proposed Project to the nearby San Diego Bay NWR including chemical spills and the possibility that the substation will provide perches for avian predators that could make it easier for them to prey on chicks on the berms of the adjacent salt ponds, including those of endangered species.
- SDAS indicates that the site is located in area important for wildlife. SDAS identifies that approximately 400 feet to the west of the site is the South San Diego Bay NWR. SDAS also identifies that within the NWR there is a storm-drain channel with native saltmarsh vegetation that hosts Belding savannah sparrows. In addition, the berms of the NWR provide productive nesting habitat for California least terns and western snowy plovers. Further, SDAS states that approximately 1,500 feet north–northwest of the project is the J Street Marsh with Belding's savannah sparrows; 3,000 feet west–northwest of the site is the Chula Vista Wildlife Reserve (mitigation site for light-footed clapper rail habitat and improved nesting site for California least terns); 3,000 feet south is the Otay River Mouth with light-footed clapper rails (additional habitat restoration is planned for this area); and

the site is located between the Sweetwater Marsh NWR to the north, the Otay River mouth portion of the South Bay NWR to the south, and the Tijuana River Valley to the south.

- The EIR should evaluate transmission line structures that could provide perches for avian predators, thus enabling them to attack sensitive and endangered birds, chicks, and eggs in the project area.
- The EIR should evaluate the potential for birds to collide with any structures and power lines, since the project site is located in a likely flight line between habitat areas in the project vicinity.
- The EIR should evaluate the potential for electrocution to sensitive species that could result from local birds perching on conductors or striking conductors when flying by.

Wildcoast, San Diego, California

- Wildcoast states that aboveground transmission line towers should be prohibited because they present a bird-strike hazard, an electrocution risk, as well as an artificial roost for predators to attack endangered birds, chicks, and eggs. In addition, the height of towers should be considered a serious environmental issue and a hindrance to future efforts to restore wetland and wildlife habitat connectivity in south San Diego Bay, salt ponds, J Street marsh, and the Sweetwater and Otay River Deltas. Wildcoast further requests that all lines should be buried underground.

Latitude 42, San Diego, California

- The EIR should evaluate the potential of proposed power poles and lines to serve as perches for raptors and other predators of these high-risk species. The EIR should also identify the potential impact of the project on the light-footed clapper and the western snowy plover.

3.6 EIR Administrative and Permitting Comments

California Coastal Commission, San Francisco, California

- The Proposed Project will require a coastal development permit (CDP) to be issued by the California Coastal Commission.

California State Lands Commission, Sacramento, California

- CSLC authorized a Land Exchange Agreement among the CSLC, San Diego Unified Port District (SDUPD), and SDG&E on February 1, 2010. The agreement was reached to facilitate the relocation of the existing substation to allow for future redevelopment of the

bay front for the benefit of the public trust and the state. To date, the agreement has been executed but not recorded. CSLC indicates that until the agreement has been recorded, the SDUPD still retains title to the site of the proposed Bay Boulevard Substation and SDG&E still retains title to the South Bay Substation.

- The mitigation measures included in the EIR should either be presented as specific, feasible, enforceable obligations, or they should be presented as formulas containing performance standards that would mitigate the significant effect of the project.
- CSLC states it would be helpful to summarize mitigation measures relied upon to avoid or reduce the identified impacts to less than significant, in addition to developing a monitoring program for these actions to ensure compliance and enforceability.
- CSLC requests that the EIR provide a discussion on environmental justice relative to location of the Proposed Project and analyze a range of reasonable alternatives to minimize or eliminate environmental impacts affecting relevant populations that could be adversely and disproportionately impacted by the project in accordance with the CSLC Environmental Justice Policy, adopted October 1, 2002.
- The CSCL as a responsible agency will need to rely on the EIR being prepared for issuance of a lease.

City of Chula Vista, Chula Vista, California

- The City indicates that at the request of SDG&E, it had delegated the permit authority to the California Coastal Commission in order to process the project under a single, consolidated permit process.
- The City will require the submittal of a grading plan for the Proposed Project for review and approval prior to construction activities.

Port of San Diego, San Diego, California

- The Port of San Diego identifies that the Proposed Project is a necessary prerequisite for implementing the CVBMP, and the Proposed Project will allow redevelopment goals for the Bayfront to be achieved.
- The Port of San Diego stated the Proposed Project will enable the Port to provide consolidated and publicly accessible uses, as well as important shoreline enhancements, in the area of the existing substation.
- The Port of San Diego stated it has worked collaboratively with SDG&E for several years to facilitate relocation of the substation by entering into a land exchange agreement. The land exchange agreement was approved by the Board of Port Commissioners and CSLC in 2010.

San Diego Audubon Society and Wildcoast, San Diego, California

- SDAS identifies that the NOP should be recirculated with information about the nature and the height of the structures that are proposed for the Proposed Project. SDAS states that in absence of the public being provided with this information, there is not adequate information to assess and comment on the potential environmental impacts.

Wildcoast, San Diego, California

- The Wildlife Advisory Group (WAG) of the Bayfront Coalition/CVBMP requests a formal presentation by CPUC/SDG&E to better understand how this Proposed Project will interact with the wildlife and recreational components, and the efforts to restore wetland habitat buffers near the Chula Vista Bayfront Project. Following the formal presentation, WAG requests ample time to provide formal comments on the Proposed Project.

3.7 Project Proponent

San Diego Gas & Electric, San Diego, California

- SDG&E requests that alternatives analysis in the EIR include the following components: 1) evaluate the feasibility of two potential project alternatives that have been identified in the recent months and 2) focus solely on alternatives that are in fact "feasible" as that term is defined under CEQA and the California Coastal Act.
- SDG&E indicates that two potentially feasible alternatives to address wetland impacts associated with the project have been provided which include 1) the Gas Insulated Substation and 2) the Bayfront Enhancement Alternative. The Gas Insulated Substation alternative would avoid wetlands within the on-site containment basin, and the Bayfront Enhancement Alternative would provide funding to create additional environmental benefit to enable the finding that the project is the "least environmentally damaging feasible alternative."
- SDG&E requests that in order to complete the necessary design, engineering, and procurement associated with the Gas Insulated Substation alternative or to obtain approvals to implement the Bayfront Enhancement Alternative, SDG&E needs a determination from CPUC as to whether the Gas Insulated Substation alternative will be considered "feasible." Therefore, SDG&E requests that the EIR fully address the feasibility of both of these alternatives.
- SDG&E indicates that when CPUC evaluates the feasibility of alternatives, consideration be given to 1) SDG&E's need to rebuild the substation in a timely manner, consistent with the ISO approval, and 2) the understanding reached over the course of several years among the City, SDUPD, CSLC, and SDG&E that the proposed site is the preferred location and

in the public's best interest. SDG&E requests that CPUC carefully consider these factors and the project objectives before concluding that any alternatives are "feasible."

- SDG&E states that alternatives that cannot be completed in a reasonable amount of time should be rejected. SDG&E identified that in order to meet the in-service date of December 2013, which has been set based on the system reliability and load requirements, SDG&E needs to commence construction in March 2012.
- SGD&E identifies that a rigorous analysis of alternatives to the Proposed Project has been completed by SDG&E to identify sites that could avoid or substantially lessen the potential environmental impacts associated with the Proposed Project. Several alternatives were considered but rejected primarily because they either did not meet the project objectives or are not "feasible," as defined under CEQA and the Coastal Act.
- *Rebuild at 138 kV Alternative* – SDG&E identifies that the Independent System Operator (CAISO) approved the need for the Proposed Project at 130/69 kV; however a rebuild at 138 kV was considered by SDG&E. It was determined that a 138/69 kV substation would not replace the strong source lost by retirement of the SBPP and reliance on the 138 kV and 69 kV networks only to serve the South Bay area load would result in a more heavily loaded subtransmission system, thus reducing the flexibility of the system to adapt to unexpected changes or load growth. SDG&E indicates the 138 kV configuration does not meet the North American Electric Reliability Corporation, Western Electricity Coordinating Council, and CAISO requirements. In addition, the 138 kV configuration does not meet the above-mentioned criteria as a stand-alone project as thermal violations occur within the SDG&E grid, and the mitigation for the thermal violations requires additional transmission upgrades. For the reasons mentioned above, the 138 kV configuration was determined to be infeasible.
- *Energy Conservation Alternative* – SDG&E indicates that energy conservation goals are already factored into the long-term resource plan, which results in no additional cost-effective energy-efficient options being available. SDG&E further indicates the alternative would not meet any of the Proposed Project objections. For the reasons mentioned above, the Energy Conservation Alternative was determined to be infeasible.
- *Tank Farm Site Alternative* – SDG&E identifies that the Tank Farm Site supports wetland and other special plant species at lower densities than the Proposed Project site. Placement of a substation at this site is precluded as a result of the ponding being extensive. The Tank Farm Site is also identified in the CVBMP to be avoided as an ecological buffer area for potential habitat mitigation, with pedestrian and bicycle access, and industrial business park use. The Tank Farm Site, according to SDG&E, is also more visible to the public than the Proposed Project due to its location immediately adjacent to Marina View Park. SDG&E further indicates the Tank Farm Site

Alternative would not meet the project objective of being consistent with the MOU. SDG&E's ability to obtain new agreements with the City, SDUPD, and CSLC to acquire land is uncertain and would require at least 1one year to accomplish without any guarantee that it could be accomplished, which would not allow the project to meet the required in-service date. For the reasons mentioned above, the Tank Farm Site was determined to be infeasible since it is not environmentally superior or less environmentally damaging than the Proposed Project.

- *Power Plant Site*: SDG&E states that the Power Plant Site could accommodate the proposed 230/69/12 kV substation; however, it is located farther from the transmission lines than other alternative sites. Construction at the site would be delayed pending the removal of the existing structures and completion of any necessary remediation of the SBPP. As a result of the anticipated time frame for demolition of the SBPP, the alternative is not capable of being accomplished within a reasonable amount of time and would not meet the agreements established in the MOU. SDG&E's ability to obtain new agreements with the City, SDUPD, and CSLC to acquire land is uncertain and would require at least 1 year to accomplish without any guarantee that it could be accomplished, which would not allow the project to meet the required in-service date. For the reasons mentioned above, the Power Plant Site was determined to be infeasible.
- *Other Alternative Sites Rejected*: SDG&E provides a table summarizing other alternatives sites not mentioned above that were included in the PEA and were considered. The rationale for elimination of other alternative sites includes but is not limited to the following: displacement of existing uses, relocation or condemnation required for acquisition, extension of utility lines outside of the ROW, terms established in the MOU not met, distance from transmission infrastructure resulting in costs and environmental impacts from the interconnection required, substandard parcel size, rerouting of existing lines, reliability and maintenance concerns, and complicated construction sequencing.
- *Gas Insulated Substation Alternative* – SDG&E indicates the Gas Insulated Substation alternative should be evaluated in the EIR since the alternative is technologically and environmentally feasible. SDG&E states that CPUC must determine whether this alternative is economically and socially feasible. SDG&E provides a project description of the Gas Insulated Substation alternative that has been previously provided to CPUC. In addition, SDG&E indicates the Gas Insulated Substation alternative is anticipated to cost about 30% or more than the Proposed Project, and this factor should be used in the Draft EIR to determine and disclose the potential for economic or social infeasibility for this alternative.
- *Proposed Project with Bayfront Enhancement Alternative* – The proposed alternative would include the Proposed Project with the additional environmental benefit of a $5-millon fund that would be used to provide direct environmental benefits within the Chula Vista Bayfront

area. SDG&E believes the Bayfront Enhancement Alternative, on balance, is less environmentally damaging than either the Proposed Project or the Gas Insulated Substation alternative. SDG&E identifies that possible projects could include restoration, creation, and/or enhancement of wetlands; enhancement of coastal resources, including coastal access enhancements, such as walkways, paths, parks, and overlooks; traffic improvements, as well as educational signage and events; protection and preservation of biological resources, such as habitat management and protection efforts, including predator management, vegetation management, and security signage; water quality improvements; and aesthetic enhancements, such as landscaping and lighting improvements. The EIR should discuss whether this alternative is feasible by considering whether the project schedule and in-service date requirement can be met in light of the need to secure agency approval of development within the containment basin wetlands and mitigation for those impacts.

- SDG&E identifies that in response to concerns raised at the Public Scoping meeting related to potential impacts to avian species, the EIR should assume APM BIO-3 and APM BIO-4 are in place prior to assessing potential impacts.
- SDG&E states the EIR should confirm that constructing the Proposed Project at the proposed location is entirely consistent with and furthers the land use goals of the approved Chula Vista Bayfront Master Plan and the MOU.
- The EIR should identify that the Proposed Project's use of the former LNG site is the only feasible site that can accommodate the project in time, meet the requirements of the project in-service date and the MOU, and be consistent with existing and approved Chula Vista Bayfront Master Plan and other approved land use/redevelopment plans in the area.
- The EIR should evaluate both land use computability with existing uses and planned land uses that have been submitted for approval by the California Coastal Commission.
- The EIR alternatives evaluation should consider how alternative sites would or would not integrate into the land uses of the approved master plan.
- The EIR should provide a discussion of adjacent uses of properties in terms of existing use and approved zoning, general plan designations, the CVBMP, and redevelopment to determine existing and future compatibility between commercial and industrial uses.
- The visual resources discussion in the EIR should consider potential aesthetic impacts in light of projected future conditions based on the approved CVBMP. The visual resource discussion should concentrate on public views, including existing public views to the bay and ocean, and should discuss the land use and visual compatibility context of the adjacent commercial and industrial uses relative to the proposed substation, which is a similar use consistent with the general plan and zoning of the Proposed Project site.
- The EIR alternatives evaluation should consider how alternative sites would or would not integrate into the aesthetics of the approved CVBMP.

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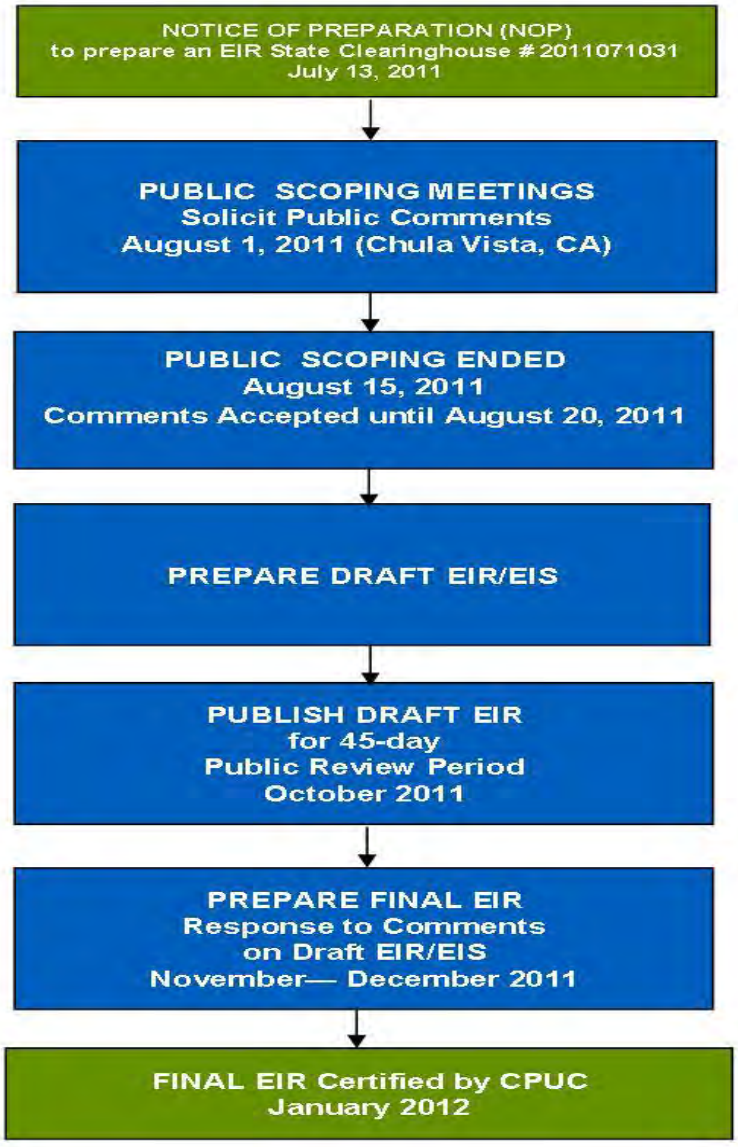
4.0 SUMMARY OF FUTURE STEPS IN THE PLANNING PROCESS

The EIR process requires a team of interdisciplinary resource specialists to complete each step. An important part of the environmental planning process is engaging the public and relevant agencies from the earliest stages of and throughout the planning process to address issues, comments, and concerns. The steps of the CEQA planning processes and agency authority and decisions to be made are described as follows. Figure 1 provides a summary of the EIR (CEQA) process.

Figure 1. CEQA Process Flowchart



Identification of Issues

Issues associated with the project were identified through the scoping period, which initiated the planning process. The scoping process and the issues identified through the scoping process are documented in this scoping report.

Data Information and Collection

Much of the necessary resource data and information will be compiled from existing studies prepared for the project or through other local agencies. Additional data and information will be obtained from available sources to update and/or supplement existing data.

Preparing Draft EIR

Based on collected data, including public comments, a description of the project and alternatives (including no action) will be developed. Only alternatives that meet CEQA screening criteria will be considered in detail. Impacts that could result from implementing the project and alternatives will be analyzed, and measures to mitigate those impacts will be identified where appropriate.

Draft EIR and Public Comment Period

The next official public comment period will begin upon publication of the Draft EIR/EIS, which is anticipated to be in October 2011. This document will evaluate a range of project alternatives including a "No Action" alternative and a "Preferred" alternative and will generally include the following:

- Executive summary
- Introduction/overview (including purpose and need for the project)
- Description of projects and alternatives
- Environmental analysis (including impacts and mitigation measures to minimize impacts)
- Comparison of alternatives
- Other CEQA/NEPA considerations.

Upon completion of the Draft EIR, The CPUC will file a Notice of Completion with the California State Clearinghouse, and a 45-day public comment period will follow. Copies of the Draft EIR will be distributed to elected officials, regulatory agencies, and interested members of the public. The document will also be available online at the CPUC website:

http://www.cpuc.ca.gov/environment/info/dudek/sbsrp/SouthBaySub.htmBLM.

During this time, public comment on the Draft EIR will be received.

Response to Comments, Preparation of Final EIR, and Notice of Determination

After the public comment period, CPUC will respond to comments and prepare a Final EIR. Copies of the Final EIR will be distributed to elected officials, regulatory agencies, and interested members of the public. The document will also be available online at the CPUC website, as described previously.

After the Final EIR is completed, the CPUC will make a final decision about the South Bay Substation Relocation Project. The Administrative Law Judge (ALJ) overseeing the PTC will write a draft decision based on the environmental documentation and testimony from parties to the proceeding. The ALJ and CPUC will consider the final environmental document, along with other issues, during preparation of the decision on the PTC application. The Notice of Determination for the South Bay Substation Relocation Project is expected to be filed with the County of San Diego for CEQA purposes in February 2012.

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5.0 REFERENCES CITED

14 CCR 15000–15387 and Appendix A–L. Guidelines for Implementation of the California Environmental Quality Act.

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APPENDIX A-1

Notice of Preparation

San Diego Gas & Electric Company
South Bay Substation Relocation Project
Notice of Preparation / Notice of Public Scoping Meeting for an Environmental Impact Report
Permit to Construct Application No. A-10-06-007

A. Introduction

Pursuant to General Order (GO) No. 131-D of the California Public Utilities Commission (CPUC) and CPUC's Rules of Practice and Procedure, San Diego Gas & Electric (SDG&E) filed an application with CPUC for a Permit to Construct (PTC) on June 16, 2010, for the purpose of constructing the South Bay Substation Relocation Project (Proposed Project) in the City of Chula Vista (City), California.

Under the CPUC's rules, approval of this project must comply with the California Environmental Quality Act (CEQA), including an assessment of the potential environmental impacts of the Proposed Project. In accordance with the CEQA Guidelines, the CPUC has decided that an environmental impact report (EIR) will be prepared to evaluate the project in accordance with the criteria, standards, and procedures of CEQA (Public Resources Code, Sections 21000 et seq.) and the CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 et seq.). Therefore, as required by CEQA, this Notice of Preparation (NOP) is being sent to interested agencies and members of the public. The purpose of the NOP is to inform recipients that the lead agency is beginning preparation of an EIR and to solicit information that will be helpful in the EIR development process. This notice includes a description of the project that SDG&E proposes to construct, a summary of potential project impacts, the times and locations of public scoping meetings, and information about how to provide comments to the CPUC.

B. Project Description

As described below and shown on Figure 1, the five primary project components to be evaluated in the Proposed Project EIR include (1) construction of the Bay Boulevard Substation approximately 0.5 mile south of the existing South Bay Substation, (2) dismantling of the existing South Bay Substation, (3) construction of a 230-kilovolt (kV) loop-in, (4) extension of 138 kV transmission lines, and (5) relocation of 69 kV transmission lines.

Bay Boulevard Substation

The new Bay Boulevard Substation would be approximately 10 acres in size and would be located on a portion of the former liquefied natural gas (LNG) plant to the west of Bay Boulevard and south of the South Bay Power Plant. The proposed Bay Boulevard Substation would support 12 kV, 69 kV, and 230 kV circuits. Initially, the new substation would include a 230 kV yard with two five-bay, breaker-and-a-half, 230/69 kV transformers and associated circuit breakers, disconnects, and controls; a 69 kV yard with 14 double-breaker bays in a quad bus configuration; a communications tower used by SDG&E to monitor the substation operations remotely; and a control house to house substation controls. The ultimate arrangement of the Bay Boulevard Substation would include the addition of one 230/69 kV and four 69/12 kV transformers and associated circuit breakers, disconnects, and controls; two 230 kV capacitors or one 230 kV synchronous condenser; a new distribution control house; and four 12 kV capacitors.

South Bay Substation Dismantling

The project includes decommissioning and demolition of the existing 7.22-acre South Bay Substation following several conditional requirements, such as energization of the Bay Boulevard Substation and cutovers of the existing transmission lines from the South Bay Substation to the Bay Boulevard

Substation. The decommissioning and demolition of the South Bay Substation would include removal of all above-grade components, including both the 138 kV and 69 kV transmission equipment.

230 kV Loop-In

To reroute existing utilities in the area to the proposed Bay Boulevard substation, the project includes construction of a 230 kV loop-in. This project component includes an approximately 1,000-foot-long underground interconnection and an approximately 300-foot-long overhead interconnection of the existing 230 kV tie-line, located east of the proposed Bay Boulevard Substation.

138 kV Extension

The project includes rerouting existing 138 kV circuits that terminate at the South Bay Substation by constructing a 138 kV extension of an approximately 3,800-foot underground and approximately 200-foot overhead span from one new steel cable pole to an existing steel lattice structure.

69 kV Relocation

The project includes relocation of six 69 kV transmission lines and associated communication cables to the proposed Bay Boulevard Substation, requiring the relocation of approximately 7,500 feet of overhead line and the construction of approximately 4,100 feet of underground line.

C. PROJECT LOCATION

As shown in Figure 1, the project components are located in the City, in the southwesterly portion of San Diego County. The existing South Bay Substation would be relocated to the proposed Bay Boulevard Substation site, which is situated approximately 2 miles south of the City of National City, approximately 5 miles northeast of the City of Imperial Beach, and approximately 7 miles southeast of downtown San Diego.

D. PROJECT OBJECTIVES

The South Bay Substation is an aging 138/69 kV substation that was originally built to accommodate the adjacent South Bay Power Plant (SBPP) in the City. The South Bay Substation was constructed in 1961 and consists of equipment that was not built to modern seismic standards. The existing 138 kV bus is undersized for current transmission system conditions. The 69 kV bus is also configured in such a way that overloads of the 69 kV transmission line occur in the South Bay region, caused by 69 kV bus outages at the South Bay Substation.

With the planned retirement of the SBPP, a replacement bulk power source is being proposed to connect to the existing 230 kV transmission lines in the area (Otay Metro Power Loop (OMPL) project).

In October 2004, SDG&E and the City entered into a memorandum of understanding (MOU) regarding several energy issues. One of the objectives of the City in the MOU was the relocation of the existing South Bay Substation after retirement of the SBPP. SDG&E's projected schedule is to have the South Bay Boulevard Substation energized and transmission line connections completed so that decommissioning and demolition of the existing South Bay Substation can occur after retirement of the SBPP.

SDG&E has identified the following four primary project objectives:

- Replace aging and obsolete substation equipment
- Design a flexible transmission system that would accommodate regional energy needs subsequent to retirement of the SBPP
- Facilitate the City's Bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E–City of Chula Vista MOU
- Provide for future transmission and distribution load growth for the South Bay region.

E. POTENTIAL ENVIRONMENTAL EFFECTS

In accordance with the guidelines of CEQA, the CPUC intends to prepare an EIR to evaluate potential environmental effects of the proposed project, and to propose mitigation measures to reduce any significant effects identified. The EIR will also study the environmental impacts of potential alternatives and propose mitigation to reduce these effects.

Based on preliminary analysis of the proposed project and review of documents submitted by SDG&E and other parties to the CPUC's PTC proceeding, completion of the Proposed Project may have a number of potentially significant environmental effects. Potential issues and impacts to the existing environment include those listed in Attachment 1. No determinations have yet been made as to the significance of these potential impacts; such determinations will be made in the EIR after the issues are considered thoroughly. Attachment 2 includes the CEQA Checklist questions that would be evaluated in an EIR if they cover issues relevant to the project. In addition, to analysis of the issues listed in Attachment 1 and other issues raised in the scoping process, the EIR will evaluate the cumulative impacts of the project in combination with other present and planned projects in the area.

Mitigation Measures. SDG&E has proposed measures that could reduce or eliminate potential impacts of the project. The effectiveness of these measures (called "applicant proposed measures") will be evaluated in the EIR, and additional measures (called "mitigation measures") will be developed to further reduce impacts, if required. When the CPUC makes its final decision on the project, it will define the mitigation measures to be adopted as a condition of project approval, and it will require implementation of a mitigation monitoring program.

F. ALTERNATIVES

In compliance with CEQA, an EIR must describe a reasonable range of alternatives to the project or project location that could feasibly attain most of the project objectives and avoid or lessen any of the significant environmental impacts of the Proposed Project. Additionally, the No Project Alternative must also be analyzed in the EIR; this alternative describes the situation that would likely occur in the absence of the Proposed Project. Further, the EIR must evaluate the comparative merits of the alternatives.

In the proponent's environmental assessment (PEA) for the Proposed Project, SDG&E evaluated a variety of project alternatives, including system alternatives, substation design alternatives, and substation site alternatives. These alternatives are briefly discussed as follows.

As part of the environmental review process for the Proposed Project, the CPUC will reevaluate the feasibility of SDG&E's alternatives and determine whether any of them meet CEQA requirements for being carried to full analysis. In addition, the CPUC may develop other alternatives for evaluation in the

EIR. New alternatives developed during the environmental review process for the Proposed Project could be based on the input received during the scoping process and on the impacts of the Proposed Project identified during analysis.

F.1 System Alternatives

Transmission System Load Management Alternatives

This alternative includes load management programs to reduce peak electric demand or have the primary effect of shifting electric demand from peak to non-peak periods.

Energy Conservation Alternative

This alternative would include energy conservation programs offered by SDG&E to customers, such as financial incentives for installing specific energy-efficient appliances or taking other measures to conserve energy.

Bay Boulevard Substation at 138/69 kV Alternative

This alternative includes a new substation with the same voltage as the existing South Bay Substation.

Expansion of South Bay Substation by Expanding Substation Boundary Alternative

This alternative includes expansion of the existing South Bay Substation at the same voltage level that is currently in service (138/69 kV). The existing South Bay Substation would be expanded outside of the existing substation fence, adjacent to the existing 69 kV structures.

F.2 Gas-Insulated Substation Technology Alternative

This alternative would eliminate the need for structures required by the air-insulated substation proposed under the Proposed Project and would thus occupy a smaller area, 4.4 acres. Large metal buildings would be required to house the gas-insulated substation equipment that would measure approximately 40 to 50 feet in height.

F.3 Substation Site Alternatives

Tank Farm Site Alternative

This alternative site location consists of a 17-acre vacant and disturbed site, located approximately 250 feet north of the existing South Bay Substation site and south of Marina View Park.

Existing South Bay Substation Site Alternative

This alternative includes dismantling of the existing South Bay Substation and construction of a new substation at the same location. The existing South Bay Substation site alternative is located adjacent to the north side of the existing SBPP.

Power Plant Site Alternative

This alternative is located on the approximately 31-acre SBPP property, which is located immediately adjacent to and south of the existing South Bay Substation.

South Bay Boulevard Site Alternative

This alternative consists of a 15-acre site that is located approximately 0.8 mile south of the existing South Bay Substation to the southeast of the Palomar Road/Bay Boulevard intersection. The site contains residential, commercial, and industrial uses.

Toy Storage Site Alternative

This alternative consists of a 7-acre site that is located approximately 0.6 mile southeast of the existing South Bay Substation. The site is located approximately 0.1 mile north of the Palomar Street/Industrial Boulevard intersection. The site consists of a linear configuration that is currently owned by SDG&E and is used as a transmission corridor.

Cima NV Site Alternative

This alternative consists of a 5-acre site that is located approximately 0.9 mile southeast of the existing South Bay Substation. The site is located between Industrial Boulevard and East Frontage Road, south of Palomar Street. The site is currently vacant.

Broadway and Palomar Site Alternative

This alternative consists of a 9-acre site that is located approximately 1.2 miles southeast of the existing South Bay Substation. The site is located between Industrial Boulevard and Broadway, south of Palomar Street. The site consists of a linear configuration that is currently owned by SDG&E and is used as a transmission corridor.

G. PUBLIC SCOPING MEETING

CPUC will conduct a public scoping meeting in the City, shown as follows. The purpose of this meeting is to present information about the Proposed Project and the CPUC's decision-making process, and to listen to public views on the range of issues relevant to preparation of the draft EIR.

Date:	**Monday, August 1, 2011**
Location:	Chula Vista Civic Center Council Chambers 430 F Street, Chula Vista, California
Time:	6:00 p.m. to 8:00 p.m.

At the public meeting, the environmental team and CPUC staff will be available to respond to questions and discuss the environmental document that is under preparation.

Parking Notice – Due to limited parking at the Civic Center complex, please park in the Third Avenue parking garage located at Third Avenue and F Street. Free parking is available all day on the top level. Please do not park in the library parking lot; police will issue tickets to those parked more than 2 hours in the library parking lot.

H. SCOPING COMMENTS

At this time, the CPUC is soliciting information regarding the topics and alternatives that should be included in the EIR. Suggestions for submitting scoping comments are presented at the end of this section. All comments must be postmarked by **August 15, 2011**. You may submit comments in a variety of ways: (1) by mail, (2) by fax (fax no. 800.930.8275), or (3) by email (southbaysub@dudek.com).

By Mail: If you send comments by mail, please use first-class mail and be sure to include your name and return address. Please send written comments on the scope of the EIR to:

Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, California 92024

A **Scoping Report** will be prepared, summarizing all comments received (including oral comments made at the scoping meeting). This report will be posted on the project website. In addition, a limited number of copies will be available upon request to the CPUC.

Suggestions for Effective Participation in Scoping

1. **Review the description of the project** (see Section B of this NOP and the map provided)

2. **Review CEQA impact assessment questions** (see Attachment 2)

3. **Attend the scoping meeting** to get more information about the project and the environmental review process (see previously listed times and dates)

4. **Submit written comments** to explain important issues that the EIR should cover

5. **Suggest mitigation measures** that could reduce the potential impacts associated with SDG&E's Proposed Project

6. **Suggest alternatives** to SDG&E's proposed project that could avoid or reduce the impacts of the Proposed Project.

I. FOR ADDITIONAL PROJECT INFORMATION

Internet Website: Information about this application and the environmental review process will be posted on the Internet at http://www.cpuc.ca.gov/environment/info/dudek/sbsrp/SouthBaySub.htm. This site will be used to post all public documents during the environmental review process and to announce upcoming public meetings.

Document Repositories: SDG&E's PEA is available for review at local area libraries (listed as follows) and available online at the project website. The PEA includes a detailed description of the project that SDG&E proposed to construct, and it evaluates potential impacts of the project from SDG&E's perspective.

Chula Vista
Civic Center Branch Library
365 "F" Street
Chula Vista, California 91910

South Chula Vista Branch Library
389 Orange Avenue
Chula Vista, California 91911

Attachment 1
Summary of Potential Issues or Impacts: SDG&E South Bay Substation Relocation Project

Environmental Issue Area	Potential Issues or Impacts
Aesthetics	• The proposed Bay Boulevard Substation and associated improvements could degrade views for motorists on Bay Boulevard. • Duration of visibility of construction materials, equipment, and debris may impact views from established recreation areas and facilities. • Consistency with visual resource goals, objectives, and policies of the Chula Vista Bayfront Master Plan, amendments to the Chula Vista Local Coastal Program (including the Land Use Plan and the Bayfront Master Plan) and the Port Master Plan.
Agricultural Resources	• No issues identified.
Air Quality / Greenhouse Gas Emissions	• Project construction will produce short-term air emissions (fugitive dust and vehicle equipment exhaust). • Violation of air quality standards could occur during construction.
Biological Resources	• Temporary disturbance and/or permanent removal of habitat suitable for orange-throated whiptail (*Aspidoscelis hyperythra*), San Diego horned lizard (*Phrynosoma coronatum blainvillii*), San Diego black-tailed jackrabbit (*Lepus californicus*), and San Diego desert woodrat (*Neotoma lepida intermedia*) could occur. • Disturbance and/or removal of foraging habitat for avian species, including the short-eared owl (*Asio flammeus*), northern harrier (*Circus cyaneus*), American peregrine falcon (*Falco peregrinus*), and the western burrowing owl (*Athene cunicularia hypugaea)*), could occur. • Direct and/or indirect effects to two-striped garter snake (*Thamnophis hammondii*) and western spadefoot (*Spea hammondii*) could occur. • Temporary disturbance and/or permanent impacts to waters under the jurisdiction of the U.S. Army Corps of Engineers (ACOE), Regional Water Quality Control Board (RWQCB), California Department of Fish and Game (CDFG), California Coastal Commission (CCC), and Chula Vista Wetlands Protection Program (WPP) could occur. • Direct and/or indirect effects to disturbed coyote brush scrub (*Baccharis pilularis*), seasonal ponds, disturbed wetland scrub, mulefat scrub, and non-native grasslands could occur. • Temporary disturbance to and/or permanent loss of rare plant communities and special-status plant species could occur. • Conflict with state or local policies or ordinances protecting biological resources could occur.
Cultural and Paleontological Resources	• Some fossil-bearing geologic formations that are located in the proposed project area could be impacted. • Potential construction-related impacts to known and unrecorded prehistoric and historic resources could occur.
Geology and Soils	• Project construction could cause significant soil erosion or loss of topsoil. • Soil compaction, subsidence, and differential settlement could occur as a result of dewatering activities and changes in the groundwater flow during construction. • Exposure by people or structures to risk of ground shaking, liquefaction, seismic ground failure, landslides, unstable soils, lateral spreading, expansive soil, and rupture of known earthquake fault could occur.
Hazards and Hazardous Materials	• Potential release of fuel, hydraulic fluid, and lubricants during construction could occur. • Exposure of contaminated groundwater during excavation could occur. • Interference with adopted emergency response plan or evacuation plan could occur. • (See discussion EMF under "Other Issues").
Hydrology and Water Quality	• Project construction could affect surface water flow and erosion rates, causing subsequent downstream sedimentation and reduced surface water quality.

Environmental Issue Area	Potential Issues or Impacts
	• Dewatering activities may affect groundwater supply and surface water quality. • New facilities/infrastructure may affect groundwater flow and recharge capabilities. • Stormwater runoff from permanent structures/access road and temporary work areas may degrade surface water quality. • Construction of permanent structures/facilities may alter drainage patterns, which may result in increased runoff, erosion, siltation, and flooding off site. • Accidental release of hazardous materials during construction may affect surface water and ground water quality.
Land Use and Planning	• Project construction could restrict access or use to existing commercial and industrial land uses. • Potential conflict during construction of transportation corridors and bike paths could occur. • Consistency with planned land uses within the Port of San Diego and Chula Vista. • Conflict with environmental plans, policies, regulations, or habitat conservation plans could occur.
Mineral Resources	• No issues have been identified.
Noise	• Construction would generate noise in the vicinity of recreational and commercial uses. • Concern about groundborne vibration because the project would require excavation work near commercial uses that may be sensitive to vibration. • Transmission lines and substation upgrades may generate corona noise at levels above existing conditions.
Population and Housing	• Potential for Proposed Project to encourage or accelerate growth in the region.
Public Services and Utilities	• No issues have been identified.
Recreation	• No issues have been identified.
Transportation and Traffic	• Construction of the Proposed Project could affect traffic flow, parking, road usage, and property access. • Street parking could be displaced during construction. • Temporary lane closures and equipment may affect access to driveways for property owners during construction. • Temporary closures of bicycle lanes could occur.
Utilities and Service Systems	• Potential exists to require construction of new stormwater drainage facilities or expansion of existing facilities to accommodate the increase in impervious surfaces.
Other Issues	• Property values of properties near the Proposed Project may be affected. • There may be an electric and magnetic field (EMF) effect on the transmission lines.

Attachment 2
Environmental Checklist

Following are the questions included in the California Environmental Quality Act's (CEQA's) environmental checklist (Appendix G of the CEQA Guidelines (14 CCR 15000 et seq.)). These are issues that may be evaluated in an environmental impact report (EIR), if they are determined to be relevant to the project.

I. AESTHETICS. Would the project:

a) Have a substantial adverse effect on a scenic vista?

b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

c) Substantially degrade the existing visual character or quality of the site and its surroundings?

d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

II. AGRICULTURE AND FORESTRY RESOURCES. Would the project:

a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to nonagricultural use?

b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?

c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code (PRC) Section 12220(g)), or timberland (as defined by PRC Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?

d) Result in the loss of forest land or conversion of forest land to non-forest use?

e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to nonagricultural use or conversion of forest land to non-forest use?

III. AIR QUALITY/GREENHOUSE GAS EMISSIONS. Would the project:

a) Conflict with or obstruct implementation of the applicable air quality plan?

b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?

c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is nonattainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?

d) Expose sensitive receptors to substantial pollutant concentrations?

e) Create objectionable odors affecting a substantial number of people?

f) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

g) Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

IV. BIOLOGICAL RESOURCES. Would the project:

a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?

e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?

V. CULTURAL RESOURCES. Would the project:

a) Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5 of the CEQA Guidelines?

b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section15064.5 of the CEQA Guidelines?

c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?

d) Disturb any human remains, including those interred outside of formal cemeteries?

VI. GEOLOGY AND SOILS. Would the project:

a) Expose people or structures to potential adverse effects, including the risk of loss, injury, or death involving the following:

i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the state geologist for the area or based on other substantial evidence of a known fault?

ii. Strong seismic ground shaking?

iii. Seismic-related ground failure, including liquefaction?

iv. Landslides?

b) Result in substantial soil erosion or the loss of topsoil?

c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?

d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?

e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

VII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous or other materials into the environment?

c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?

f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?

g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

h) Expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

VIII. HYDROLOGY AND WATER QUALITY. Would the project:

a) Violate any water quality standards or waste discharge requirements?

b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?

c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on or off site?

d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on or off site?

e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?

f) Otherwise substantially degrade water quality?

g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?

h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?

i) Expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam?

j) Be at risk of inundation by seiche, tsunami, or mudflow?

IX. LAND USE AND PLANNING. Would the project:

a) Physically divide an established community?

b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

c) Conflict with any applicable habitat conservation plan or natural community conservation plan?

X. MINERAL RESOURCES. Would the project:

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?

b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?

XI. NOISE. Would the project:

a) Expose persons to or generate noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

b) Expose persons to or generate excessive ground-borne vibration or ground-borne noise levels?

c) Cause a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?

d) Cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, expose people residing or working in the project area to excessive noise levels?

f) For a project within the vicinity of a private airstrip, expose people residing or working in the project area to excessive noise levels?

XII. POPULATION AND HOUSING. Would the project:

a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

XIII. PUBLIC SERVICES. Would the project:

a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services:

i. Fire protection?

ii. Police protection?

iii. Schools?

iv. Parks?

v. Other public facilities?

XIV. RECREATION. Would the project:

a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?

b) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

XV. TRANSPORTATION/TRAFFIC. Would the project:

a) Conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?

b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?

c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that result in substantial safety risks?

d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

e) Result in inadequate emergency access?

f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?

XVI. UTILITIES AND SERVICE SYSTEMS. Would the project:

a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?

b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

c) Require or result in the construction of new stormwater drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

d) d Not have sufficient water supplies available to serve the project from existing entitlements and resources, or would need new or expanded entitlements?

e) Result in a determination by the wastewater treatment provider, which serves or may serve the project, that it does not have adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?

f) Be served by a landfill without sufficient permitted capacity to accommodate the project's solid waste disposal needs?

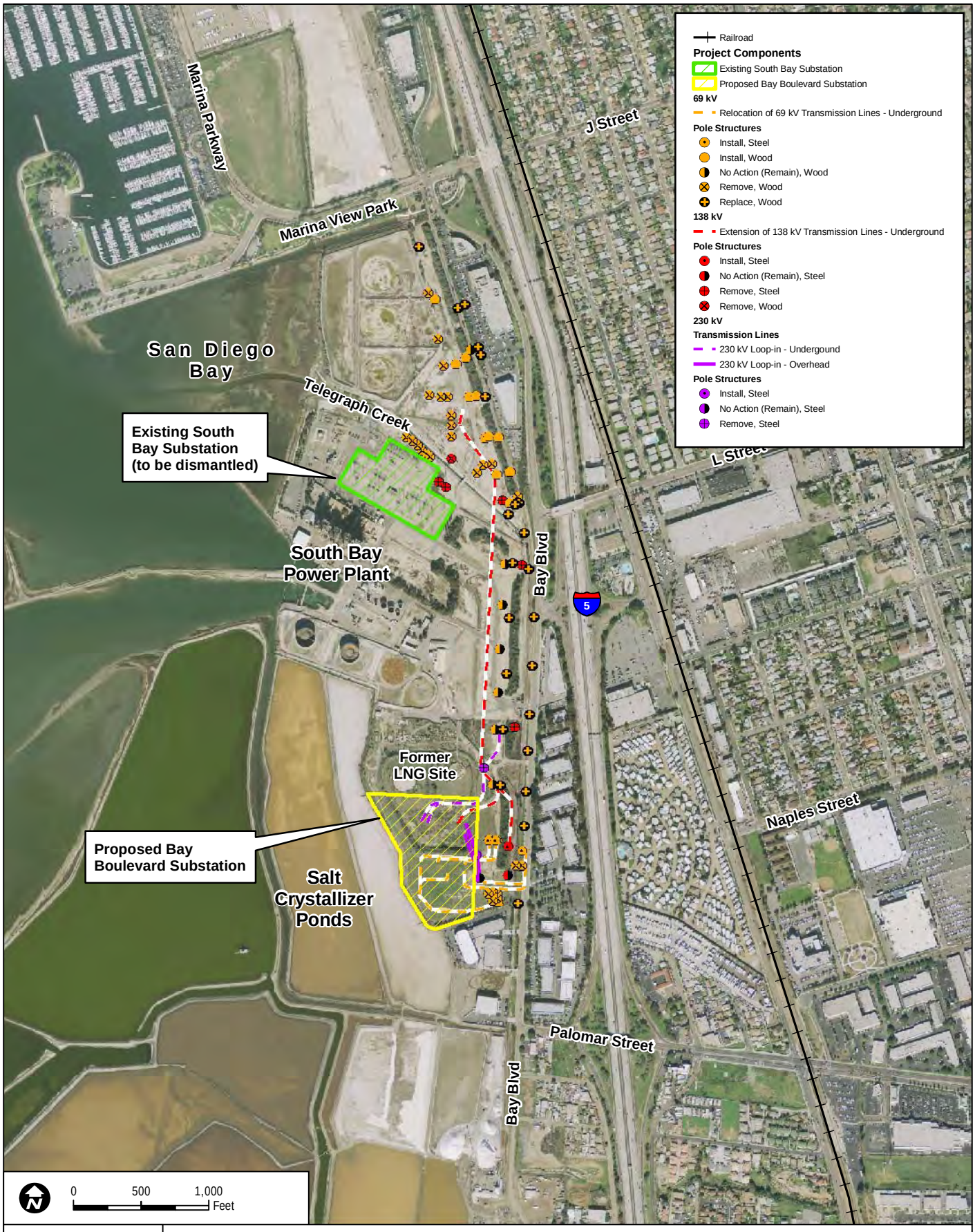
g) Conflict with federal, state, and local statutes and regulations related to solid waste?

XVII. GENERAL ISSUES

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?

b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?



DUDEK

6652-01

SOURCE: Digital Globe 2008
SDG&E PEA 2010

FIGURE 1

Project Overview Map

South Bay Substation Relocation Project - Application A. 10-06-007

APPENDIX B-1

Meeting Agenda

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)
South Bay Substation Relocation Project

Public Meeting Agenda
Chula Vista Civic Center Council Chambers
Monday, August 1, 2011 at 6:00 p.m.

I. Sign-in

II. Presentation

i. Welcome and Introductions
ii. Key Players and Their Roles
iii. Project Location
iv. Project Objectives
v. Project Description
vi. CPUC Process
vii. EIR Goal and Purpose
viii. Environmental Issue Areas
ix. Alternatives Evaluation
x. Environmental Review Process and Schedule
xi. Public Scoping Comments

III Comments from Attending Members of the Public and Agencies

IV. Closing Comments

For more information:

- See CPUC Project website:

  http://www.cpuc.ca.gov/environment/info/dudek/sbsrp/SouthBaySub.htm.

APPENDIX B-2

Scoping Meeting Presentation

California Environmental Quality Act (CEQA) Review for: San Diego Gas & Electric South Bay Substation Relocation Project

California Public Utilities Commission

Public Meeting

August 1, 2011

Introduction

- Key players and their roles
- Inform the public and responsible agencies about an upcoming project for which an Environmental Impact Report (EIR) will be prepared
- Inform the public about the environmental review process per CEQA
- Description of the Proposed Project
- CPUC process and schedule
- Solicit input of potential issues of concern and areas of controversy
- How to submit comments on the Notice of Preparation

Key Players and Their Roles

- Applicant:
  - San Diego Gas & Electric (SDG&E)
- Lead Agency under CEQA
  - California Public Utilities Commission – CPUC
- Environmental Contractor for CPUC
  - DUDEK

Other Key Agencies

- City of Chula Vista
- Port of San Diego
- California Coastal Commission
- U.S. Fish and Wildlife Service
- U.S. Army Corps of Engineers
- CA Department of Fish and Game
- CA Regional Water Quality Control Board

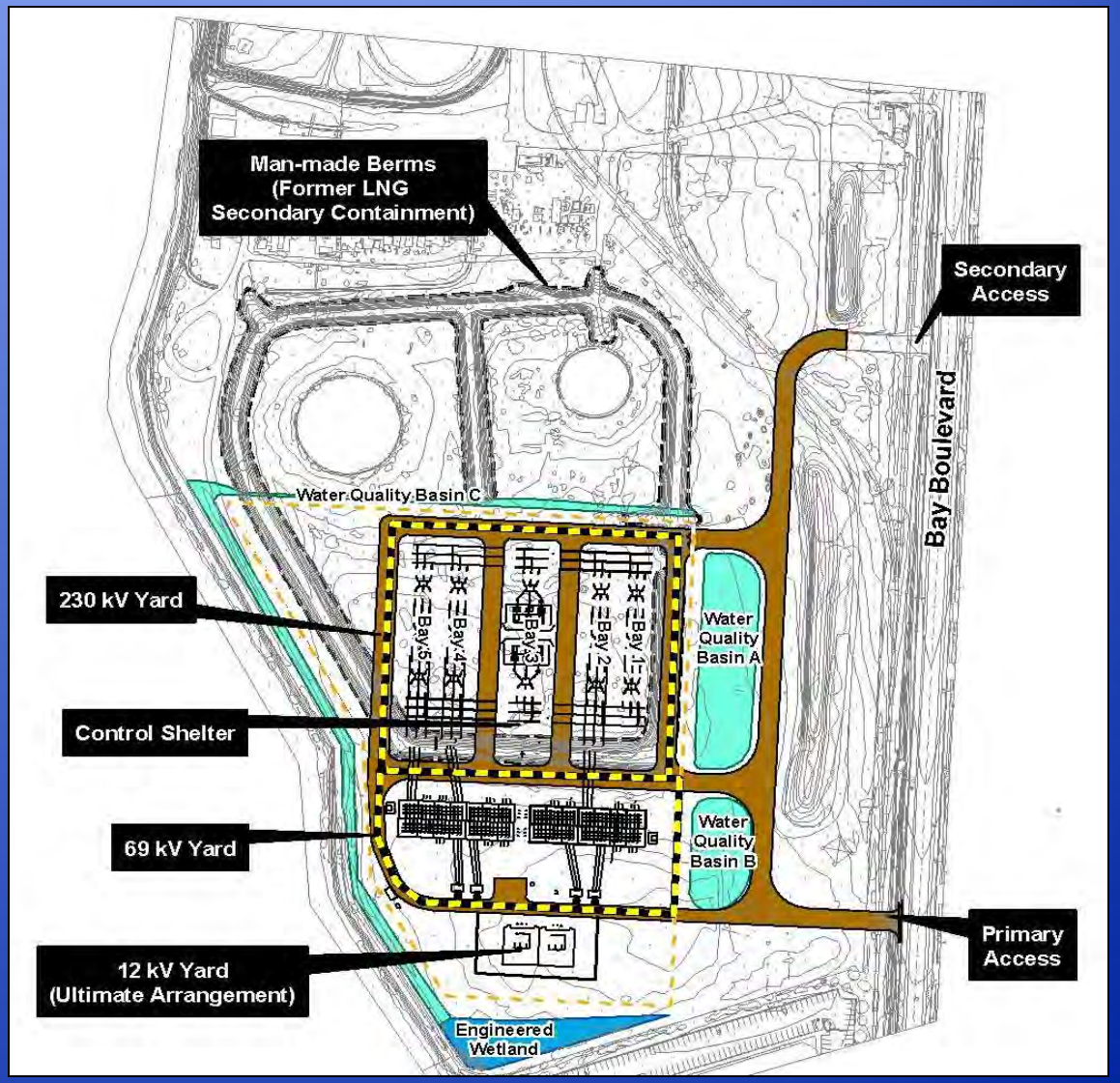
Project Location – City of Chula Vista

SDG&E Project Objectives

1. Replace aging and obsolete substation equipment
2. Design a flexible transmission system that would accommodate regional energy needs subsequent to retirement of the South Bay Power Plant
3. Facilitate the city's bay front redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E–City of Chula Vista Memorandum of Understanding
4. Provide for future transmission and distribution load growth for the South Bay region

Project Description

- Bay Boulevard Substation
  - 230/69/12-kilovolt (kV) substation
  - Access provided via Bay Boulevard
  - Ten-foot masonry wall along perimeter of substation
  - Approximately 19-month construction period



Bay Boulevard Substation Visual Simulation

SDGE BAY BOULEVARD RENDERINGS REV 8 7/28/10 FILE NAME:VIEW_A_R8.psd

Project Description

- South Bay Substation Demolition
  - Removal of all 138/69 kV distribution equipment.
  - All above-grade components to be removed
  - Approximately 6 month construction period

Project Description

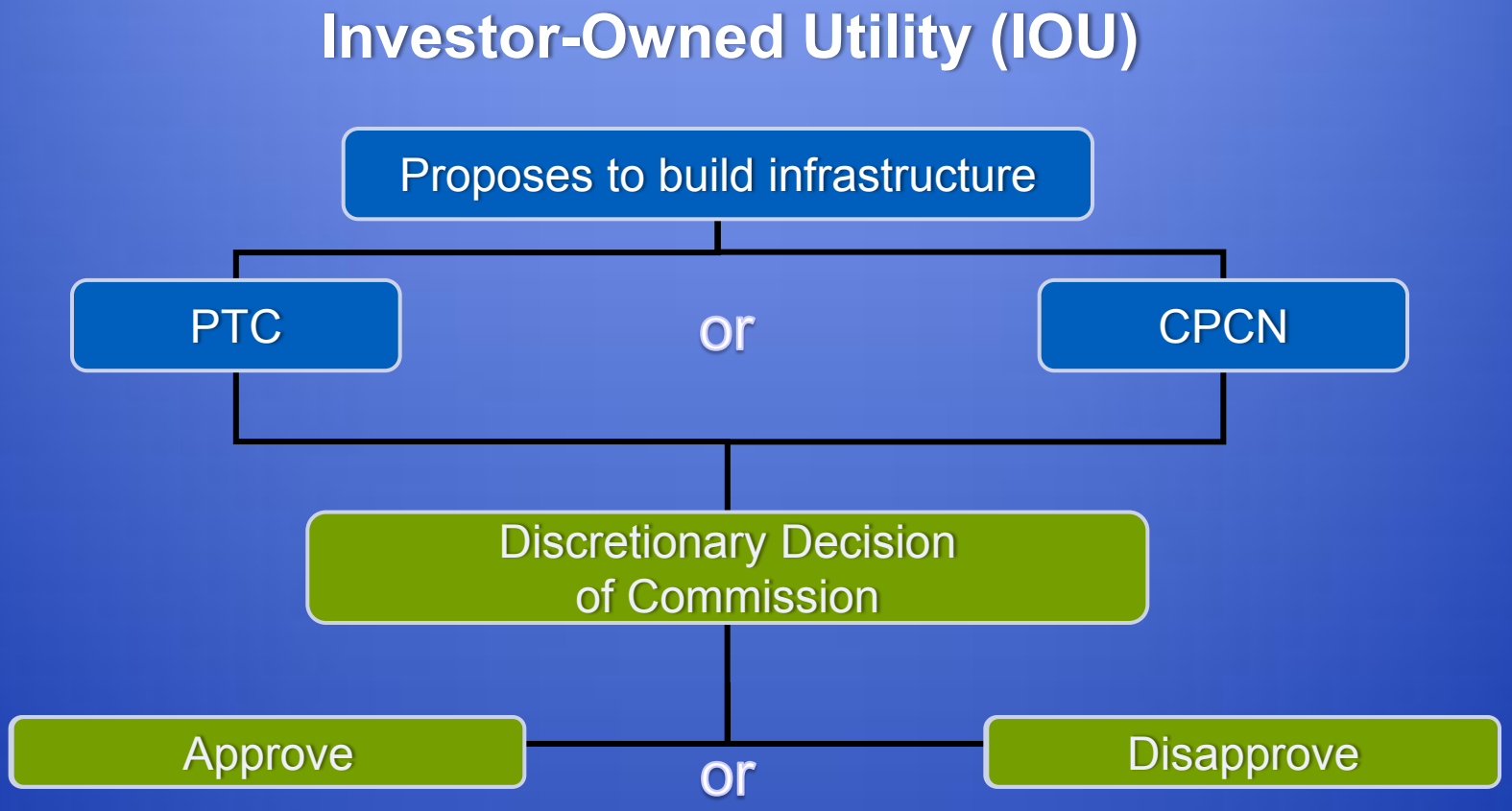
Transmission Components

- 230 kV loop-in
- 138 kV extension
- 69 kV transmission lines

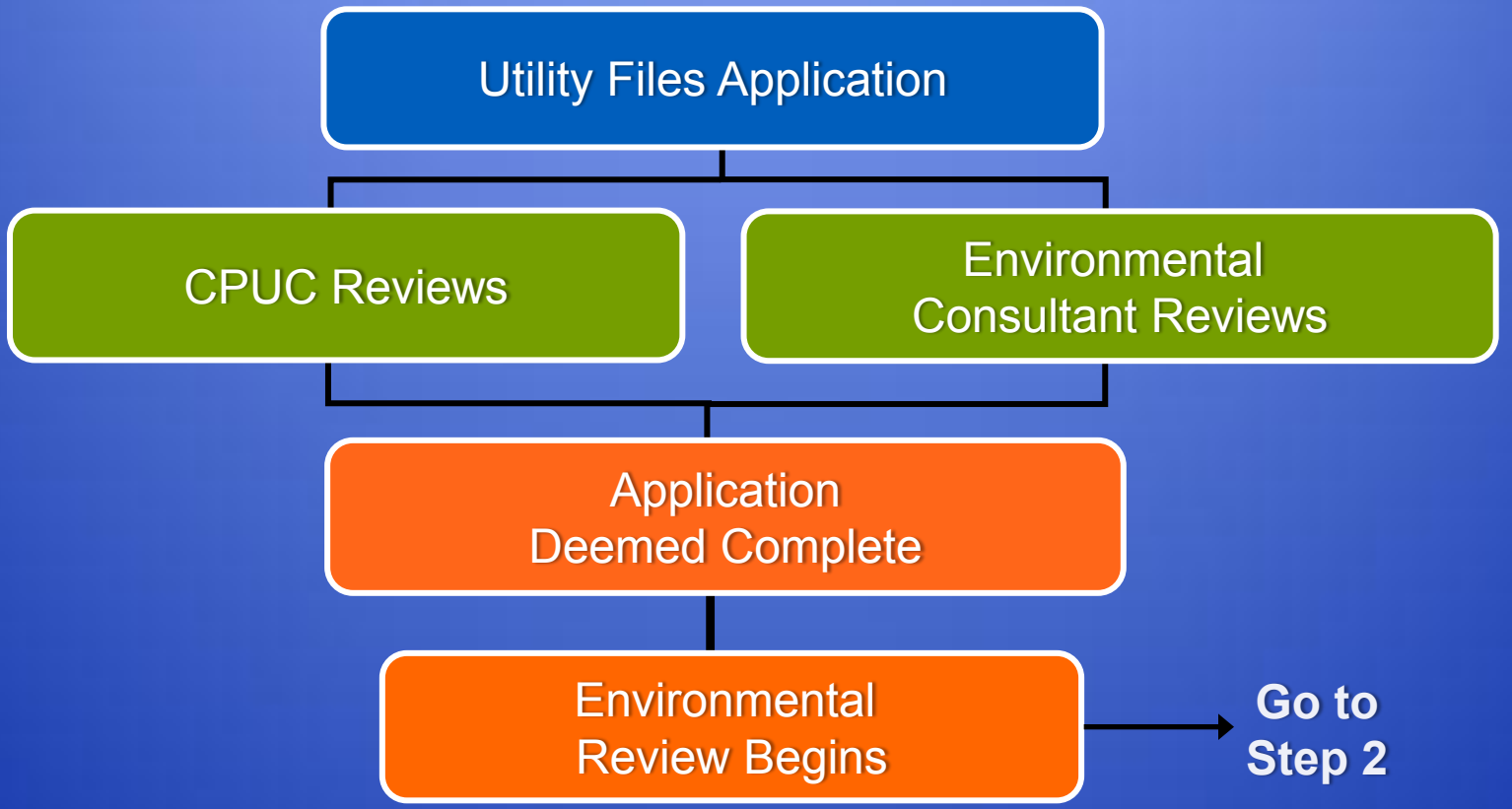
CPUC Review Process

- The CPUC has two parallel review processes for SDG&E's Permit to Construct (PTC):
  - General Proceeding (Application A. 10-06-007)
  - Environmental Review (the CEQA process)

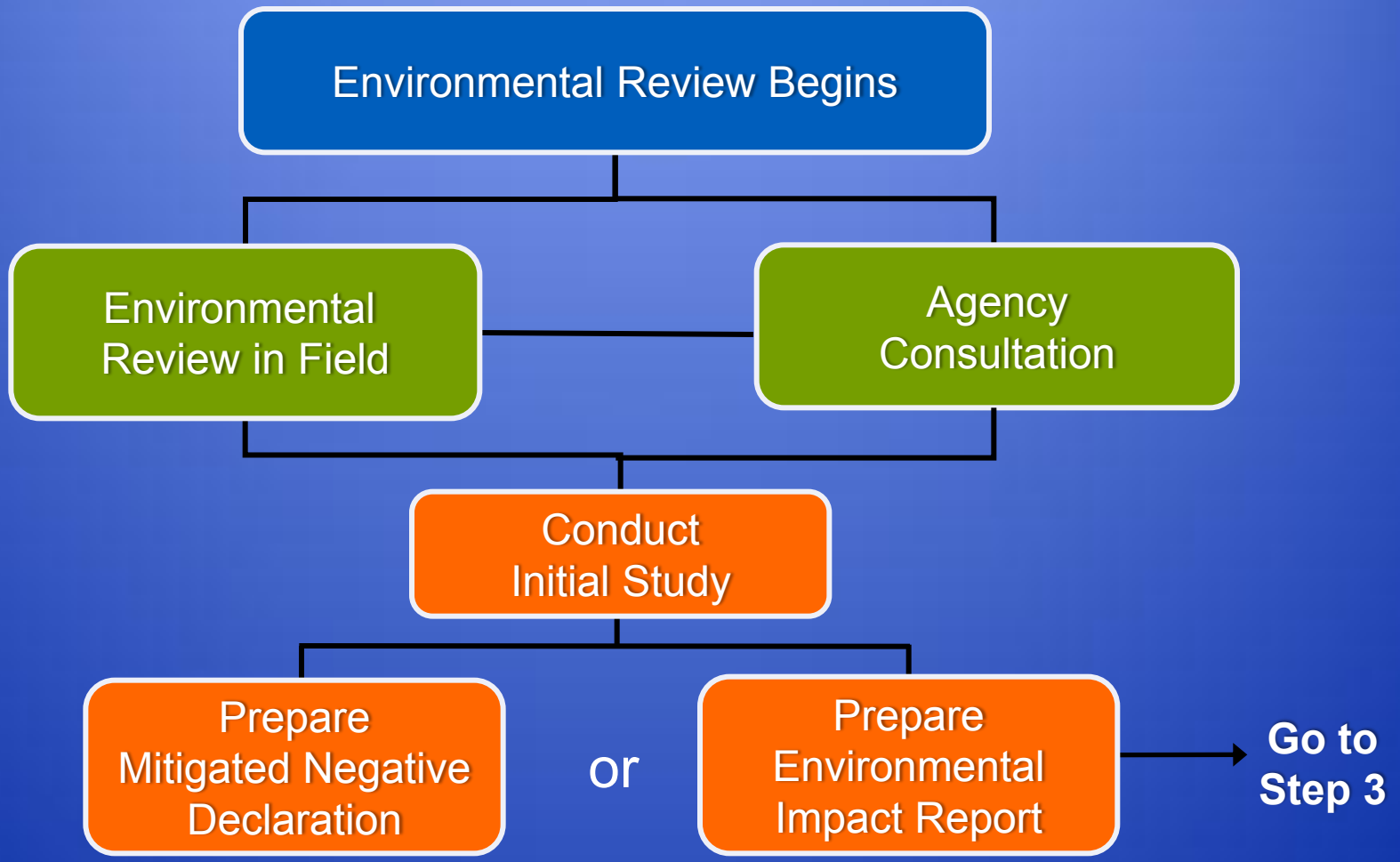
CPUC Review Process



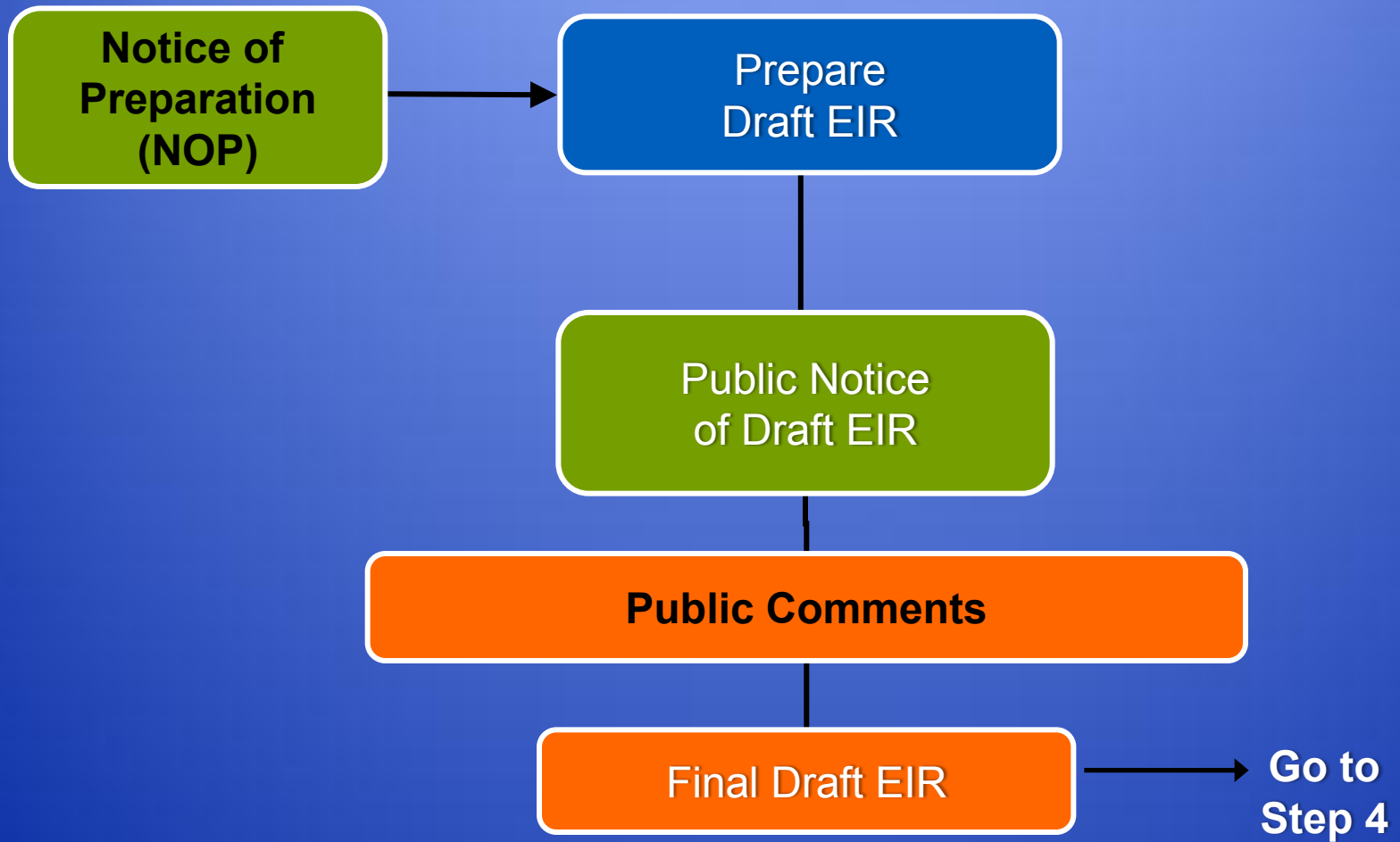
CPUC Review Process
Basic Application and Environmental Review Processes – Step 1



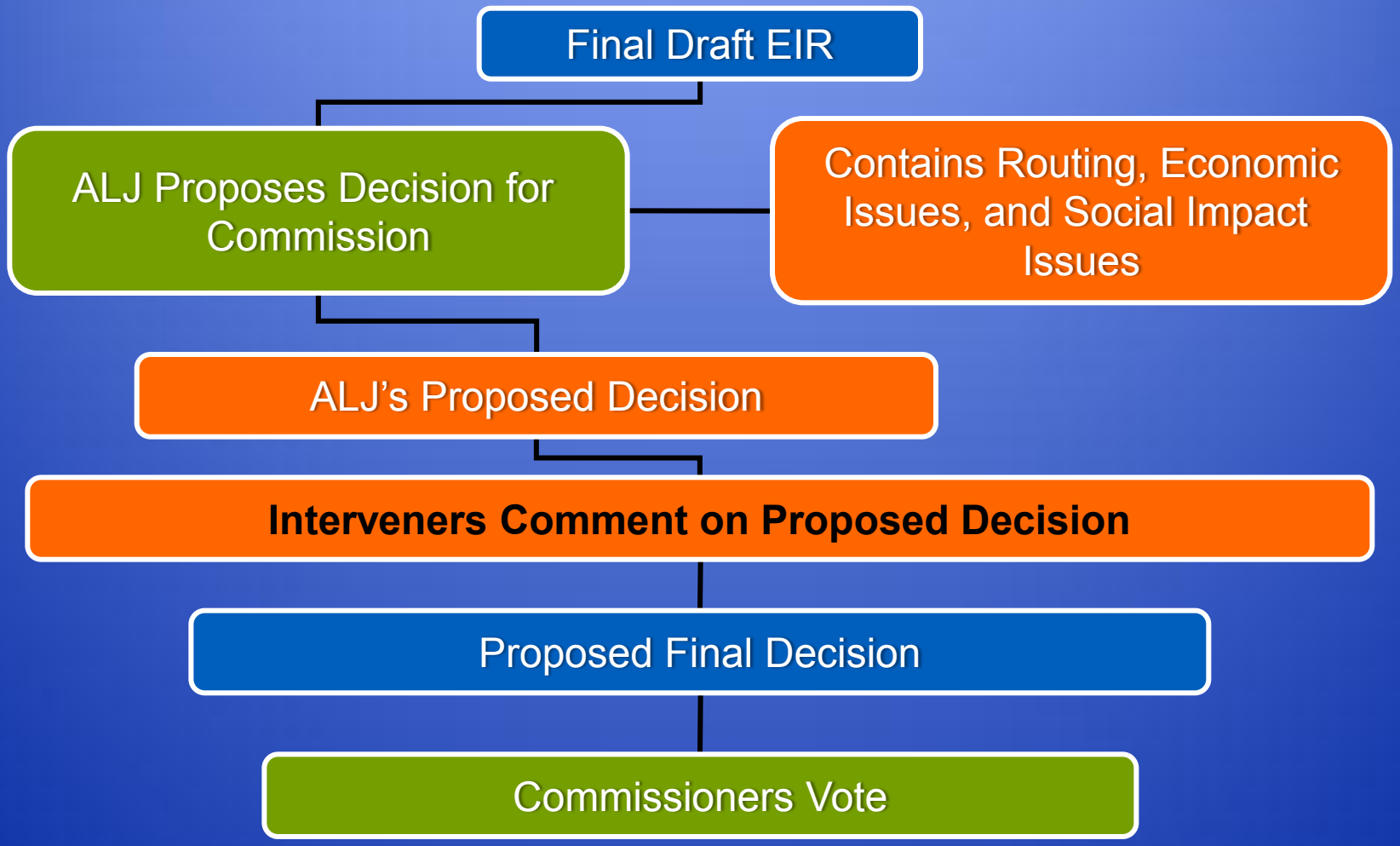
CPUC Review Process
Basic Application and Environmental Review Processes – Step 2



CPUC Review Process
Basic Application and Environmental Review Processes – Step 3



CPUC Review Process
Basic Application and Environmental Review Processes – Step 4



Purpose of the EIR

- Provide full disclosure of significant effects and means to reduce, avoid, and minimize those effects
- Consider a reasonable range of alternatives
- Provide opportunity for public scrutiny in the planning and decision-making process
- Ensure that decision makers have a solid basis to make a decision

Environmental Issue Areas

- Aesthetics
- Agricultural Resources
- Air Quality/Climate Change
- Biological Resources
- Cultural Resources
- Geology & Soils
- Hazards & Hazardous Materials
- Hydrology & Water Quality
- Land Use & Planning
- Mineral Resources
- Noise
- Population & Housing
- Public Services
- Recreation
- Transportation & Traffic
- Utilities & Service Systems

Alternatives

- No Project Alternative
- Substation Site Alternatives
- System Alternatives
- Project Design Alternatives
- Alternatives Suggested in Scoping Comments

CEQA Review Process – Opportunities for Public Input

- Notice of Preparation – Public Scoping
  - Close of Public Scoping - August 15, 2011
- Completion of Draft EIR – October 2011
  - 45-Day public review period
- Responses to Comments on Draft EIR – November 2011
  - Send to public agencies for 10-day review period
- Certification of EIR– January 2012

CPUC Tentative Schedule

- General Proceeding
  - Application filed by SDG&E:
    - June 16, 2010
  - Pre-Hearing Conference
  - Public Participation Hearings
  - ALJ Proposed Decision:
    - January 2012
- Environmental Review
  - SDG&E Environmental Assessment:
    - Filed June 16, 2010
  - Public Scoping Meeting for EIR
    - August 1, 2011
  - Draft EIR:
    - October 2011
    - 45-day comment period
  - Final EIR Response to Comments:
    - November 2011
  - EIR Certified by CPUC:
    - January 2012

Public Scoping Comments

Please send comments to:
California Public Utilities Commission
Attn: Jensen Uchida
c/o Dudek
605 Third Street
Encinitas, California 92024
Fax: 800.930.8275
Email: southbaysub@dudek.com

Public Scoping Ends August 15, 2011

Please be sure to include your name, address, and phone number on all comments.

For More Information

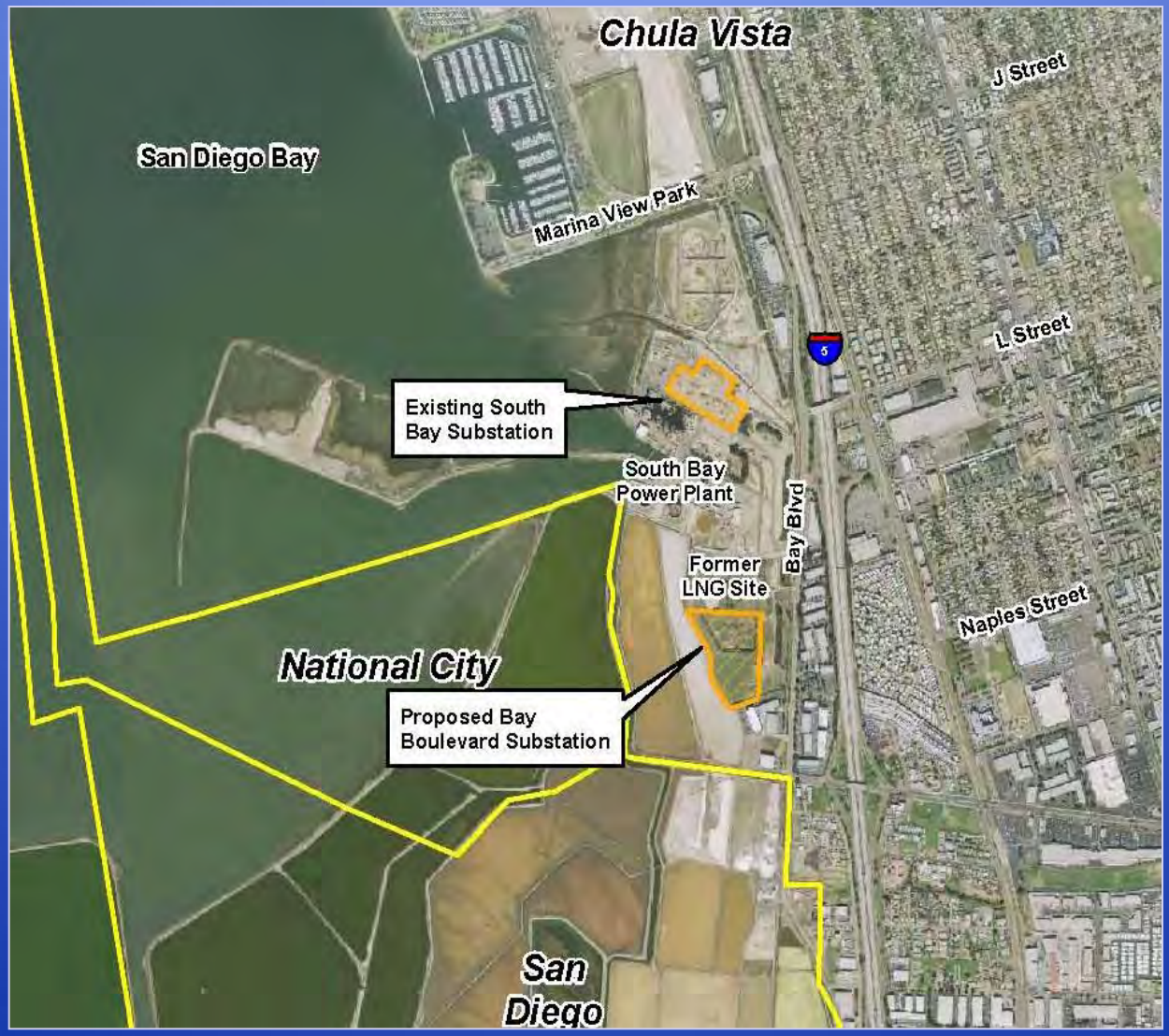
- **Check internet websites:**
  - http://www.cpuc.ca.gov/environment/info/dudek/sbsrp/SouthBaySub.htm
- **Project email:**
  - southbaysub@dudek.com
- **Project fax and voicemail:**
  - 1.800.930.8275

Information Repositories: Two area libraries have project information

Civic Center Branch Library
365 F Street, Chula Vista, CA 91910

South Chula Vista Branch Library
389 Orange Avenue
Chula Vista, CA 91977

South Bay Substation Relocation Project



APPENDIX C-1

August 1, 2011

Scoping Meeting Sign-In Sheet

SIGN-IN
CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)
for the
South Bay Substation Relocation Project

Public Meeting, August 1, 2011 at 6:00 PM
Chula Vista Civic Center Council Chambers

PLEASE PRINT

Name	Affiliation	Mailing Address (including email)	Phone / Fax	Would you like to be included on the mailing list?
Geoffrey Berg	Inland Industry Group, LP	964 5th Ave #314 San Diego CA 92101	619.544. 1458	Yes, already on list
John Mout	city Inland Industries Group	101 West Broadway Suite 810 S.D. Ca 9210	619-236-8821	yes -
Gary Halbert	City of Chula Vista	276 Fourth Ave Chula Vista 91910	619-691-5002	Yes
HOWARD LEVIN	SDG&E	8315 CENTURY PARK CT. SAN DIEGO, CA 92123	858-637-3724	Always on list
Jim Peugh	San Diego Audubon Society	(h) 2776 Nipoma St. San Diego CA 92106	619 224-4591 peugh@cox.net	yes

Name	Affiliation	Mailing Address (including email)	Phone / Fax	Would you like to be included on the mailing list?
Gulsum Rustemoglu	Global Environmental Permitting	13955 Stowe Dr. #208 Poway, CA 92064	858-486-1080 grustemoglu@gepermit.com	Yes
Estela de Llanos	SDG&E	101 Ash St San Diego 92101 edellanos@semprautilities.com	619-699-5011	Yes
Barb Irwin	Dynegy	990 Bay Blvd Chula Vista, CA	217-519-4035	
LARRY RANDEL	"	"	925-819-2146	~~yes~~
CARL OLSON				no.
Mike Kennedy	S.D. Unified Port District		(619)686-7289	
PAUL BUTLER	Adjacent Property Owner	20 HILL DRIVE KENTFIELD, CA 94904	415-464-4444	Yes
ROBERT WEISS	1120, 1124, 1128 Bay Blvd	2550 JACK PINE RD HEALSBURG, CA 95448	707 431 7550	Yes

Name	Affiliation	Mailing Address (including email)	Phone / Fax	Would you like to be included on the mailing list?
Diana Witt	property manager	diana@wittproperties.com	619/702-1222	yes
Robert Weiss	land owner			
Paul Butler	land owner			
Claudia Valenzuela		cvalenzuela@sempraUtilities.com		Yes
Sharon Finnell	Consultant	17114 Tallow Tree Ln San Diego 92127		yes
Miguel Tapia	City of C.V.	mtapia@ci.chula-vista.ca.us.		

APPENDIX D-1

Letters from Federal, State, and Local Agencies and Planning Groups

STATE OF CALIFORNIA – NATURAL RESOURCES AGENCY EDMUND G. BROWN, JR., GOVERNOR

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105- 2219
VOICE AND TDD (415) 904- 5200
FAX (415) 904- 5400

August 3, 2011

Jensen Uchida
California Public Utilities Commission
C/o Dudek
605 Third Street
Encinitas, California 92024

Re: **Comments on Notice of Preparation of an Environmental Impact Report for the South Bay Substation Relocation Project**

Dear Mr. Uchida:

Thank you for the opportunity to comment on the California Public Utilities Commission's ("CPUC) Notice of Preparation ("NOP") of an Environmental Impact Report ("EIR") for the South Bay Substation Relocation Project in the City of Chula Vista. The project proposed by San Diego Gas & Electric ("SDG&E") includes: (1) construction of a Bay Boulevard Substation approximately 0.5 miles south of the existing South Bay Substation; (2) dismantling the existing South Bay Substation; (3) construction of a 230-kilovolt (kV) loop-in; (4) extension of 138 kV transmission lines; and (5) relocation of 69 kV transmission lines. The new Bay Boulevard Substation would be approximately 10 acres in size located on a portion of the former liquefied natural gas plant to the west of Bay Boulevard and south of the South Bay Power Plant. This project will require a coastal development permit ("CDP") from the Coastal Commission. The Commission will therefore rely in part on the information contained in the EIR in assessing the project's conformity with the Chapter 3 coastal protection policies.

Commission staff has reviewed the NOP and its description of the issues to be evaluated in the EIR for this project. Thank you for your consideration of the following comments and requests for information:

For some issue areas, Attachment 1 of the NOP says that the EIR will assess consistency of the project with relevant local, state and federal laws and plans (e.g., master plans and the Chula Vista LCP). For the Coastal Commission's consideration of a coastal development permit for this project, the standard of review is the Chapter 3 policies of the Coastal Act. Therefore, across all issue areas please assess this project's conformity with the relevant Chapter 3 policies of the Coastal Act. For example, in addition to those environmental issues identified in Attachment 2 of the NOP:

a. Please assess impacts from noise and/or vibration from construction activities and substation operation on nearby coastal species and habitats.

b. Please evaluate the project's impact (e.g., traffic, etc.) on the public's ability to travel to and enjoy the beach and other coastal recreational areas.

c. Please assess if this project will be visible from any scenic view corridors or other public viewing areas like parks, etc. Please include visual simulations of this project's effects on the coastal scenic vista from public viewing areas. Please assess this project's effects on the existing visual character of the site and its surrounding areas.

d. Please evaluate the loss of wetland habitat caused by the proposed project. Under Section 30233(a) of the Coastal Act, the filling of wetlands may be allowed for an energy project such as this one where there is (1) no feasible less environmentally damaging alternative and (2) where feasible measures have been provided to minimize adverse environmental effects of the wetland fill. Accordingly, a comprehensive alternatives analysis is critical to the Coastal Commission's review of this project. Where wetlands cannot be avoided, the Coastal Commission has required a 4:1 mitigation ratio for wetland restoration. We understand that SDG&E is currently looking at mitigation options and will be preparing a wetland restoration plan to submit as part of its CDP application and other agency proceedings. Please include in the EIR: (1) an assessment of the extent and quality of the state-protected wetland resources on the proposed site and the project's habitat impacts; (2) a project alternative analysis as required by Coastal Act Section 30233(a); (3) an analysis of whether the project is designed to minimize to the extent feasible wetland habitat impacts; (4) if under (3) the EIR concludes that wetland impacts could be minimized further, a description of how the project could be modified to lessen those impacts; (5) a requirement of a 4:1 wetland restoration mitigation ratio; and (6) if wetland impacts are determined to be unavoidable, inclusion of SDG&E's proposed wetland restoration plan and an analysis of its adequacy to mitigate identified impacts, if feasible, even if only at the conceptual stage of development.

e. Please evaluate all potential coastal hazards (i.e., tsunami risk, coastal erosion, sea level rise, wave uprush, coastal flooding, etc.) that could affect the long-term stability and operation of the project.

f. Please calculate the project's expected construction and operational GHG emissions.

Thank you for considering these comments. If you have questions, please contact me at 415/904-5205.

Sincerely,

ALISON DETTMER
Deputy Director

U. S. Fish and Wildlife Service
San Diego National Wildlife Refuge Complex
P.O. Box 2358
Chula Vista, CA 91912
(619) 476-9150 ex. 100
FAX (619) 476-9150

California Department of Fish and Game
South Coast Region
3883 Ruffin Road
San Diego, California 92123
(858) 467-4201
FAX (858) 467-4299

August 15, 2011

Mr. Jensen Uchida
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Subject: Comments on the Notice of Preparation of an Environmental Impact Report for the SDGE South Bay Substation Relocation Project, Chula Vista, San Diego, CA (SCH# 2011071031)

Dear Mr. Jensen:

The U.S Fish and Wildlife Service, San Diego National Wildlife Refuge Complex (Service) and the California Department of Fish and Game (Department), hereafter collectively referred to as the Wildlife Agencies, have reviewed the above-referenced Notice of Preparation (NOP) dated July 11, 2011. The Wildlife Agencies have identified potential effects of this project on wildlife and sensitive habitats. The project details provided herein are based on the information provided in the NOP associated documents and our knowledge of the area.

The primary concern and mandate of the Service is the protection of fish and wildlife resources and their habitats, including trust resources present on the San Diego Bay National Wildlife Refuge (NWR). The Service has legal responsibility for the welfare of migratory birds, anadromous fish, and threatened and endangered animals and plants occurring in the United States. The Service is also responsible for administering the Federal Endangered Species Act of 1973 (Act), as amended (16 U.S.C. 1531 et seq.), including habitat conservation plans developed under section 10(a)(l) of the Act. The Department is a Trustee Agency and a Responsible Agency pursuant to the California Environmental Quality Act (CEQA; §§15386 and 15381, respectively) and is responsible for ensuring appropriate conservation of the State's biological resources, including rare, threatened, and endangered plant and animal species, pursuant to the California Endangered Species Act (Fish and Game Code §2050 et seq.) and other sections of the Fish and Game Code. The Department also administers the Natural Community Conservation Planning (NCCP) Program. The City of Chula Vista (City) participates in the NCCP program by implementing its approved Multiple Species Conservation Program (MSCP) Subarea Plan (SAP).

The draft Environmental Impact Report (DEIR) for the proposed project must ensure and verify that all requirements and conditions of the SAP and Implementing Agreement are met. The DEIR should also address biological issues that are not addressed in the SAP and Implementing Agreement, such as specific impacts to and mitigation requirements for wetlands or sensitive species and habitats that are not covered by the SAP and Implementing Agreement. Issue areas in

the DEIR that may be influenced by the SAP and Implementing Agreement include "Land Use," "Landform Alteration/Visual Quality," "Traffic/Circulation," "Biological Resources," "Drainage/Urban Runoff/Water Quality," "Noise," and "Cumulative Effects." In addition, the DEIR should describe why the proposed project, irrespective of other alternatives to the project, is consistent with and appropriate in the context of the SAP.

The project is located in southwestern San Diego County in the City of Chula Vista. Chula Vista is located seven miles (11 km) from downtown San Diego and seven miles from the Mexican border in the South Bay region of the metropolitan area. Chula Vista is located between the San Diego Bay and coastal mountain foothills. The project is located near the intersection of Bay Boulevard and Palomar Street in the City of Chula Vista. There are five primary components of the proposed project. The first component is the construction of the Bay Boulevard Substation which is approximately 0.5 mile south of the existing South Bay Substation. Component two of the project involves dismantling the existing South Bay Substation. The third component involves the construction of a 230-kilovolt (kV) loop-in. Component four involves the extension of 138 kV transmission lines, and the fifth component involves the relocation of 69 kV transmission lines.

We offer the following specific comments and recommendations to assist in avoiding, minimizing, and adequately mitigating project-related impacts to biological resources, and to ensure that the project is consistent with all applicable requirements of the approved MSCP Subarea Plan and compatible with the goals of the San Diego Bay NWR Comprehensive Conservation Plan (CCP).

Land Use

1. The DEIR, in both the text and appropriate graphics, should acknowledge the proposed project site's proximity to the South San Diego Bay Unit of the San Diego Bay NWR. Currently, the project maps only indicate that the site is located adjacent to salt crystallizer ponds. These ponds should be identified as being part of the NWR (See Attachment; Figure 1).

2. The CCP for the NWR should be added to the list of planning documents that are relevant to the proposed project area (as outlined in the Proponent's Environmental Assessment). The DEIR should describe both the current use of these ponds and their proposed future use as restored intertidal habitat. Additionally, the DEIR should analyze the project's compatibility with the goals and objectives included in the CCP for the area adjacent to the project site.

3. The Wildlife Agencies would also emphasize that one of the purposes of CEQA is to "prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives when the governmental agency finds the changes to be feasible" (CEQA Guideline, Section 15002 (a)(3)). Therefore, the CEQA alternatives analysis for this project is extremely important. The Department is particularly interested in the DEIR describing a "range of reasonable alternatives to the project (particularly options that minimizing development encroachment into biological resource areas). Additionally, in order for the Department to utilize the CEQA document as a Responsible Agency, the alternatives must include those which avoid or otherwise minimize impacts to sensitive biological resources that are regulated by the Fish and Game Code. Therefore, it is

recommended that the DEIR discuss the aforementioned list of alternatives in the Alternative Analyses Report.

Biological Resources

4. The species occurrences map included in the Proponent's Environmental Assessment is incomplete. California least tern and western snowy plover nesting occurs closer to the project site than indicated. Please refer to Figure 2 (See Attachment) for more up-to-date nest site information. In addition, monitors have observed plover adults moving chicks along the Palomar drainage channel that extends between Ponds 15 and 28, and between the southeast corner of Pond 28 and southwest corner of Pond 29. The DEIR should also address the presence of other nesting seabirds within this area. Additional information concerning seabird nesting on the salt pond levees is provided in Figure 3 and Table 1 (See Attachments).

5. Potential direct and indirect impacts to listed species and other sensitive species, particularly during the nesting season, should be addressed in the DEIR. Such impacts could include short term construction noise and other disturbance during construction. Additional concerns are long term impacts related to the creation of perching sites for avian predators, night lighting, noise, and potential changes in accessibility to NWR lands that could increase human disturbance and access for mammalian predators. Disturbances and night lighting associated with the proposed facility (at the present time and in the future) when the salt ponds are restored to intertidal habitat, could also affect a variety of migratory birds, including a number of species identified by the Service as Birds of Conservation Concern. The Wildlife Agencies recommend that an effort is made to quantify the expected construction level noise at the adjacent property and closest noise sensitive receptors (i.e., NWR) and evaluate the noise impact at these locations. If active nests are found, buffers and other noise attenuation measures should be incorporated to ensure noise levels do not exceed 60 decibels at the nest. Buffers should measure at least 300 feet around the nests (and 500 feet around raptor nests) and should be flagged and avoided to prevent disrupting nesting activity (unless prior approval is obtained by the Wildlife Agencies). Therefore, adequate buffers should ensure that sensitive biological areas including habitats and species are protected. We recommend a minimum buffer of 200 feet wide. The DEIR should propose specific measures for concerns such as excess nighttime light and increased predation. Discussions should propose specific measures (e.g., light shielding) for implementation that would not allow an increase in ambient light levels in sensitive habitats. The DEIR should discuss how the proposed development could lead to increase predation levels of Federal and State listed species due to an increase in nocturnal lighting, and increased predator perches. Additionally the DEIR should discuss how predation of sensitive bird species nesting on the NWR could increase if opportunities for raptor perching are provided within the project site, as well as how additional lighting may contribute to increased predation of sensitive species in the nearby NWR.

6. The DEIR should include a detailed grading plan and drainage plan for the project, as well as a description of how existing fencing and access restrictions between the NWR and the former liquefied natural gas plant (LNG) and proposed substation sites would change as a result of project grading and project construction. For instance, there appears to be a gap

between the proposed substation wall and the edge of the property line. How will public access be controlled on this portion of the property? If no measures are being taken to control public access in this location, the DEIR should address the potential impacts to current and future uses/habitat on the adjacent NWR.

7. The adjacent NWR and surrounding area support the following Federal and State endangered species: light-footed clapper rail (*Rallus longirostris levipes*, clapper rail), California least tern (*Sternula antillarum browni*, least tern), California brown pelican (*Pelecanus occidentalis californicus*), and salt marsh bird's-beak (*Cordylanthus maritimus* ssp. *maritimus*); as well as the Federal threatened western snowy plover (*Charadrius alexandrinus nivosus*) and State endangered Belding's savannah sparrow (*Passerculus sandwichensis*) and peregrine falcon (*Falco perregrinus anatum*). Salt marsh bird's beak and elegant tern (*Thalasseus elegans*) are both considered California Species of Special Concern (CSC). The clapper rail, least tern, and brown pelican are also State Fully Protected Species. The proposed project site is potential habitat and foraging habitat for burrowing owls (*Athene cunicularia*), therefore, we recommend spring and summer surveys. Due to the increased potential presence for special status species, the Wildlife Agencies recommend a discussion which describes the potential for nesting birds (February 15 to September 15) within the area of the project. Preconstruction surveys are therefore recommended. The DEIR should address issues related to the California Endangered Species Act (CESA). This discussion should include any requirement for an incidental take permit, and if the project has the potential to result in "take" of species, plants or animals listed under CESA, either during construction or over the life of the project.

8. The issue of bird strikes associated with utility line infrastructure (e.g., power lines, poles, towers), particularly the overhead segment of the relocated 69 kV line proposed along the NWR boundary, should also be addressed and measures to reduce the potential for bird strike should be incorporated into the scope of the project.

9. Coyote brush scrub is considered a sensitive habitat by the City and the Department and may be present at the proposed site. Therefore, plant and animal surveys are recommended. Please provide a detailed discussion regarding the success criteria that would be used for determining the location and required mitigation for impacts to wetland and upland vegetation communities should also be included in the DEIR.

10. Due to the proximity of the proposed project to MHCP Biological Core and Linkage Areas, discussions regarding impacts on, and maintenance of wildlife corridor/movement areas should be provided in the DEIR. Additionally, access to undisturbed habitats in adjacent areas, and avoidance should be fully evaluated in the DEIR using a map.

Water Quality

11. The DEIR should evaluate the effects of the proposed grading plan and associated site drainage on adjacent areas, including the adjacent salt ponds and tidally influenced Palomar drainage channel. Issues to be addressed should include downstream effects, particularly to the Palomar channel, as a result of increases in the quantity of runoff exiting the site, as well as an analysis of the quality of the runoff from the site. Runoff or other drainage from

the site should not be permitted to flow into the adjacent salt ponds or the northern end of the Palomar drainage channel. Any potential soil contamination within the former LNG site that could be remobilized as a result of grading within any portion of this site should be addressed.

We appreciate the opportunity to comment on this NOP. The comments and recommendations provided are based on our knowledge of sensitive species and habitats in the County of San Diego and our participation in regional conservation planning efforts. We are hopeful that further consultation will ensure the protection we find necessary for the biological resources that would be affected by this project. If you have questions or comments regarding this letter, please contact Bryand Duke of the Department at (858- 637-5511, Bduke@dfg.ca.gov) or Brian Collins, Refuge Manager, at (619-575-2704 extension 302, Brian_Collins@fws.gov).

Sincerely,

Andrew Yuen
Project Leader
San Diego NWR Complex

Stephen M. Juarez
Environmental Program Manager
California Department of Fish and Game

Enclosures:
Figure 1 Current Boundary for San Diego Bay National Wildlife Refuge
Figure 2 CNDDB Corrected Occurrences Map
Figure 3 Nesting Locations as Described in Table 1
Table 1 Locations of Waterbird Nest Sites at the Salt Works Between 1999-2005

cc: State Clearinghouse
Bryand Duke, California Department of Fish and Game, San Diego, CA
Brian Collins, U.S. Fish and Wildlife Service, Chula Vista, CA

Figure 1 Current Boundary for the San Diego Bay National Wildlife Refuge (Sweetwater Marsh and South San Diego Bay Units)

N

0 0.25 0.5 Miles

Source: USFWS, Local Agency Partnership 2000 (2 ft imagery)

Carlsbad Field Office - 2003
/stem/stacey/ssdbay/fig_sum/figures.apr

South Bay Substation Relocation Project

Substation Wall
12.42-Acre Parcel Boundary
SDG&E Easement
Former LNG Site
Existing South Bay Substation
1-Mile Buffer
Plant
Animal
Terrestrial Community

Figure 2 CNDDB Corrected Occurrences Map

SDGE
Sempra Energy utility
INSIGNIA ENVIRONMENTAL

N
W E
S

1:16,000

0 500 1,000 2,000 3,000 4,000 Feet

Figure 4.4-1 CNDDB.mxd

4/25/2010

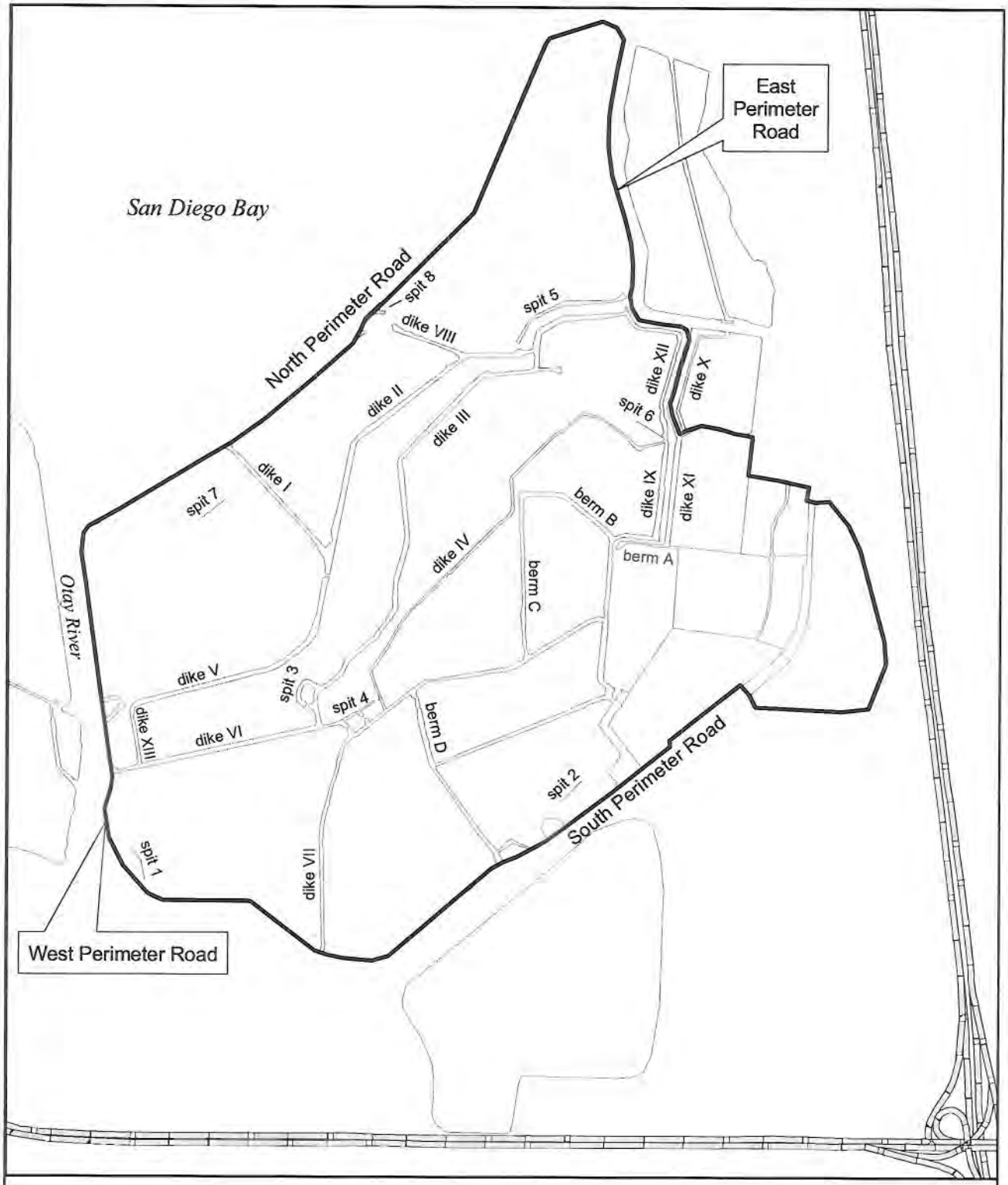


Figure 3 Nesting Locations as Described in Table 1

N
W E
S

0 500 1,000
Feet

Source: USFWS

Carlsbad Field Office - 2003
/stacey/fig_4-03/fig3-14.mxd

Table 1

Locations[1] of Waterbird Nest Sites at the Salt Works Between 1999 – 2005

	1999	2001[2]	2002	2003	2004	2005
Nesting Seabirds						
California least tern	dike IX, X, XII	dike IV, IX, X	dike IV, IX, spit 6, berm A	dike IV,VII, IX, X, XII, spit 4, 6	dike IV, VII, spit 4, berm b	dike IV, VI, VII, IX, X, XII
Gull-billed tern	dike I, II, III, IV, V	dike II, III, IV, V	spit 5, dike III, VIII	dike II, III, IV, V	dike II, III, IV, V, VIII, berm C	perimeter road (w), dike II, III, VI, VII, XIII
Caspian tern	dike II, III, VIII	dike V, spit 3	dike II, V	dike II, V, spit 3	dike II, V, VIII	dike II, V, VIII
Royal tern	dike III	dike V	dike V	dike II,III,V	dike II, IV	dike II, V
Elegant tern	dike III	dike II, V, spit 1	dike V, spit 1	dike I,II, III, IV, V	dike II, III, IV	dike II, V
Forster's tern	perimeter roads (n, w), dike I, III, IV, V, spit 1	perimeter roads (n, w), spit 1, dike I-VI, XIII	perimeter roads (n, w), dike I, II, III, V, VII, spit 1	perimeter roads (n, w), dike I, II, III, V, VI, VII, spit 1	perimeter roads (n, w), dike I, II, III, V, VI, VII	perimeter roads (n, w), dike II, III, V, VI, spit 1
Black skimmer	dike II, III, IV, V, VI, VII, spit 1	perimeter road (n), dike II, III, IV, V, XIII, spit 1, 7	perimeter road (n, w) dike I, II, III, IV, V, XIII	perimeter roads (n, w), dike III, IV, VI, VII, XIII, spit 4	perimeter roads (n, w), dike II, III, IV, V, VI, VII, XIII	perimeter roads (n, w), dike II, III, VI, VII, XIII
Other Nesting Waterbirds						
Western Snowy Plover	none observed	dike XII	dike IV, spit 6	none observed	dike VIII, berm D	dike IV
Double-crested cormorant	dike II, III, barge	dike III, VIII, barge	barge	dike I, II, V, barge	dike II, barge	dike I, V, barge
American avocet	dike I, III, IV, V	all major dikes	all major dikes	all major dikes	all major dikes	all major dikes
Black-necked stilt	perimeter road (w), dike I, III, IV, V,VIII	all major dikes	all major dikes	all major dikes	all major dikes	all major dikes
Other Nesting Birds[3]						
Mallard	dike II	dike I, II	perimeter road, dike II	dike I, II, III,V	perimeter road, dike III	Locations not noted
Gadwall	dike I, V	dike I, II, III,V	dike II, V,	dike III	perimeter road (n)	Locations not noted
Killdeer	none observed	perimeter road	perimeter road (w)	perimeter road (w)	perimeter road (w)	Locations not noted
Horned Lark	dike III	dike XII	not observed	dike III	dike VII	Locations not noted
Belding's savannah sparrow	dike I, II	dike III, V	dike I, III	dike I, III	Dike III, VI	Locations not noted

[1]These locations are illustrated in Figure 3-14.

[2]No data is available for 2000.

[3]One to a few nest observations; not specifically searched for, but encountered during monitoring for other species.

Source: (Patton 1999, 2004a, 2004b, 2004c, 2006a, 2006b)

CALIFORNIA STATE LANDS COMMISSION
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

CURTIS L. FOSSUM, *Executive Officer*
(916) 574-1800 FAX (916) 574-1810
California Relay Service From TDD Phone **1-800-735-2929**
from Voice Phone **1-800-735-2922**

Contact Phone: **(916) 574-1890**
Contact FAX: **(916) 574-1885**

August 15, 2011

File Ref: SCH #2011071031

Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, CA 92024

Subject: Notice of Preparation (NOP) for an Environment Impact Report (EIR) for the South Bay Substation Relocation Project, Chula Vista, San Diego County

Dear Mr. Uchida:

Staff of the California State Lands Commission (CSLC) has reviewed the subject NOP for an EIR for the San Diego Gas and Electric Company's (SDG&E) South Bay Substation Relocation Project (Project), which is being prepared by the California Public Utilities Commission (CPUC) as the state lead agency under the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.).

The CSLC staff has prepared these comments as a trustee and responsible agency because of its trust responsibility for projects that could directly or indirectly affect sovereign lands, their accompanying Public Trust resources or uses, and the public easement in navigable waters.

CSLC Jurisdiction

The CSLC has jurisdiction and management authority over all ungranted tidelands, submerged lands, and the beds of navigable rivers, sloughs, lakes, etc. The CSLC has certain residual and review authority for tide and submerged lands legislatively granted in trust to local jurisdictions (Pub. Resources Code, §§ 6301 and 6306). All tide and submerged lands, granted or ungranted, as well as navigable rivers, sloughs, etc., are impressed with the Common Law Public Trust.

As general background, the State of California acquired sovereign ownership of all tidelands and submerged lands and beds of navigable waterways upon its admission to the United States in 1850. The State holds these lands for the benefit of all people of the State for statewide Public Trust purposes, which include waterborne commerce, navigation, fisheries, water-related recreation, habitat preservation and open space. On tidal waterways, the State's sovereign fee ownership extends landward to the mean high tide line, except for areas of fill or artificial accretion or where the boundary has

been fixed by agreement or a court. On navigable non-tidal waterways, including lakes, the State holds fee ownership of the bed of the waterway landward to the ordinary low water mark and a Public Trust easement landward to the ordinary high water mark, except where the boundary has been fixed by agreement or a court. Such boundaries may not be readily apparent from present day site inspections.

After review of the information contained in the NOP, CSLC staff has determined that the Project will involve lands held by the San Diego Unified Port District (SDUPD), which are subject to the Public Trust.

On February 1, 2010 the CSLC authorized Land Exchange Agreement AD 542 (Agreement) between the CSLC, SDUPD and SDG&E. The purpose of the Agreement was to facilitate the relocation of the existing South Bay Substation to allow for future redevelopment of the bay front for the benefit of the Public Trust and the State. The Agreement authorized the termination of any Public Trust interest in the Bay Boulevard Substation parcel, and quitclaimed the parcel to SDG&E. In exchange, the State would acquire in trust, two parcels of land from SDG&E, one of which is the site of the existing South Bay Substation. To date, the Agreement has been executed but not recorded. Until the Agreement has been recorded, SDUPD still retains title to the site of the proposed Bay Boulevard Substation and SDG&E still retains title to the South Bay Substation.

Proposed Project and Location

The proposed Project consists of five primary components:

- Construction of a 230/69/12-kilovolt (kV) substation (Bay Boulevard Substation) in the city of Chula Vista;
- Construction of a 230 kV loop-in, an approximately 1,000-foot-long underground interconnection, and an approximately 300-foot-long overhead interconnection of the existing 230 kV tie-line, located east of the proposed Bay Boulevard Substation;
- Relocation of six 69 kV transmission lines and associated communication cables to the proposed Bay Boulevard Substation, requiring the relocation of approximately 7,500 feet of overhead line and the construction of approximately 4,100 feet of underground line;
- A 138 kV extension of an approximately 3,800-foot underground and approximately 200-foot overhead span from one new steel cable pole to an existing steel lattice structure; and
- Demolition of the existing 138/69 kV South Bay Substation.

The proposed Project site is located in the city of Chula Vista, in the southwesterly portion of San Diego County. The Proposed Project primarily involves relocation of the existing South Bay Substation to a new site approximately 0.5 mile south. The existing South Bay Substation would be relocated to the proposed Bay Boulevard Substation site, which is situated approximately 2 miles south of the city of National City, 5 miles northeast of the city of Imperial Beach, and 7 miles southeast of downtown San Diego.

Environmental Review

Project Description

A thorough Project description should be included in the EIR in order to facilitate meaningful environmental review of potential impacts, mitigation measures, and alternatives. The Project description should be as precise as possible in describing the details of all proposed activities (e.g., types of equipment or methods that may be used, maximum area of impact, seasonal work windows, locations for material disposal, etc.), as well as the details of the timing and length of activities. A thorough description will facilitate CSLC staff's determination of the extent and location of its leasing jurisdiction, make for a more robust analysis of the work that may be performed, and minimize the potential need for subsequent environmental analysis.

Public Trust Lands

Construction, relocation, demolition and other Project components could affect Public Trust uses and values (e.g., public access and recreation, water quality, etc.) and could degrade Public Trust uses and values in and around the site. Consequently, the CSLC staff recommends that the EIR include an analysis of any potentially significant impacts to surrounding Public Trust lands from Project-related activities. In particular, the EIR should evaluate both direct and indirect effects related to the intensity of these development activities adjacent to tidal wetlands and waterways.

Biological Resources

1. Sensitive Species: CPUC should conduct queries of the California Department of Fish and Game's (DFG) California Natural Diversity Database (CNDDB) and U.S. Fish and Wildlife Service's (USFWS) Special Status Species Database to identify any special-status plant or wildlife species that may occur in the Project area. Additionally, the CPUC should consult early in the process with appropriate staff at DFG to identify species of concern. The EIR should analyze the potential for such species to occur in the Project area and, if impacts to special-status species are found to be significant, identify feasible mitigation measures.
2. Invasive Species: The EIR should consider a plan with a range of alternatives for prevention programs for terrestrial and aquatic invasive species (including quarantine, early detection, and early response) to slow the introduction of invasive species into high-traffic and sensitive areas. In developing these alternatives, the proposed plan should consider using current and proposed aquatic invasive species prevention programs in the area as models
3. Construction Noise: The EIR should evaluate noise and vibration impacts on fish and birds from construction, relocation and demolition activities. Mitigation measures could include species-specific work windows as defined by DFG, USFWS, and the National Oceanographic and Atmospheric Administration's Fisheries Service (NOAA Fisheries). Again, staff recommends early consultation with these agencies to minimize the impacts of the Project on sensitive species.

Climate Change

1. Greenhouse Gas (GHG) Emissions: A GHG emissions analysis consistent with the California Global Warming Solutions Act (AB 32) and required by section 15064.4 of the State CEQA Guidelines[1] should be included in the EIR. This analysis should identify a threshold for significance for GHG emissions, calculate the level of GHGs that will be emitted as a result of construction and ultimate build-out of the Project, determine the significance of the impacts of those emissions, and, if impacts are significant, identify mitigation measures that would reduce or minimize them. The analysis should pay particular attention to the possibility of cumulative impacts of GHG emissions.

2. Sea Level Rise: The EIR should consider the effects of sea level rise on all resource categories potentially affected by the proposed Project. At its meeting on December 17, 2009, the CSLC approved the recommendations made in a previously requested staff report, "A Report on Sea Level Rise Preparedness" (Report), which assessed the degree to which the CSLC's grantees and lessees have considered the eventual effects of sea level rise on facilities located within the CSLC's jurisdiction. The Report, which can be found on the CSLC's website (http://www.slc.ca.gov) directs CSLC staff to consider the effects of sea level rise on hydrology, soils, geology, transportation, recreation, and other resource categories in all environmental determinations associated with CSLC leases. This consideration is consistent with the State CEQA Guidelines, which direct agencies to identify and, if significant, mitigate the environmental effects of proposed projects; "effects" refers not only to direct, immediate impacts, but also to "indirect or secondary effects which are caused by the project and are later in time or farther removed in distance, but are still reasonably foreseeable" (State CEQA Guidelines, § 15358(a)(2)). Because it is reasonably foreseeable that long-term coastal facilities will eventually have to operate under higher sea level conditions, the eventual effects of the facilities' operations under those conditions are also reasonably foreseeable and should be considered in the Project's CEQA analysis.

   Please note that, when considering lease applications, CSLC staff is directed to (1) request information from applicants concerning the potential effects of sea level rise on their proposed projects, (2) if applicable, require applicants to indicate how they plan to address sea level rise and what adaptation strategies are planned during the projected life of their projects, and (3) where appropriate, recommend project modifications that would eliminate or reduce potentially adverse impacts from sea level rise, including adverse impacts on public access.

Cultural Resources

1. Submerged Resources: The EIR should evaluate the possibility of submerged cultural resources in the Project area. The CSLC maintains a shipwrecks database, available at http://shipwrecks.slc.ca.gov, that can assist with this analysis. The database includes known and potential vessels located on the State's tide and

[1] The State CEQA Guidelines are found in Title 14 of the California Code of Regulations, commencing with section 15000.

submerged lands; however, the locations of many shipwrecks remain unknown. Please note that any submerged archaeological site or submerged historic resource that has remained in state waters for more than 50 years is presumed to be significant.

2. Title to Abandoned Resources: The EIR should mention that the title to all abandoned shipwrecks, archaeological sites, and historic or cultural resources on or in the tide and submerged lands of California is vested in the State and under the jurisdiction of the CSLC. Mitigation measures should be developed to address any submerged cultural resources that may be affected by the proposed Project and any unanticipated discoveries during the Project's construction. CSLC staff would like to review the proposed mitigation measures and requests that the CPUC consult with CSLC staff, should any cultural resources be discovered during construction of the proposed Project.

Hydrology and Water Quality

The CPUC should disclose and analyze the Project's potential to adversely affect water quality. Such impacts are likely to include increased turbidity and sedimentation from construction disturbance, dredging, fill, and other in-water construction work, and potential pollution from worksite spills or mobilization of pollutants from the disturbed soils. For any effects found to be potentially significant, the EIR should identify feasible mitigation measures that would avoid or lessen such effects.

Recreation

As public access and recreation on State lands are key concerns of the Public Trust, CSLC staff requests that the EIR analyze the Project's short-term and long-term impacts on recreation resources, both during construction and for the life of the project. Any significant impacts will require mitigation measures that either minimize or reduce the impacts or otherwise compensate residents and visitors.

Mitigation and Monitoring

To avoid the improper deferral of mitigation, mitigation measures should either be presented as specific, feasible, enforceable obligations, or should be presented as formulas containing "performance standards which would mitigate the significant effect of the project and which may be accomplished in more than one specified way" (State CEQA Guidelines, § 15126.4(b)).

It would also be helpful to provide a summary of the mitigation measures relied upon to avoid or reduce the identified impacts to less than significant, in addition to a monitoring program of these actions to ensure compliance and enforceability through permit conditions, agreements or other measures during Project implementation.

Environmental Justice

The CSLC has developed and adopted an Environmental Justice Policy to ensure equity and fairness in its own processes and procedures. The CSLC adopted an amended Environmental Justice Policy on October 1, 2002, to ensure "Environmental Justice is an essential consideration in the Commission's processes, decisions and programs and that all people who live in California have a meaningful way to participate in these activities." The policy stresses equitable treatment of all members of the public and commits to consider environmental justice in its processes, decision making, and regulatory affairs, and the policy is implemented, in part, through identification of, and communication with, relevant populations that could be adversely and disproportionately impacted by CSLC projects or programs, and by ensuring that a range of reasonable alternatives is identified that would minimize or eliminate environmental impacts affecting such populations.

CSLC staff requests that the EIR provide a discussion on environmental justice relative to location of the proposed Project and analyze a range of reasonable alternatives to minimize or eliminate environmental impacts affecting relevant populations that could be adversely and disproportionately impacted by the Project.

Thank you for the opportunity to comment on the NOP for the Project. It is anticipated that as a responsible agency, the CSLC will need to rely on this CEQA document for issuance of a lease; therefore, we request that you consider our comments prior to adoption of the Final EIR.

Please send copies of future Project-related CEQA documents or refer questions concerning environmental review to Joan Walter, Environmental Scientist, at (916) 574-1310 or via e-mail at joan.walter@slc.ca.gov. Please contact Michelle Anderson, Public Land Specialist at 916-574-0200 (e-mail: michelle.anderson@slc.ca.gov) if you have questions concerning CSLC jurisdiction or leases, or Senior Staff Counsel Pam Griggs at (916) 574-1854 (e-mail: pamela.griggs@slc.ca.gov) if you have questions concerning archaeological or historic resources under CSLC jurisdiction.

Sincerely,

Cy R. Oggins, Chief
Division of Environmental Planning
and Management

cc: Office of Planning and Research
M. Anderson, LMD, CSLC
J. Walter, DEPM, CSLC
P. Griggs, LEGAL, CSLC

CITY OF CHULA VISTA

Development Services Department

August 15, 2011

Jensen Uchida, CPUC Project Manager
California Public Utilities Commission
505 Van Ness Avenue
San Francisco CA 94102

SUBJECT: The South Bay Substation Relocation Project (Application A-10-06-007)

Dear Mr. Uchida:

Thank you for holding a Scoping Meeting on the proposed South Bay Substation Relocation Project in Chula Vista. The subject project is located in the Chula Vista Coastal Zone and is within the City's Certified Local Coastal Program. Recently, the City, at the request of SDG&E, delegated the permit authority to the California Coastal Commission in order to process the project under a single consolidated permit process. The proposed project is being considered for a Permit to Construct by the California Public Utilities Commission (CPUC) and the application is currently under the required public review process.

City staff appreciates the opportunity for the City of Chula Vista, as an interested party, to provide comments to the CPUC on the subject project. During the past few months, City staff has been discussing the project and associated issues and concerns with SDG&E representatives, and SDG&E has committed to work with the City to develop adequate solutions to address those issues. While the City of Chula Vista supports the project, City staff would like to point out to the CPUC, as part of the Scoping Meeting and Process, some of the areas of concern that the lead agency should consider as part of the environmental review process and the preparation of the Environment Impact Report for the proposed project. Following is a list of review areas that the City has concerns over:

- **Land Use Consistency** – The proposed project and any associated impacts should be reviewed for consistency with the City of Chula Vista Bayfront Master Plan and Local Coastal Program. The City of Chula Vista will require the submittal of a Grading Plan for the proposed project for review and approval prior to the start of construction activities on the project site

- **Visual screening/landscaping** – The visual impact from the substation infrastructure components, such as lattice towers, power poles, transmission lines, etc. are significant, including a proposed tower which has an approximate height of 70-feet. The proposed communications tower is proposed to be almost twice as high as the permitted height of 44 feet within the industrial district.

The project should include a landscape plan prepared by a licensed Landscape Architect that includes a combination of screening solutions, such as landscaping materials of various types and solid walls.

- **Site access/circulation** – It is still yet to be seen how the project site will lay out the access and circulation for vehicles and what the connection and impacts will be on Bay Boulevard, including issues related to the project's interface (i.e. driveway locations, etc.) with Bay Boulevard.

  The project should be designed and implemented in a way that it does not preclude the future waterfront alignment for the Bayshore Bikeway bike path (12-foot width minimum) that is shown on SANDAG's Regional Bikeway Plan and the Chula Vista Bikeway Master Plan.

- **Undergrounding of Transmission Lines** – An agreement between the City of Chula Vista and SDG&E, and supporting resolutions adopted by the Port District, call for the removal and/or undergrounding of utility poles and transmission lines related to the proposed project. This agreement includes both specific and general commitments regarding undergrounding, including the following from Section 1 7 of the MOU between the City and SDG&E dated October 12, 2004: "SDG&E will work with the City to minimize overheard structures once the location of the new switchyard is determine." The City's continuing interest and emphasis on implementing the substation relocation project in a manner that minimizes negative visual and wildlife impacts is perhaps best reflected in the City Council's May 11, 2010 project support letter to SDG&E. The most pertinent excerpt reads as follows:

  > "The City appreciates SDG&E and the San Diego Unified Port District's cooperation in moving forward another component of the SDG&E/City MOU, the development of a new, smaller and lower profile substation at the southern edge of the existing South Bay Power Plant (SBPP) site. The construction of a new substation with adequate buffer and screening, including solid walls, the removal of the remaining utility poles and enhanced landscaping softening, will allow the proposed facility to co-exist in harmony with the adjacent wildlife habitat and conform with the high expectations established by the Bay Front Master Plan that the community has invested so much in bringing to fruition over this past decade. We strongly encourage SDG&E to work with the City and Port to incorporate the screening and removal of the remaining wooden utility and transmission poles and undergrounding from J Street to the Substation in its application to the CPUC."

Discussions are on-going regarding this undergrounding and the outcome should be reflected in the environmental analysis.

The City reiterates its support for the proposed project and looks forward to continuing the open dialogue with SDG&E to develop adequate solutions to address those issues as part of the California Public Utilities Commission project review process. Thank you very much for this opportunity to comment on the environmental Scoping of the proposed project.

Sincerely,

Gary Halbert, P.E., AICP
Director of Development Services/Assistant City Manager

CC: David L. Geier, Vice President, SDG&E
Glen R. Googins, City Attorney, City of Chula Vista
Scott Tulloch, Assistant City Manager, City of Chula Vista
Michael Meacham, Director of Economic Development, City of Chula Vista

Department of Toxic Substances Control

Matthew Rodriquez
Secretary for
Environmental Protection

Deborah O. Raphael, Director
5796 Corporate Avenue
Cypress, California 90630

Edmund G. Brown Jr.
Governor

August 8, 2011

Mr. Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, California 92024

NOTICE OF PREPARATION (NOP) OF A DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE SOUTH BAY SUBSTATION RELOCATION PROJECT, (SCH#), SAN DIEGO COUNTY

Dear Mr. Uchida:

The Department of Toxic Substances Control (DTSC) has received your submitted Notice of Preparation for a draft Environmental Impact Report (EIR) for the above-mentioned project. The following project description is stated in your document: "The Proposed Project primarily involves relocation of the existing South Bay Substation to a new site approximately 0.5 mile south. The existing South Bay Substation would be relocated to the proposed Bay Boulevard Substation site. The new Bay Boulevard Substation would be approximately 10 acres in size and would be located on a portion of the former liquefied natural gas (LNG) plant to the west of Bay Boulevard and south of the South Bay Power Plant (SBPP). The Bay Boulevard Substation would occupy 10 acres within a 12.42-acre parcel. The parcel is disturbed and currently unoccupied. The Proposed Project site is located within the City of Chula Vista, in the southwesterly portion of San Diego County, California. The Bay Boulevard Substation, which is the primary components of the Proposed Project, is situated approximately two miles south of the City of National City, approximately five miles northeast of the City of Imperial Beach, and approximately seven miles southeast of downtown San Diego.".

Based on the review of the submitted document DTSC has the following comments:

1) The EIR should evaluate whether conditions within the Project area may pose a threat to human health or the environment. Following are the databases of some of the regulatory agencies:

- National Priorities List (NPL): A list maintained by the United States Environmental Protection Agency (U.S.EPA).

- Envirostor (formerly CalSites): A Database primarily used by the California Department of Toxic Substances Control, accessible through DTSC's website (see below).

- Resource Conservation and Recovery Information System (RCRIS): A database of RCRA facilities that is maintained by U.S. EPA.

- Comprehensive Environmental Response Compensation and Liability Information System (CERCLIS): A database of CERCLA sites that is maintained by U.S.EPA.

- Solid Waste Information System (SWIS): A database provided by the California Integrated Waste Management Board which consists of both open as well as closed and inactive solid waste disposal facilities and transfer stations.

- GeoTracker: A List that is maintained by Regional Water Quality Control Boards.

- Local Counties and Cities maintain lists for hazardous substances cleanup sites and leaking underground storage tanks.

- The United States Army Corps of Engineers, 911 Wilshire Boulevard, Los Angeles, California, 90017, (213) 452-3908, maintains a list of Formerly Used Defense Sites (FUDS).

2) The EIR should identify the mechanism to initiate any required investigation and/or remediation for any site within the proposed Project area that may be contaminated, and the government agency to provide appropriate regulatory oversight. If necessary, DTSC would require an oversight agreement in order to review such documents.

3) Any environmental investigations, sampling and/or remediation for a site should be conducted under a Workplan approved and overseen by a regulatory agency that has jurisdiction to oversee hazardous substance cleanup. The findings of any investigations, including any Phase I or II Environmental Site Assessment Investigations should be summarized in the document. All sampling results in which hazardous substances were found above regulatory standards should be clearly summarized in a

table. All closure, certification or remediation approval reports by regulatory agencies should be included in the EIR.

4) If buildings, other structures, asphalt or concrete-paved surface areas are being planned to be demolished, an investigation should also be conducted for the presence of other hazardous chemicals, mercury, and asbestos containing materials (ACMs). If other hazardous chemicals, lead-based paints (LPB) or products, mercury or ACMs are identified, proper precautions should be taken during demolition activities. Additionally, the contaminants should be remediated in compliance with California environmental regulations and policies.

5) Future project construction may require soil excavation or filling in certain areas. Sampling may be required. If soil is contaminated, it must be properly disposed and not simply placed in another location onsite. Land Disposal Restrictions (LDRs) may be applicable to such soils. Also, if the project proposes to import soil to backfill the areas excavated, sampling should be conducted to ensure that the imported soil is free of contamination.

6) Human health and the environment of sensitive receptors should be protected during any construction or demolition activities. If necessary, a health risk assessment overseen and approved by the appropriate government agency should be conducted by a qualified health risk assessor to determine if there are, have been, or will be, any releases of hazardous materials that may pose a risk to human health or the environment.

7) If the site was used for agricultural, livestock or related activities, onsite soils and groundwater might contain pesticides, agricultural chemical, organic waste or other related residue. Proper investigation, and remedial actions, if necessary, should be conducted under the oversight of and approved by a government agency at the site prior to construction of the project.

8) If it is determined that hazardous wastes are, or will be, generated by the proposed operations, the wastes must be managed in accordance with the California Hazardous Waste Control Law (California Health and Safety Code, Division 20, Chapter 6.5) and the Hazardous Waste Control Regulations (California Code of Regulations, Title 22, Division 4.5). If it is determined that hazardous wastes will be generated, the facility should also obtain a United States Environmental Protection Agency Identification Number by contacting (800) 618-6942. Certain hazardous waste treatment processes or hazardous materials, handling, storage or uses may require authorization from the local Certified Unified Program Agency

(CUPA). Information about the requirement for authorization can be obtained by contacting your local CUPA.

9) DTSC can provide cleanup oversight through an Environmental Oversight Agreement (EOA) for government agencies that are not responsible parties, or a Voluntary Cleanup Agreement (VCA) for private parties. For additional information on the EOA or VCA, please see www.dtsc.ca.gov/SiteCleanup/Brownfields, or contact Ms. Maryam Tasnif-Abbasi, DTSC's Voluntary Cleanup Coordinator, at (714) 484-5489.

If you have any questions regarding this letter, please contact Rafiq Ahmed, Project Manager, at rahmed@dtsc.ca.gov, or by phone at (714) 484-5491.

Sincerely,

Greg Holmes
Unit Chief
Brownfields and Environmental Restoration Program

cc: Governor's Office of Planning and Research
State Clearinghouse
P.O. Box 3044
Sacramento, California 95812-3044
state.clearinghouse@opr.ca.gov.

CEQA Tracking Center
Department of Toxic Substances Control
Office of Environmental Planning and Analysis
P.O. Box 806
Sacramento, California 95812
Attn: Nancy Ritter
nritter@dtsc.ca.gov

CEQA # 3270

Unified Port of San Diego

3165 Pacific Highway, San Diego, CA 92101
P.O. Box 120488, San Diego, CA 92112-0488
619.686.6200 • www.portofsandiego.org

Via US Mail and email to mturley@semprautilities.com

August 10, 2011

Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, CA 92024

Dear Mr. Uchida:

Re: South Bay Substation Relocation Project
Permit to Construct Application A-10-06-007
Notice of Preparation

District staff has reviewed the above referenced Notice of Preparation and finds that it adequately addresses the potential impacts that should be analyzed in the Environmental Impact Report.

The relocation of the existing substation is a necessary prerequisite for implementing the Chula Vista Bayfront Master Plan. We are eager to have the substation relocated so that the Port may achieve long-awaited redevelopment goals for the bayfront. The relocation will enable the Port to provide consolidated and publicly accessible uses, as well as important shoreline enhancements in the area of the existing substation.

The Port has worked collaboratively with San Diego Gas & Electric Company for several years to facilitate the relocation of the substation by entering into a land exchange agreement with them. The land exchange was approved previously in 2010 by the Board of Port Commissioners and the California State Lands Commission. We fully support the efforts of this project and look forward to continuing the progress that has begun on the bayfront.

Best Regards,

Chris Hargett
Area Real Estate Manager

MK/jjp

cc: Mary Turley, San Diego Gas & Electric
Gary Halbert, City of Chula Vista
Shahriar Afshar, SDUPD

San Diego Gas & Electric Company
South Bay Substation Relocation Project
Notice of Preparation / Notice of Public Scoping Meeting for an Environmental Impact Report
Permit to Construct Application No. A-10-06-007

FILED
Ernest J Dronenburg, Jr., Recorder County Clerk
JUL 14 2011
BY L. Kesian DEPUTY

A. Introduction

Pursuant to General Order (GO) No. 131-D of the California Public Utilities Commission (CPUC) and CPUC's Rules of Practice and Procedure, San Diego Gas & Electric (SDG&E) filed an application with CPUC for a Permit to Construct (PTC) on June 16, 2010, for the purpose of constructing the South Bay Substation Relocation Project (Proposed Project) in the City of Chula Vista (City), California.

Under the CPUC's rules, approval of this project must comply with the California Environmental Quality Act (CEQA), including an assessment of the potential environmental impacts of the Proposed Project. In accordance with the CEQA Guidelines, the CPUC has decided that an environmental impact report (EIR) will be prepared to evaluate the project in accordance with the criteria, standards, and procedures of CEQA (Public Resources Code, Sections 21000 et seq.) and the CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 et seq.). Therefore, as required by CEQA, this Notice of Preparation (NOP) is being sent to interested agencies and members of the public. The purpose of the NOP is to inform recipients that the lead agency is beginning preparation of an EIR and to solicit information that will be helpful in the EIR development process. This notice includes a description of the project that SDG&E proposes to construct, a summary of potential project impacts, the times and locations of public scoping meetings, and information about how to provide comments to the CPUC.

B. Project Description

As described below and shown on Figure 1, the five primary project components to be evaluated in the Proposed Project EIR include (1) construction of the Bay Boulevard Substation approximately 0.5 mile south of the existing South Bay Substation, (2) dismantling of the existing South Bay Substation, (3) construction of a 230-kilovolt (kV) loop-in, (4) extension of 138 kV transmission lines, and (5) relocation of 69 kV transmission lines.

Bay Boulevard Substation

The new Bay Boulevard Substation would be approximately 10 acres in size and would be located on a portion of the former liquefied natural gas (LNG) plant to the west of Bay Boulevard and south of the South Bay Power Plant. The proposed Bay Boulevard Substation would support 12 kV, 69 kV, and 230 kV circuits. Initially, the new substation would include a 230 kV yard with two five-bay, breaker-and-a-half, 230/69 kV transformers and associated circuit breakers, disconnects, and controls; a 69 kV yard with 14 double-breaker bays in a quad bus configuration; a communications tower used by SDG&E to monitor the substation operations remotely; and a control house to house substation controls. The ultimate arrangement of the Bay Boulevard Substation would include the addition of one 230/69 kV and four 69/12 kV transformers and associated circuit breakers, disconnects, and controls; two 230 kV capacitors or one 230 kV synchronous condenser; a new distribution control house; and four 12 kV capacitors.

South Bay Substation Dismantling

The project includes decommissioning and demolition of the existing 7.22-acre South Bay Substation following several conditional requirements, such as energization of the Bay Boulevard Substation and cutovers of the existing transmission lines from the South Bay Substation to the Bay Boulevard

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San Diego County on JUL 14 2011
Posted JUL 14 2011 Removed
Returned to agency on
Deputy L. Kesian

SDG&E has identified the following four primary project objectives:

- Replace aging and obsolete substation equipment
- Design a flexible transmission system that would accommodate regional energy needs subsequent to retirement of the SBPP
- Facilitate the City's Bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E–City of Chula Vista MOU
- Provide for future transmission and distribution load growth for the South Bay region.

E. POTENTIAL ENVIRONMENTAL EFFECTS

In accordance with the guidelines of CEQA, the CPUC intends to prepare an EIR to evaluate potential environmental effects of the proposed project, and to propose mitigation measures to reduce any significant effects identified. The EIR will also study the environmental impacts of potential alternatives and propose mitigation to reduce these effects.

Based on preliminary analysis of the proposed project and review of documents submitted by SDG&E and other parties to the CPUC's PTC proceeding, completion of the Proposed Project may have a number of potentially significant environmental effects. Potential issues and impacts to the existing environment include those listed in Attachment 1. No determinations have yet been made as to the significance of these potential impacts; such determinations will be made in the EIR after the issues are considered thoroughly. Attachment 2 includes the CEQA Checklist questions that would be evaluated in an EIR if they cover issues relevant to the project. In addition, to analysis of the issues listed in Attachment 1 and other issues raised in the scoping process, the EIR will evaluate the cumulative impacts of the project in combination with other present and planned projects in the area.

Mitigation Measures. SDG&E has proposed measures that could reduce or eliminate potential impacts of the project. The effectiveness of these measures (called "applicant proposed measures") will be evaluated in the EIR, and additional measures (called "mitigation measures") will be developed to further reduce impacts, if required. When the CPUC makes its final decision on the project, it will define the mitigation measures to be adopted as a condition of project approval, and it will require implementation of a mitigation monitoring program.

F. ALTERNATIVES

In compliance with CEQA, an EIR must describe a reasonable range of alternatives to the project or project location that could feasibly attain most of the project objectives and avoid or lessen any of the significant environmental impacts of the Proposed Project. Additionally, the No Project Alternative must also be analyzed in the EIR; this alternative describes the situation that would likely occur in the absence of the Proposed Project. Further, the EIR must evaluate the comparative merits of the alternatives.

In the proponent's environmental assessment (PEA) for the Proposed Project, SDG&E evaluated a variety of project alternatives, including system alternatives, substation design alternatives, and substation site alternatives. These alternatives are briefly discussed as follows.

As part of the environmental review process for the Proposed Project, the CPUC will reevaluate the feasibility of SDG&E's alternatives and determine whether any of them meet CEQA requirements for being carried to full analysis. In addition, the CPUC may develop other alternatives for evaluation in the

Toy Storage Site Alternative

This alternative consists of a 7-acre site that is located approximately 0.6 mile southeast of the existing South Bay Substation. The site is located approximately 0.1 mile north of the Palomar Street/Industrial Boulevard intersection. The site consists of a linear configuration that is currently owned by SDG&E and is used as a transmission corridor.

Cima NV Site Alternative

This alternative consists of a 5-acre site that is located approximately 0.9 mile southeast of the existing South Bay Substation. The site is located between Industrial Boulevard and East Frontage Road, south of Palomar Street. The site is currently vacant.

Broadway and Palomar Site Alternative

This alternative consists of a 9-acre site that is located approximately 1.2 miles southeast of the existing South Bay Substation. The site is located between Industrial Boulevard and Broadway, south of Palomar Street. The site consists of a linear configuration that is currently owned by SDG&E and is used as a transmission corridor.

G. PUBLIC SCOPING MEETING

CPUC will conduct a public scoping meeting in the City, shown as follows. The purpose of this meeting is to present information about the Proposed Project and the CPUC's decision-making process, and to listen to public views on the range of issues relevant to preparation of the draft EIR.

Date:	**Monday, August 1, 2011**
Location:	Chula Vista Civic Center Council Chambers 430 F Street, Chula Vista, California
Time:	6:00 p.m. to 8:00 p.m.

At the public meeting, the environmental team and CPUC staff will be available to respond to questions and discuss the environmental document that is under preparation.

Parking Notice – Due to limited parking at the Civic Center complex, please park in the Third Avenue parking garage located at Third Avenue and F Street. Free parking is available all day on the top level. Please do not park in the library parking lot; police will issue tickets to those parked more than 2 hours in the library parking lot.

H. SCOPING COMMENTS

At this time, the CPUC is soliciting information regarding the topics and alternatives that should be included in the EIR. Suggestions for submitting scoping comments are presented at the end of this section. All comments must be postmarked by **August 15, 2011**. You may submit comments in a variety of ways: (1) by mail, (2) by fax (fax no. 800.930.8275), or (3) by email (southbaysub@dudek.com).

By Mail: If you send comments by mail, please use first-class mail and be sure to include your name and return address. Please send written comments on the scope of the EIR to:

Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, California 92024

Attachment 1
Summary of Potential Issues or Impacts: SDG&E South Bay Substation Relocation Project

Environmental Issue Area	Potential Issues or Impacts
Aesthetics	• The proposed Bay Boulevard Substation and associated improvements could degrade views for motorists on Bay Boulevard. • Duration of visibility of construction materials, equipment, and debris may impact views from established recreation areas and facilities. • Consistency with visual resource goals, objectives, and policies of the Chula Vista Bayfront Master Plan, amendments to the Chula Vista Local Coastal Program (including the Land Use Plan and the Bayfront Master Plan) and the Port Master Plan.
Agricultural Resources	• No issues identified.
Air Quality / Greenhouse Gas Emissions	• Project construction will produce short-term air emissions (fugitive dust and vehicle equipment exhaust). • Violation of air quality standards could occur during construction.
Biological Resources	• Temporary disturbance and/or permanent removal of habitat suitable for orange-throated whiptail (*Aspidoscelis hyperythra*), San Diego horned lizard (*Phrynosoma coronatum blainvillii*), San Diego black-tailed jackrabbit (*Lepus californicus*), and San Diego desert woodrat (*Neotoma lepida intermedia*) could occur. • Disturbance and/or removal of foraging habitat for avian species, including the short-eared owl (*Asio flammeus*), northern harrier (*Circus cyaneus*), American peregrine falcon (*Falco peregrinus*), and the western burrowing owl (*Athene cunicularia hypugaea*)), could occur. • Direct and/or indirect effects to two-striped garter snake (*Thamnophis hammondii*) and western spadefoot (*Spea hammondii*) could occur. • Temporary disturbance and/or permanent impacts to waters under the jurisdiction of the U.S. Army Corps of Engineers (ACOE), Regional Water Quality Control Board (RWQCB), California Department of Fish and Game (CDFG), California Coastal Commission (CCC), and Chula Vista Wetlands Protection Program (WPP) could occur. • Direct and/or indirect effects to disturbed coyote brush scrub (*Baccharis pilularis*), seasonal ponds, disturbed wetland scrub, mulefat scrub, and non-native grasslands could occur. • Temporary disturbance to and/or permanent loss of rare plant communities and special-status plant species could occur. • Conflict with state or local policies or ordinances protecting biological resources could occur.
Cultural and Paleontological Resources	• Some fossil-bearing geologic formations that are located in the proposed project area could be impacted. • Potential construction-related impacts to known and unrecorded prehistoric and historic resources could occur.
Geology and Soils	• Project construction could cause significant soil erosion or loss of topsoil. • Soil compaction, subsidence, and differential settlement could occur as a result of dewatering activities and changes in the groundwater flow during construction. • Exposure by people or structures to risk of ground shaking, liquefaction, seismic ground failure, landslides, unstable soils, lateral spreading, expansive soil, and rupture of known earthquake fault could occur.
Hazards and Hazardous Materials	• Potential release of fuel, hydraulic fluid, and lubricants during construction could occur. • Exposure of contaminated groundwater during excavation could occur. • Interference with adopted emergency response plan or evacuation plan could occur. • (See discussion EMF under "Other Issues").
Hydrology and Water Quality	• Project construction could affect surface water flow and erosion rates, causing subsequent downstream sedimentation and reduced surface water quality.

Attachment 2
Environmental Checklist

Following are the questions included in the California Environmental Quality Act's (CEQA's) environmental checklist (Appendix G of the CEQA Guidelines (14 CCR 15000 et seq.)). These are issues that may be evaluated in an environmental impact report (EIR), if they are determined to be relevant to the project.

I. AESTHETICS. Would the project:

a) Have a substantial adverse effect on a scenic vista?

b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

c) Substantially degrade the existing visual character or quality of the site and its surroundings?

d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

II. AGRICULTURE AND FORESTRY RESOURCES. Would the project:

a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to nonagricultural use?

b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?

c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code (PRC) Section 12220(g)), or timberland (as defined by PRC Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?

d) Result in the loss of forest land or conversion of forest land to non-forest use?

e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to nonagricultural use or conversion of forest land to non-forest use?

III. AIR QUALITY/GREENHOUSE GAS EMISSIONS. Would the project:

a) Conflict with or obstruct implementation of the applicable air quality plan?

b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?

c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is nonattainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?

d) Expose sensitive receptors to substantial pollutant concentrations?

e) Create objectionable odors affecting a substantial number of people?

i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the state geologist for the area or based on other substantial evidence of a known fault?

ii. Strong seismic ground shaking?

iii. Seismic-related ground failure, including liquefaction?

iv. Landslides?

b) Result in substantial soil erosion or the loss of topsoil?

c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?

d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?

e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

VII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous or other materials into the environment?

c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

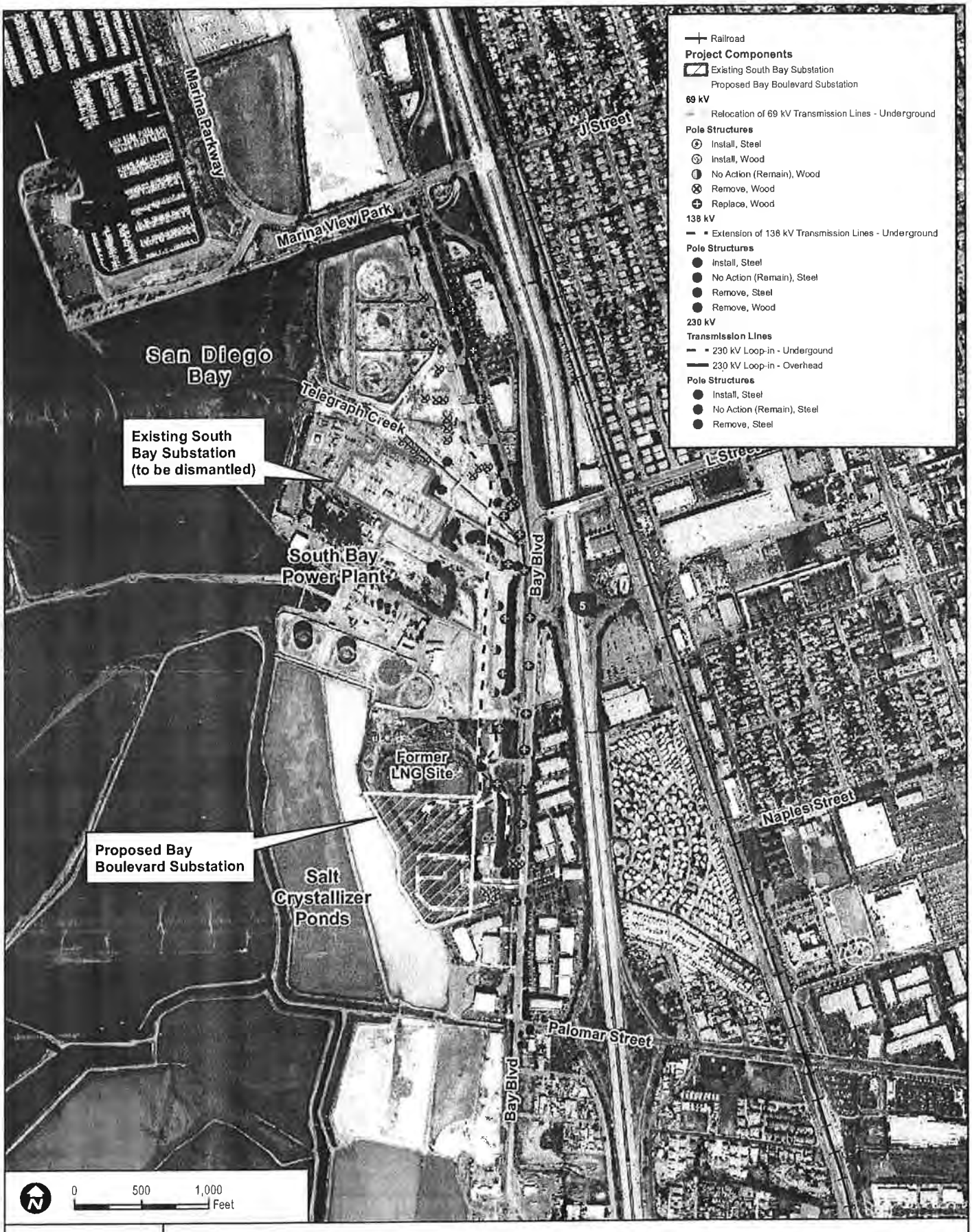
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?

f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?

g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

h) Expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?



DUDEK

SOURCE: Digital Globe 2008
SDG&E PEA 2010

FIGURE 1
Project Overview Map

6652-01

South Bay Substation Relocation Project - Application A. 10-06-007

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

P.O. BOX 82776, SAN DIEGO, CA 92138-2776
619.400.2400 WWW.SAN.ORG

AUG 16 2011

August 15, 2011

Mr. Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, California 92024

Re: Scoping Comments on South Bay Substation Relocation Project

California Public Utilities Commission:

The San Diego County Regional Airport Authority (SDCRAA) appreciates the opportunity to review and provide scoping comments on the SDG&E South Bay Substation Relocation Project.

SDCRAA Interest in South San Diego Bay Unit and South Bay Salt Works

As background information, the SDCRAA's interest in the South San Diego Bay Unit of the San Diego Bay National Wildlife Refuge (NWR) began in 1998-2000 when the property containing the salt ponds was purchased by the San Diego Unified Port District using Airport funds as mitigation for vacating a wildlife habitat easement on a portion of the former Naval Training Center property that was conveyed to the Port District for airport uses. The majority of the South Bay Salt Works was purchased by the Port District using airport funds and then conveyed to the US Fish and Wildlife Service (USFWS) for the South San Diego Bay National Wildlife Refuge. Approximately 17 acres, containing the salt works operating facility, were retained by the SDCRAA when it was created in January 1, 2003.

The SDCRAA leases the 17 acres to GGTW, LLC, commonly referred to as the South Bay Salt Works Company, and has an interest in the lease and revenue from this tenant's salt production and operations. Thus the SDCRAA is concerned with any actions that may affect the SDCRAA interest, enjoyment and value of the property and revenues, including those from the salt production. Potential effects to the evaporating ponds may reduce the quantities and/or qualities of salt production conducted by the South Bay Saltworks Company, which, consequently, will reduce the rental income to the SDCRAA. In addition, the SDCRAA has been coordinating with the USFWS for the long-term disposition of the 17 acres and is concerned about any effects to biological resources, hydrology, water quality, and air quality.

Potential Impacts to be addressed in Environmental Impact Report (EIR)

Biological Resources: The South Bay Salt Works Company operates over 40 evaporating ponds in a managed flow series that varies salinity and produces salt. Through this system of managed evaporation ponds, salt is produced as well as brine shrimp which are a food source for many coastal birds. As the SDG&E South Bay Substation will be constructed and operated adjacent to the evaporation ponds, the EIR should evaluate any potential impacts to the brine shrimp production that may affect those coastal birds that forage or nest in the South San Diego Bay Wildlife Refuge. Further any unauthorized access may occur without adequate barrier fencing.

Hydrology/Water Quality: The EIR should evaluate any potential impacts to hydrology and water quality in the series of evaporating ponds or reduce the quantities of salt production by the South Bay Salt Works Company. The SDCRAA is concerned that any effects on the evaporating ponds and salt production be minimized during the construction and operation of the SDG&E South Bay Substation. The EIR should describe how stormwater run-off would be managed on the proposed site to avoid flows into the evaporation ponds and identify mitigation measures to capture and discharge stormwater to existing stormwater utilities along the east side of Bay Boulevard.

Air Quality/Emissions: The EIR should evaluate any potential emissions discharged from the South Bay Substation that may result in air pollutants ultimately landing upon the evaporation ponds and changing their chemistry or damaging the salt production.

Thank you for the opportunity to provide scoping comments. Please contact me if you have any questions at (619) 400-2478.

Thank you,

Ted Anasis, AICP
Manager, Airport Planning

TA/ljt

cc: Warren Dodd, South Bay Salt Works

APPENDIX D-2

Letters from Private Organizations

San Diego County Archaeological Society, Inc.

Environmental Review Committee

14 July 2011

To: Mr. Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, California 92024

Subject: Notice of Preparation of a Draft Environmental Impact Report
South Bay Substation Relocation Project

Dear Mr. Uchida:

Thank you for the Notice of Preparation for the subject project, received by this Society this week.

We are pleased to note the inclusion of cultural resources in the list of subject areas to be addressed in the DEIR, and look forward to reviewing it during the upcoming public comment period. To that end, please include us in the distribution of the DEIR, and also provide us with a copy of the cultural resources technical report(s).

SDCAS appreciates being included in the Commission's environmental review process for this project.

Sincerely,

James W. Royle, Jr., Chairperson
Environmental Review Committee

cc: SDCAS President
File

P.O. Box 81106 • San Diego, CA 92138-1106 • (858) 538-0935

From: Jim Peugh <peugh@cox.net>
Sent: Tuesday, July 19, 2011 3:27 PM
To: southbaysub
Cc: Chris Redfern; Shannon Dougherty; Brian Collins; Laura Hunter (EHC); Watson, Deanna
Subject: South Bay substation CEQA notices

Hello Dudek & Associates,
Please add SD Audubon to the interested parties list for the proposed SDGE South Bay Substation. We would like to receive notices and documents for the project. We are particularly concerned about potential impacts to the nearby South Bay National Wildlife Refuge including the potential for chemical spills and the possibility that substation structures will provide perches for avian predators that could make it easier for them to prey on the chicks on the berms of the adjacent salt ponds, including those of endangered species.

Please send them to my home address
2776 Nipoma Street
San Diego, CA 92106-1112

and to San Diego Audubon Society
4010 Morena Boulevard, Suite 100
San Diego, CA 92117

Jim Peugh
Conservation Chair
San Diego Audubon Society

For "cc"s, the announcement of the scoping meeting can be found at
http://www.cpuc.ca.gov/environment/info/dudek/sbsrp/SouthBaySub.htm.

****
This footnote confirms that this email message has been scanned by
PineApp Mail-SeCure for the presence of malicious code, vandals & computer viruses.
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August 12, 2011

Mr. Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, California 92024

VIA EMAIL: southbaysub@dudek.com

Dear Mr. Uchida:

SUBJECT: South Bay Substation Relocation Project NOP, comments on

The San Diego Audubon Society is very concerned with the potential environmental impact of the proposed project. Attachment 1 of the NOP is a "Summary of Potential Issues or Impacts." Unfortunately this table does not address some potentially very significant impacts of the proposed project. This NOP does not provide any information on the height of structures that would be part of the project, which will be a determining factor in assessing the potential impact of the project. We urge that the NOP be recirculated with information on the nature and the height of the structures that are proposed for the site. Otherwise the public and interested parties have no real opportunity to assess and comment on the potential environmental impacts.

SENSITIVE LOCATION

This site is in a very important location for wildlife. That does not necessarily mean that the substation should not be put there, but it does mean that the environmental review, project design, and operation should fully acknowledge and avoid impacts to these resources. The NOP does not suggest that will occur. For example:

- About 400 feet west of the site is the South San Diego Bay National Wildlife Refuge.
- Within that refuge, about 600 feet west of the project site is a storm drain channel with native saltmarsh vegetation that hosts Belding's Savannah Sparrows.
- Within the refuge, about 1500 feet west of the project site, the berms of the refuge provide productive nesting habitat for California Least Terns and Western Snowy Plovers.
- About 1500 feet north-northwest of the project is the J Street Marsh with Belding's Savannah Sparrows
- About 3000 feet west-northwest of the site is the Chula Vista Wildlife Reserve, a mitigation site for Light-footed Clapper Rail habitat and a recently improved nesting site for California Least Terns.
- About 3000 feet South is the Otay River Mouth with Light-footed Clapper Rails and more marsh habitat restoration is planned for that location.
- The project site is pretty much on a line between the Sweetwater Marsh National Wildlife Refuge to the north, to the Otay River mouth portion of the South Bay National Wildlife Refuge to the south, and to the Tijuana River Valley to the south of that.

POTENTIAL SIGNIFICANT IMPACTS

We have seen information, not provided by this NOP, that the project will include construction of structures and power lines at 165, 145, 121, and several at 85 feet high and would incorporate existing structures of 165 and 145 feet.

Based on this information, we conclude that the substation could have at least four types of significant impacts, none of which are addressed in the NOP.

- Any high structures that constructed for this project or kept in operation for this project, such as transmission line support towers are likely to provide perches for avian predators to watch for and attack sensitive and endangered birds, chicks, and eggs in all of the habitat areas mentioned above,

- Since the site is on a likely flight line between the important habitat areas mentioned above, birds are likely to collide with any tall structures and power cables carried by them that are a part of this project.

- Since the project is so close to so many habitat areas for sensitive species, the tall power cables could result in electrocution of local birds that either perch on conductors or strike conductors when flying by.

- The area of the project drains into a stormdrain channel that flows through the South Bay National Wildlife Refuge and supports salt marsh vegetation and Belding's Savannah Sparrows and provides foraging for California Least Terns during high tides. This channel flows into the portion of San Diego Bay that is most heavily used by Green Sea Turtles. Any accidental spills of liquids from the site could result in serious impacts to wetlands and these sensitive and endangered species.

CONCLUSIONS

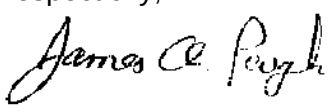
We urge that the NOP be recirculated with the information about the heights and types of structures of the project and information about the nearby wildlife resources that could be put at risk by the project.

We also urge that the eventual EIR provide measures and alternatives that will reduce these impacts below a level of significance such as undergrounding lines, lowering communication towers or moving them elsewhere, keeping other structures low and applying bird exclusion devices to any remaining surface that might be in a position to provide a predator perch and a commitment to maintaining those devices.

We also urge that multiple levels of containment measures be provided around any work, staging, or storage area where toxic materials are used and that traps for small debris be installed so no wire, insulation, tape, parts, etc. can escape the site from work or storage areas and flow into the Refuge during storms. The EIR should seriously consider whether a total stormwater retention and diversion system, like those installed at local shipyards, should be used to prevent contaminants and debris from flowing into the Refuge.

In case of questions or follow-up, I can be reached at 619-224-4591 or peugh@cox.net .

Respectfully,



James A. Peugh
Conservation Committee Chair

Christopher P. Terzich, REA
Principal Environmental Specialist
8315 Century Park Court, CP 21E
San Diego, CA 92123

SDGE

A Sempra Energy utility℠

August 15, 2011

Mr. Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Avenue
Encinitas, CA 92024

Subject: San Diego Gas & Electric Company (SDG&E) Comments on Notice of Preparation (NOP) for the South Bay Substation Relocation Project, California Public Utilities Commission (CPUC) Permit to Construct (PTC) No. A-10-06-007

Dear Mr. Uchida:

SDG&E appreciates the opportunity to provide comments on the scope of the Environmental Impact Report (EIR) for the South Bay Substation Relocation Project (Project). As you know, SDG&E submitted the application for a Permit to Construct (PTC) and the Proponent's Environmental Assessment (PEA) for the Project in June 2010. Since that time, the CPUC and its consultant, Dudek, have worked to evaluate the potential environmental impacts associated with the Project, and SDG&E has been working with CPUC and multiple other public agencies to further refine the Project, assess the potential impacts, and identify potential alternatives that would avoid or minimize those impacts. Although these efforts are on-going and will continue as the Project moves through the environmental review process, SDG&E is writing to request that the alternatives analysis contained in the EIR 1) evaluate the feasibility of two potential Project alternatives that have been identified in recent months and 2) focus solely on alternatives that are in fact "feasible" as that term is defined under the California Environmental Quality Act (CEQA) and the California Coastal Act.

The EIR Should Evaluate the Feasibility of the GIS and Bayfront Enhancement Alternatives

SDG&E has identified two potentially feasible alternatives to address wetland impacts associated with the Project. Those alternatives include a gas insulated substation (GIS) alternative configuration at the proposed site, which would avoid the wetlands within the on-site containment basin, and a Bayfront Enhancement Alternative, which would provide funding to create additional environmental benefit to enable the finding that the Project is the "least environmentally damaging feasible alternative". In order to complete the necessary design, engineering and procurement associated with the GIS alternative (if that alternative is ultimately selected) or to obtain the approvals to implement the Bayfront Enhancement Alternative (if that alternative is ultimately selected), SDG&E needs a determination from the CPUC as to whether the GIS alternative will be considered "feasible". For these reasons, SDG&E requests that the EIR fully address the feasibility of both of these alternatives.

The EIR Should Focus Only on Feasible Alternatives

SDG&E notes that neighboring property owners who have expressed concerns with the potential visual and property value impacts associated with the Project will likely continue to ask the CPUC to consider any number of alternatives to the proposed location or Project configuration. In evaluating the feasibility of potential alternatives, SDG&E urges the CPUC to give primary consideration to two feasibility factors: 1) SDG&E's need to rebuild the substation in a timely manner, consistent with ISO approval, and 2) the understanding—reached over the course of several years—between the City of Chula Vista, San Diego Unified Port District, California State Lands Commission (CSLC), and SDG&E that the proposed site is the preferred location and in the public interest. Together with the more detailed Project objectives, these factors have guided years of planning and commitment to this Project by SDG&E. SDG&E requests that the CPUC carefully consider these factors and the Project objectives before concluding that any alternatives are "feasible". Alternatives that cannot be completed within a reasonable amount of time should be rejected. SDG&E has previously indicated that in order to meet the in service date of December 2013, which has been set based on system reliability and load requirements, SDG&E needs to commence construction in March 2012. SDG&E appreciates CPUC's goal to complete the CEQA process efforts to meet this timeframe.

Additional details about SDG&E's analysis of Project alternatives and other comments about the scope of the EIR are included in an attachment to this letter for your consideration.

Again, SDG&E appreciates the opportunity to comment on the scope of the Draft EIR and the CPUC's efforts to complete the environmental review of the Project in a reasonably timely manner.

Sincerely,

Christopher P. Terzich, REA
SDG&E Principal Environmental Specialist

Cc:

Alison Dettmer, California Coastal Commission, Energy and Oceans Division
Cy Oggins, Division Chief, Environmental Planning and Management, State Lands Commission
Chris Hargett, Port of San Diego
Hon. Mayor Cheryl Cox, City of Chula Vista
Gary Halbert, City Manager, City of Chula Vista
Robert Smith, U.S. Army Corps of Engineers
David Hochart, Dudek
Estela de Llanos, SDG&E
Mary Turley, SDG&E

South Bay Substation Relocation Project
EIR Scoping Comments
Attachment

Alternatives Previously Considered but Rejected

Consistent with CEQA and the California Coastal Act, SDG&E has undertaken a rigorous analysis of alternatives to the Proposed Project that could avoid or substantially lessen the potential environmental impacts associated with the Proposed Project, in particular with respect to potential impacts to wetlands. As described below, several alternatives were considered but rejected primarily because they either did not meet the Project objectives, or are not "feasible" as defined under CEQA and the Coastal Act. The Project objectives are:

- Objective 1: Replace aging and obsolete substation equipment.
- Objective 2: Design a flexible transmission system that will accommodate generation retirement and potential future generation additions.
- Objective 3: Facilitate the City of Chula Vista's Bayfront redevelopment goals by relocating the South Bay Substation.
- Objective 4: Comply with the terms of the SDG&E-City of Chula Vista MOU. [1]
- Objective 5: Provide for future transmission and distribution load growth for the South Bay region.

Rebuild at 138 Kilovolt (kV)

It is important to note that the Independent System Operator (CAISO) approved the need for the Project as proposed at 230/69 kV. Nonetheless, SDG&E has considered whether a rebuild at 138 kV is feasible. In this alternative scenario, a new substation with the same voltage as the existing South Bay Substation would be constructed. However, a 138/69 kV substation would not replace the strong source lost by the retirement of the South Bay Power Plant (SBPP). Additionally, reliance on the 138 kV and 69 kV networks only to serve the South Bay area load would result in a more heavily loaded sub-transmission system, thus reducing the flexibility of the system to adapt to unexpected changes or load growth.

The SDG&E electric transmission system is required to meet certain performance criteria, as specified by the North American Electric Reliability Corporation, Western Electricity Coordinating Council, and CAISO. Among those criteria is the requirement that the transmission system withstand the loss of any one system element (line, transformer, or generator) during the peak expected summer load without violating system operating ratings. This requirement is generally referred to as a Category B or N-1 system contingency.

A 138/69 kV Substation Alternative does not meet these criteria as a stand-alone project. Thermal violations occur on both of the Old Town 230/69 kV transformer banks, the Miguel

[1] Objectives 3 and 4 were previously described as one objective in the PEA.

230/96 kV bank 61, TL604 (Kettner-Old Town), and TL609 (Kettner-Station B), for Category B contingencies.[2] Mitigation of these thermal violations requires additional transmission upgrades. For these reasons, a 138 kV configuration was rejected as infeasible.

Energy Conservation

SDG&E energy conservation goals are already factored into the long-term resource plan; therefore, in theory, no additional cost-effective energy-efficient options are available. Despite these programs and their abilities to avoid or reduce environmental impacts associated with the Proposed Project, this alternative would not meet any of the Proposed Project objectives because it would not provide for a relocated substation, thus resulting in the continued use of aging equipment and inability to design a flexible transmission system to address future load growth. It also would not further the goals of redevelopment in the area. Therefore, this alternative was rejected as infeasible.

Tank Farm Site

The Tank Farm Site Alternative is an approximately 17-acre vacant and highly disturbed site, located approximately 250 feet north of the existing South Bay Substation. The site is also located approximately 200 feet west of Bay Boulevard and the Pima Medical Institute.

The Tank Farm site bears many similarities to the proposed Bay Boulevard Substation site. Like the Proposed Project site, the pond areas located at the Tank Farm also support wetland and other plant species at lower densities than the Proposed Project site. The ponding is extensive and precludes the placement of a substation within the site that can avoid the water features. Unlike the Proposed Project site, the Tank Farm Site as identified in the Chula Vista Bayfront Master Plan (CVBMP) is planned to be a no-touch ecological buffer area for potential habitat mitigation, with pedestrian and bicycle access, and industrial business park use, not electric infrastructure. By comparison, the Proposed Project site is located outside of the CVBMP boundary and poses no conflict with local land use planning objectives. Moreover, the Tank Farm site is more highly visible to the public than the Proposed Project site due to its location immediately adjacent to Marina View Park. Importantly, the Tank Farm site would not fulfill the Project objective of relocating the substation consistent with the agreements between the Port, the City of Chula Vista, SDG&E, and the CSLC. SDG&E's ability to obtain new agreements with the City, Port District, and CSLC to acquire land other than the Proposed Project site is uncertain at best. Acquisition of the Tank Farm site would require at least one year to accomplish without any guarantee that it could be accomplished. Thus, the time required to secure this parcel would delay the Proposed Project schedule beyond the December 2013 in-service date. For these reasons, on balance, the Tank Farm site is not environmentally superior or less environmentally damaging than the Proposed Project site.

[2] The overloads on TL604 and TL609 occur after the loss of two system elements: the Southwest Powerlink, followed by system readjustment, followed by the loss of another system element. This combination (N-1-1, where the first N-1 is loss of the Southwest Powerlink) has generally been treated as a Category B contingency by the CAISO due to the critical nature of the Southwest Powerlink to the San Diego transmission system.

Power Plant Site

The approximately 31-acre Power Plant Site Alternative is located at the existing SBPP. The site is large enough to accommodate the requirements of a 230/69/12 kV substation and is adjacent to the west side of an existing SDG&E 230 kV, 138 kV, and 69 kV transmission line ROW, thereby allowing for feasible access to the SDG&E transmission corridor. However, the site is further from the transmission lines than the other alternative sites, making it less desirable. The Power Plant site is currently developed with structures related to the SBPP, which would need to be removed prior to construction of a substation. These structures include storage tanks, buildings, and other equipment associated with the former operation of the SBPP. Demolition and remediation of the SBPP is presently on-going. Initial aboveground removal of structures has begun, but full-scale demolition and removal will not likely begin until mid-2012, and is expected to take 18 months to two years to fully complete. Final remediation would likely be completed at the same time as the demolition activities. Construction of the substation at this site would be delayed pending the removal of existing structures and completion of any necessary remediation. Because of the anticipated time frame for demolition of the SBPP, this alternative is not capable of being accomplished within a reasonable period of time. In addition, the Tank Farm site would not fulfill the Project objective of relocating the substation consistent with the agreements between the Port, the City of Chula Vista, SDG&E and the CSLC. The Proposed Project site was identified by the City and Port District and ultimately approved by the CSLC. SDG&E's ability to obtain new agreements with the City, Port District, and CSLC to acquire land other than the Proposed Project site is uncertain at best. Acquisition of the Power Plant site would require at least one year to accomplish without any guarantee that it could be accomplished. Thus, the time required to secure this parcel would delay the Proposed Project schedule beyond the December 2013 in-service date. For these reasons, the Power Plant site is not environmentally superior or less environmentally damaging than the Proposed Project site.

Other Alternative Sites Rejected

SDG&E evaluated other alternative sites and rejected them in favor of the Proposed Project location. The table below summarizes the alternative sites that were considered.

Eliminated Substation Site Alternatives Summary

Alternative Substation Site	Reasons for Elimination
South Bay Boulevard Site	• Displacement of existing uses • Relocation or condemnation required for acquisition • Extension of lines outside of the right-of-way • Failure to satisfy the terms of the MOU • Distance from existing transmission infrastructure resulting in costs and environmental impacts to interconnect
Toy Storage Site	• Substandard parcel size • Rerouting of existing lines on other property or

Alternative Substation Site	Reasons for Elimination
	through city streets • Failure to satisfy three of the five Proposed Project objectives
Cima NV Site	• Substandard parcel size • Distance from existing transmission infrastructure • Possible condemnation required for acquisition • Failure to satisfy three of the five Proposed Project objectives
Broadway and Palomar Site	• Substandard parcel size • Distance from existing transmission infrastructure • Reliability and maintenance concerns resulting from the limited space for future transmission upgrades • Failure to satisfy three of the five Proposed Project objectives
Existing South Bay Substation Site	• Substandard parcel size • Expansion outside of existing boundaries required • Interim connections required • Complicated construction sequencing • Failure to satisfy four of the five Proposed Project objectives

Additional Alternatives for Consideration

Since the PEA was filed in June 2010, SDG&E has identified the following potentially feasible alternatives, which were not included in the PEA and should be evaluated in the Draft EIR.

Gas Insulated Substation Alternative

To avoid all wetlands on the Propose Project site, SDG&E has determined that a more costly Gas Insulated Substation (GIS) alternative is technologically and environmentally feasible. The CPUC must determine whether this alternative is economically and socially feasible. The GIS Substation Alternative would be located within the same 12.42-acre parcel as the originally proposed Air Insulated Substation (AIS) design. The use of GIS technology for the 230 kV and 69 kV switchyards would result in a more compact design and would reduce the amount of open steel equipment, support, switch rack, and A-frame structures required. Large metal buildings would be required to house the GIS equipment. The gas employed for insulation in the GIS design—sulfur hexafluoride (SF_6)—is currently used by SDG&E in circuit breakers and switching gear. SF_6 is a potent greenhouse gas (GHG), but is considered non-toxic and inert from a hazardous materials perspective. The two buildings used to house the GIS equipment would measure approximately 40 to 50 feet in height. The total footprint of the GIS substation would measure approximately 4.4 acres within an approximately 10-foot-tall concrete masonry wall installed around the perimeter of the substation. The total area of the GIS substation would occupy approximately 4.4 acres of the 12.42-acre parcel, as compared to the 9.7 acres required for the Bay Boulevard Substation 230/69/12 kV AIS

design. Approximately 6.6 acres of permanent impacts and an additional 2.1 acres of temporary impacts would result from construction of the GIS Substation Alternative. Due to the reduced footprint, this alternative may be able to avoid all impacts to the low quality wetlands and water features located in the Project area. The GIS Substation alternative is anticipated to cost about 30 percent or more than the proposed AIS Substation design. This factor should be used in the Draft EIR to determine and disclose the potential for economic or social infeasibility for this alternative. Finally, the GIS option would include approximately 50-foot steel A-frame structures that are currently not required in the AIS design.

Proposed Project with Bayfront Enhancement

In light of the substantial costs associated with the GIS Alternative, SDG&E explored whether changes to the Proposed Project could be made that would generate positive environmental benefits, thereby making it less environmentally damaging overall. The Bayfront Enhancement Alternative consists of the Proposed Project (i.e., a 230/69/12 kV substation with two air-insulated switchyards and associated transmission and distribution equipment at the former Liquefied Natural Gas (LNG) Site), with the additional environmental benefit of a five-million-dollar fund that would be used to provide direct environmental benefits within the Chula Vista Bayfront area. While the GIS alternative would avoid permanent loss of 2.43 acres of wetlands that have developed over time in a pollution-containment basin, the Bayfront Enhancement Alternative would infuse five million dollars worth of targeted environmental benefit. SDG&E believes that the Bayfront Enhancement Alternative, on balance, is less environmentally damaging than either the Proposed Project or the GIS Alternative. Possible projects could include those involving:

- creation, restoration, and/or enhancement of wetlands;
- enhancement of coastal resources, including coastal access enhancements, such as walkways, paths, parks, overlooks, and traffic improvements as well as educational signage and events;
- protection and preservation of biological resources, such as habitat management and protection efforts, including predator management, vegetation management, and security signage;
- water quality improvements; and
- aesthetics enhancements, such as landscaping and lighting improvements.

The EIR should discuss whether this alternative is feasible by considering whether the Project schedule and in-service date requirement can be met in light of the need to secure agency approval of development within the containment basin wetlands and mitigation for those impacts.

Biological Resources

To respond to comments raised at the scoping meeting related to potential impacts to avian species, the Draft EIR, in its discussion of potential impacts to birds, should include the Applicant-Proposed Measures (APM) included in the PEA as incorporated into the Project description and any potential impacts should be assessed with these measures assumed to be in place, as follows:

APM-BIO-03: If a raptor nest is observed during pre-construction surveys, a qualified biologist would determine if it is active. If the nest is deemed inactive, SDG&E, under the supervision of a biological monitor, would remove and dismantle the nest promptly from existing structures that would be affected by Project construction. Removal of nests would occur outside of the raptor breeding season (January to July). If the nest is determined to be active, it would not be removed and the biological monitor would monitor the nest to ensure nesting activities and/or breeding activities are not disrupted. If the biological monitor determines that Project activities are disturbing or disrupting nesting activities, the monitor would make recommendations to reduce the noise and/or disturbance in the vicinity of the nest.

APM-BIO-04: Structures would be constructed to conform to the Avian Power Line Interaction Committee's Suggested Practices for Avian Protection on Power Lines to help minimize impacts to raptors [by reducing the ability to perch or nest on the structures].

Land Use

In response to comments from the public at the scoping meeting that the proposed Project should be located elsewhere, the Draft EIR should confirm that constructing the Project at the proposed location is entirely consistent with and furthers the land use goals of the approved Chula Vista Bayfront Master Plan (CVBMP) and the City of Chula Vista and SDG&E Memorandum of Understanding (MOU). It should be noted in the Draft EIR that the Proposed Project utilizing the former LNG Site is the only feasible site than can accommodate the project in time and meet the requirements of the Project in-service date and the MOU and be consistent with existing and approved CVBMP and other approved land use/redevelopment plans in the area. The analysis should include an assessment of land use compatibility not only in terms of existing conditions but also in terms of projected future conditions based on the CVBMP, which has been approved by the City of Chula Vista and the Port District, and has been submitted for approval by the California Coastal Commission. This needs to be carried forward in the land use discussions for the alternatives as well so that a clear description of how alternative sites would or would not integrate into the land uses of the approved master plan is provided. The Draft EIR should provide a discussion of adjacent properties in terms of existing use and approved zoning, general plan designations, the CVBMP and redevelopment to determine existing and future compatibility between these commercial and industrial uses and the proposed substation relocation project.

Visual Resources

As with land use, the Visual Resources discussion of the Draft EIR should consider potential aesthetic impacts in light of projected future conditions based on the approved CVBMP. This needs to be carried forward in the visual resources discussions for the alternatives to assess how alternative sites would or would not integrate into the aesthetics of the approved

CVBMP. The Visual Resources discussion should concentrate on public views, including existing public views to the bay and ocean and should discuss the land use and visual compatibility context of the adjacent commercial and industrial uses relative to the proposed substation which is a similar use consistent with the general plan and zoning of the Proposed Project site.

Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, California 92024

August 15, 2011

RE: South Bay Substation Relocation Project; Permit to Construct Application No. A-10-06-007,

Please consider these comments for the official record, submitted by WiLDCOAST on the proposed construction of the San Diego Gas & Electric (SDG&E) South Bay Substation Relocation Project located in the City of Chula Vista, California.

The Wildlife Advisory Group (WAG) of the Bayfront Coalition/Chula Vista Bayfront Master Plan should receive a formal presentation by CPUC/SDGE to better understand how this proposed project will interact with the wildlife and recreational components, and the efforts to restore wetland habitat buffers near the Chula Vista Bayfront Project. After this presentation the WAG should be given ample time to provide formal comments on this proposal.

We are concerned that the NOP does not provide any information on the height of structures that would be part of the relocation project, which is a determining factor in assessing the potential environmental impact of the project. We urge that the NOP be recirculated with information on the nature and the height of the structures that are proposed for this new site. In the absence of this information the public and interested parties lack an opportunity to assess (and comment on) the potential environmental impacts of the proposal.

Specifically, aboveground transmission line towers should be prohibited as they present a bird-strike hazard, an electrocution risk, as well as an artificial roost for predators to attack endangered birds, chicks, and eggs. Height of towers should be considered a serious environmental issue and a hindrance to future efforts to restore wetland and wildlife habitat connectivity in south San Diego Bay, salt ponds, J St. marsh, and the Sweetwater and Otay River Deltas. All lines should be buried underground, as this is the best alternative. Since height of tower information was not available we urge that the NOP be recirculated with the information about the heights and types of structures of the project and information about the nearby wildlife resources that could be put at risk by the project.

We also urge that multiple levels of containment measures be provided around any work, staging, or storage area where toxic materials are used and that traps for small debris be installed so no materials can escape the site from work or storage areas and flow into the Refuge during storms. The EIR should address whether a total stormwater retention and diversion system, like those installed at local shipyards, should be used to prevent contaminants and debris from flowing into the Refuge.

Thank you for allowing the public to comment on this proposal.

Sincerely,

A.J. Schneller

A.J. Schneller, Ph.D.
Otay River and S. San Diego Bay Conservation Program Manager
WiLDCOAST
925 Seacoast Dr.
Imperial Beach, CA 91932

APPENDIX D-3

Letters from Private Citizens

JUL 2 9 2011

Paul Butler
Latitude 42, Inc.
1841 Adams Avenue
San Diego, CA 92116
Phone: (415) 464-4444
Fax: (415) 464-4445

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28 July 2011

City of Chula Vista
San Diego Gas & Electric
California Coastal Commission
California Public Utilities Commission

Re: South Bay Substation Relocation Project of San Diego Gas & Electric Company

Dear Sirs:

I am Paul Butler, President of Latitude 42, Inc., owner of 1120-28 Bay Blvd., Chula Vista, CA. Our property is the sole directly adjacent property presently bordering the proposed substation relocation. Our company is gravely concerned over the impact this project will have on our ability to lease to tenants, as well as the overall value of our property.

The deleterious visual effects of unsightly, massive and towering structures clearly visible to our property - as well as possible negative physical effects on humans the nearby high levels of EMF may cause - are potentially fatal problems to both our tenants and their customers as well as the economic viability of our property.

In addition, this project will separate our hotel zoning from what would be a contiguous property line with similarly zoned property to the north. The property to the north of the proposed substation site will be developed into a higher use than that which our property presently has. Isolating our property will result in greatly reduced future value.

We demand an immediate halt to this project until a comprehensive review and evaluation of its physical, visual and financial impact on our property is completed.

Yours truly,

Paul Butler
President

SCHWARTZ SEMERDJIAN
BALLARD & CAULEY LLP
Attorneys at Law

JOHN S. MOOT
Telephone: (619) 236-8821
E-mail: johnm@ssbclaw.com

August 11, 2011

VIA EMAIL AND U.S. MAIL
Southbaysub@dek.com

California Public Utilities Commission
Attention: Jenson Uchida
c/o Dudek
605 Third Street
Encinitas, CA 92024

RE: Public Scoping Comments

Dear Mr. Uchida:

Pursuant to the direction given at the Public Scoping meeting for the Environmental Impact Report for the San Diego Gas & Electric Permit To Construct Application number A-10-06-007, I am providing on behalf of Inland Industries Group comments which supplement the oral presentation made at the August 1st scoping meeting. These comments are a supplement to my May 24, 2011 and June 28, 2011 letters to you concerning this same matter. I am enclosing copies of these two letters which I would ask to be incorporated by reference as comments for the public scoping for the EIR.

At the scoping meeting, a principal from Inland Industries Group, Geoffrey Berg, made reference to seven new power poles ranging in height from 165 feet to 85 feet which are being proposed by SDG&E in its PEA for the Project. The exhibit presented at the scoping hearing showing these new power poles and above ground lines is attached hereto as **Exhibit 1.** The approximate height of these poles as compared to the height of the substation itself are depicted in the attached **Exhibit 2** which was also presented at the hearing. A visual simulation of what the actual power poles and substation will look like for persons traveling on highway 5, Bay Boulevard, from the approved bike path, and various points looking West from Inland Industries' property should be simulated and depicted in the EIR so as to properly represent the project's actual visual impacts. It is not clear if the simulated view impacts in SDG&E's PEA are of the actual proposed 230/69 kV substation as it does not appear to depict the new power poles and above-ground transmission lines.

The Project as proposed by SDG&E in the PEA also does not appear to be consistent with SDG&E and City of Chula Vista's Memorandum of Understanding (MOU) as well as some of the policy elements in the City of Chula Vista's General Plan regarding land use and scenic resources as well as the Chula Vista Bay Front Specific Plan and approved Coastal Program. These are further discussed in

my May 24th and 28th 2011 letters. The EIR should also look at the revised Environmental Impact Report for the Chula Vista Bay Front Master Plan prepared for San Diego Unified Port District. The revised, approved bayfront plan EIR removed the "Energy Utility Zone" proposed in the Otay District for parcel O4 and does not show or designate any electrical substation at the proposed location in SDG&E's PEA. A copy of the current designations for the property in the Otay Zone and the Chula Vista Bayfront is attached as **Exhibit 3.**

At the Public Scoping meeting, Jim Peugh of the Audubon Society noted that two endangered species - the light-footed clapper rail and the western snowy plover - nest in the area and that the new proposed power poles and lines would serve as perches for the raptor birds which could prey on these endangered species. As such, the EIR should study putting all the new power poles and lines underground to protect both the visual impact to the public traveling on Highway 5, Bay Boulevard, the bike path and as well as to protect the two endangered species nested in the area.

The notice for the public scoping meeting states that SDG&E identified four primary project objectives which were (1) replace aging and obsolete substation equipment; (2) design a flexible transmission system which would accommodate regional energy needs subsequent to retirement of the South Bay Power Plant (SBPP); (3) facilitate the City's Bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of SDG&E - City of Chula Vista MOU; and (4) provide for future transmission and distribution load growth to the South Bay region. Again, these objectives and how they relate to matters that should be studied in the EIR are discussed in my May 24th and June 28th letters incorporated by reference herein. As mentioned at the scoping hearing and in the attached letters, the new power poles and lines would appear to be inconsistent with this MOU. Specifically, the MOU indicates that lattice tower 188701 was to be removed along with the 138 kV supporting structures to be paid for by SDG&E consistent with its rules and regulations. The Project as proposed does not show the removal of this lattice structure and 138 kV supporting structure.

The Project as proposed in the Permit To Construct also assumes the need for a 230/69 kV substation as opposed to the existing 138/69 kV configuration. Both the size and foot print of the proposed site and the analysis of the alternative substation sites assume a footprint large enough to accommodate a 230/69 kV substation. The EIR for purposes of analyzing the size and foot print for substation and the potential to rule out alternative sites based on the size of the footprint, should look at the need justification for the proposed 230/69 kV arrangement. Attached to this letter as **Exhibit 4** is a analysis by a former engineer with SDG&E which addresses project objectives, 1, 2 and 4, which assume the need from the larger substation configuration. The engineer as set forth in this attachment found that no valid reason has been provided by SDG&E as to why it is necessary to convert the substation from its exiting 138/69 kV configuration to a 230/69 kV arrangement. This is important as there are two site

alternatives that are not on the Bayfront which would not require disturbing 10 acres of prime Bayfront property if a smaller configured substation could be located on them. These sites are the seven acre Toy Storage site and the 9 acre Broadway/Palomar site identified in the PEA. If there is no need justification for the larger 230/69 kV arrangement then these alternative, non-Bayfront sites should be the site location as it would not require the use of 10 acres of limited Bayfront property and the environment consequences in developing on the Bayfront. With respect to sites not on the Bayfront and potentially others, the scoping notice references a system alternative for a gas insulated substation which could occupy a smaller footprint of 4.4 acres. Since the Toy Storage site and the Broadway/Palomar site are both owned my SDG&E and consist of 7 and 9 acres, this technology on these sites should also be studied as the site location.

The system alternatives in the scoping notice also reference Transmission System Load Management Alternatives and an Energy Conservation Alternatives as well as a Bay Boulevard Substation at a 138/69 kV configuration. The engineer's analysis attached as Exhibit 4 would suggest that these alternatives should be studied in combination so as the accommodate a 138/69 kV arrangement on a site with a smaller footprint that is not on the Bayfront.

The site alternative analysis as presented by SDG&E in its PEA references without specific analysis certain cost considerations which are used to distinguish the site chosen from the preferred and alternative sites. To properly analyze the alternative sites, some cost analysis needs to be performed. Attached as **Exhibit 5** is a Memorandum to the ISO (Independent Systems Operator) Board of Governors from Dr. Keith Casey, Vice President Market and Infrastructure Development. In this memorandum, he notes that the Bayfront substation project has a total estimated cost of $129.2 million of which 57.2 million includes the cost for the 230/169 kV upgrade. SDG&E, in its analysis of the Toy Storage site, notes the cost to secure the site is unknown. With respect to the Broadway/Palomar site, SDG&E again notes that the cost of purchasing the site would greatly exceed the no cost alternative. Their analysis, however, does not take into consideration that the 230/169 kV upgrades may not be necessary and would save $57.2 million off the top. Since SDG&E owns both the Toy Storage site and the Broadway/Palomar site, any costs associated with the acquisition of these sites has to be compared with the savings that could be realized from building a 138/69 kV alternative which incorporates Transmission System Load Management and Energy Conservation Alternatives.

The necessity for a cost analysis in the EIR is also necessary to assess the Tank Farm site, the Existing Substation site and the Power Plant site, all suggested alternatives. The Tank Farm site, 17 acres, the Existing Substation site 8 acres, and the Power Plant site, 31 acres are all large enough to accommodate either load configuration. In the PEA, SDG&G notes that the Tank Farm site meets all four of its identified objectives. With respect to the Tank Farm site, however, SDG&E states that its

ability to secure the site is unknown and that the cost associated with purchasing it would greatly exceed that of the Proposed Project No-Cost Exchange. While SDG&E again has not identified either who owns the Tank Farm site or the costs associated with purchasing it, it also does not in its analysis factor in the savings of building the substation adjacent to its current location or even at its current location versus rebuilding it and a new site half a mile away. In order for the EIR to properly analyze the Tank Farm site, the Existing Substation site and the Power Plant site, all of which are adjacent to the current transmission lines, the cost factors in moving and rebuilding the substation at another site half a mile away should be analyzed.

As identified in the engineers report, it would appear that the comparison of the cost of the proposed project ($129.2 million), against the costs of performing the necessary mitigation assuming the substation remains at its current location ($27.7 million) presents a substantial cost differentiation. The cost of building a new substation at its current location or close to it also has clear environmental benefits as it will not entail disturbing the proposed 10 acre site on the Bayfront. To properly study site alternatives, the EIR should, even by SDG&E's own analysis in the PEA, take into consideration the actual cost of the alternative sites, costs which will ultimately be borne by the rate payers.

Finally, as briefly discussed in the June 28, 2011 letter which accompanies the scoping comments, the EIR should study the portion of the 3rd primary objective cited by SDG&E which states that the site chosen should "facilitate the City's bayfront redevelopment goals by relocating the Southbay Substation." SDG&E's PEA notes that the Tank Site which is approximately 250 feet north of the existing Southbay Substation meets the Proposed Project Objective No. 3. However, in looking at the existing Southbay Substation site, 250 feet away, and the 31 acre Power Plant site directly adjacent to the existing site, SDG&E's PEA states that these sites meet objectives 1, 2 and 4, but they did not meet Objective 3. With respect to the Existing Substation site, the PEA states "constructing a new substation on this property may result in future visual impacts, as lands to the north of the existing Southbay Substation are planned to support residential uses and accommodate recreational areas." Putting aside the fact that the Tank Farm site 250 feet north does meet Objective No. 3 according to the PEA, an analysis of the actual development goals or projects which are to be facilitated by moving the substation to the southerly end of the Bayfront should be examined in the EIR. Exhibit 3 identifies the lands to the north of the existing substation that may be subjected to "future visual impacts." The EIR should study these visual impacts and take into consideration the actual separation from this "Harbor Zone" to the Existing Substation site and, if after the actual power plant is dismantled, due to the separation and sight line from the Harbor Zone, whether these future visual impacts are indeed significant. Logically, the views from the Harbor Zone sites will be to the west and north as these are the views to the bay, Coronado and downtown San Diego. At ground level, due to the distance between the Harbor Zone and the existing substation, the current conditions would appear to suggest

that the actual visual impacts, once the power plant is dismantled, would be minimal and clearly not as significant as the visual impacts at the relocated site which are far closer to the scenic roadway, bike path and the existing development.

While the PEA considers the "future visual impacts" for the properties north of the existing substation, it does not take into consideration the future visual impacts to the properties directly east of the proposed site which would also be subject to redevelopment. Inland Industries' property consists of 20 acres of some of the most valuable bayfront property in Chula Vista. These properties currently have existing infrastructure which could accommodate redevelopment.

The proposed development in the Otay District, as depicted on the Chula Vista Bayfront Master Plan, is the same in both the northern, central and southern portions of the Otay District. Thus, whether a substation is located in the north, central or southern portions of the Otay District, the "facilitation of redevelopment goals" would be neutral in impact and thus would not seem an appropriate basis to distinguish the Tank Farm site, Existing Substation site, the Power Plant site, or the Liquid Natural Gas site from the proposed site. With respect to impacts on bayfront redevelopment, the EIR should also consider if, due to probable potential contamination issues, whether the Tank Farm site, Existing Substation site or the Power Plant Site may, in fact, be more appropriate locations as these sites are likely already highly disturbed and not realistically available for redevelopment at any time in the near future.

Inland Industries appreciates the opportunity to make comments on the scope of the EIR and appreciates the opportunity provided by the CPUC with the recent scoping meeting.

Very truly yours,

John S. Moot
of
SCHWARTZ SEMERDJIAN BALLARD & CAULEY LLP

JSM/jlh

Encls.

cc: Nicholas Sher *(via e-mail)*

EXHIBIT 1

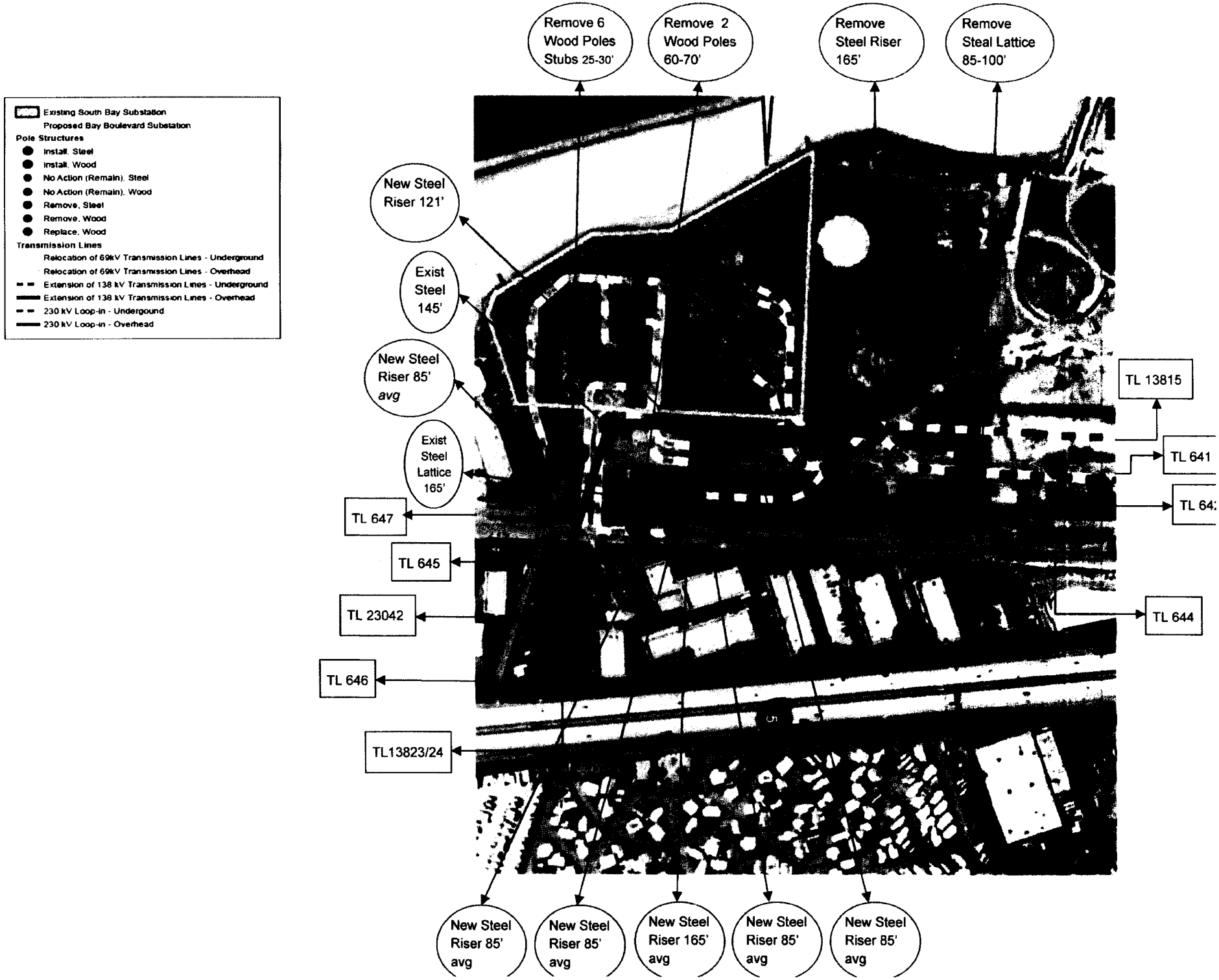

Existing South Bay Substation
Proposed Bay Boulevard Substation
Pole Structures
Install, Steel
Install, Wood
No Action (Remain), Steel
No Action (Remain), Wood
Remove, Steel
Remove, Wood
Replace, Wood
Transmission Lines
Relocation of 69kV Transmission Lines - Underground
Relocation of 69kV Transmission Lines - Overhead
Extension of 138 kV Transmission Lines - Underground
Extension of 138 kV Transmission Lines - Overhead
230 kV Loop-in - Underground
230 kV Loop-in - Overhead
Remove 6 Wood Poles Stubs 25-30'
Remove 2 Wood Poles 60-70'
Remove Steel Riser 165'
Remove Steal Lattice 85-100'
New Steel Riser 121'
Exist Steel 145'
New Steel Riser 85' avg
Exist Steel Lattice 165'
TL 647
TL 645
TL 23042
TL 646
TL13823/24
TL 13815
TL 641
TL 644
New Steel Riser 85' avg
New Steel Riser 85' avg
New Steel Riser 165' avg
New Steel Riser 85' avg
New Steel Riser 85' avg

EXHIBIT 2

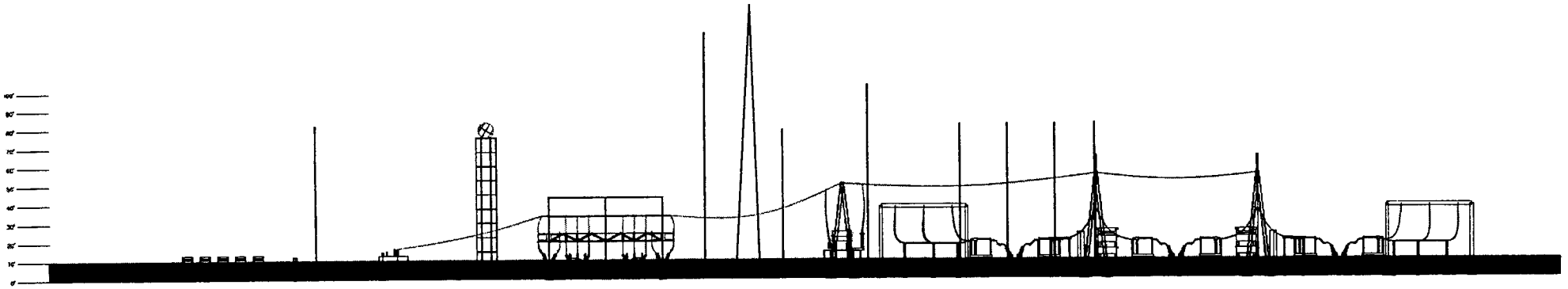
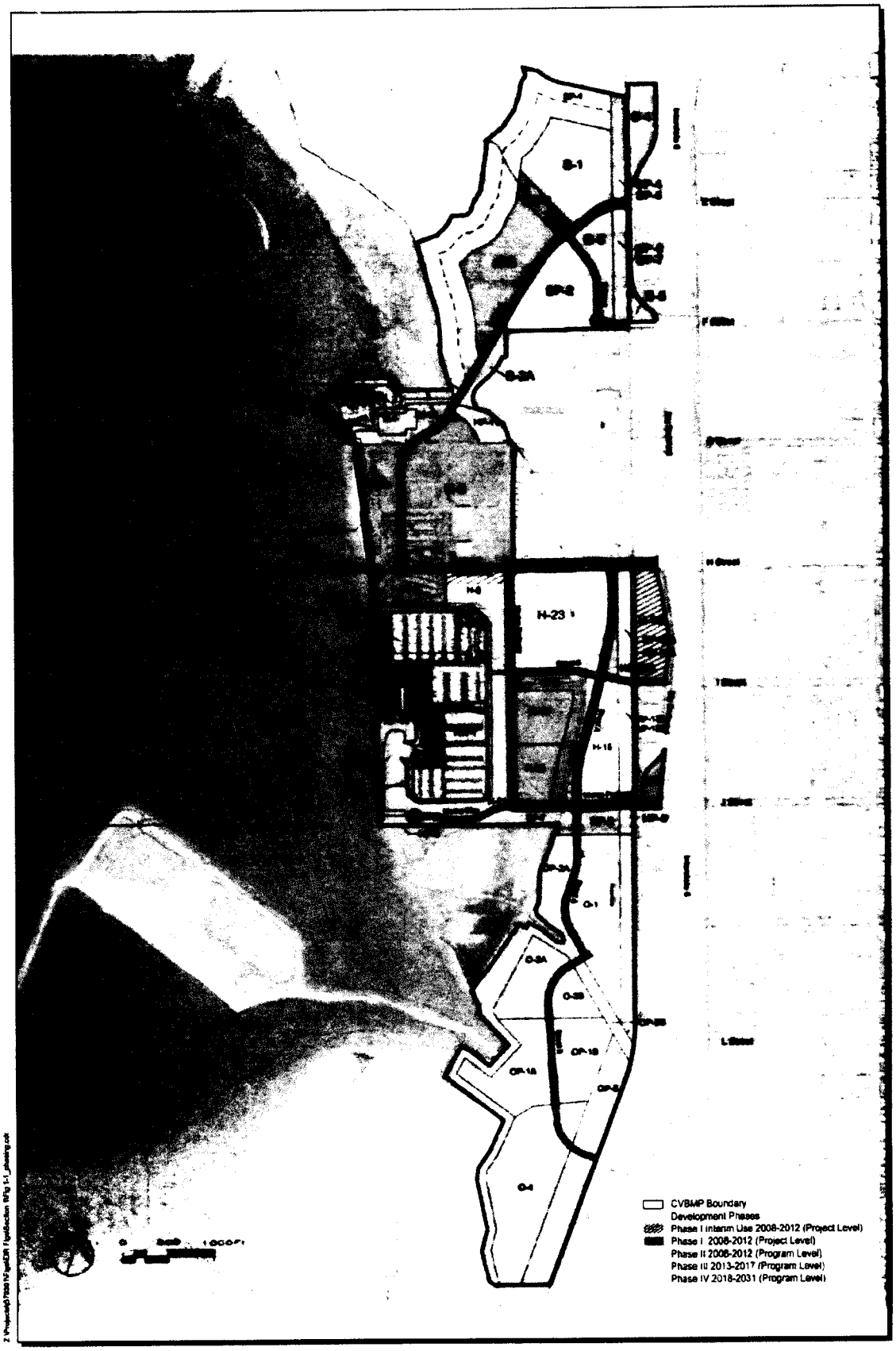


Figure 3-10: Bay Boulevard Substation Ultimate Profile View

EXHIBIT 3



SOURCE: Port of San Diego

Revised Draft Environmental Impact Report (EIR) for the Chula Vista Bayfront Master Plan

Proposed Project Parcel Plan & Development Phases

FIGURE 1-1

1.5.3.1 Phase I Projects

All of the Otay District components are proposed in Phase III. No construction in this district is proposed in Phase I.

1.5.3.2 Phase II Projects

All of the Otay District components are proposed in Phase III. No construction in this district is proposed in Phase II.

1.5.3.3 Phase III Projects

All Phase II Otay District components in the previous Draft EIR have been moved to Phase III. The project proposes a recreational vehicle park with approximately 236 RV parking spaces and ancillary facilities. Industrial Business Park uses are proposed on the northernmost and southernmost Parcels O-1 and O-4 in the Otay District, previously proposed for residential and Energy Utility Zone uses in the previous Draft EIR. No new power plant, Energy Utility Zone, or residential uses are proposed in the Otay District.

As with the Sweetwater and Harbor Districts, the Otay District would also include new parkland use. Specifically, a new passive South Park, composed of approximately 24 acres is proposed, as well as 27 acres of other open space areas on the eastern edge of the district. Like the Sweetwater District, the Otay District would have a buffer that would include a 170-foot-wide to 200-foot-wide No Use Zone that could be used for habitat mitigation opportunities. Finally, development in the Otay District would involve improvements to the existing concrete-lined drainage channel at Telegraph Creek within the Proposed Project limits to accommodate projected storm flows.

Table 1-8 summarizes the proposed development for the Otay District in Phase III.

TABLE 1-8
Proposed Phase III Development for the Otay District

Parcel Number	Proposed Use	Proposed Development
OP-1A, OP-1B, OP-3	South Park/Open Space	51 acres
OP-2A, OP-2B	Ecological Buffer/Telegraph Creek Channel	27 acres
O-1	Industrial Business Park Use	18 acres
O-3A, O-3B	RV Park	175–236 RV spaces, 1–2 stories, 15–35 feet high
O-4	Industrial Business Park Use	28 acres

1.5.3.4 Phase IV Projects

All of the Otay District components are proposed in Phase III. No construction in this district is proposed in Phase IV.

Table 1-5 summarizes the proposed development for the Harbor District in Phase II.

TABLE 1-5
Proposed Phase II Development for the Harbor District

Parcel Number	Proposed Use	Proposed Development
HP-6, HP-7, HP-8,	Parks/Open Space	8 acres
H-9	Retail/Commercial Recreation and Marina Support	25,000–50,000 square feet; 1–2 stories; 15–30 feet high
H-15	Mixed-Use Office/Commercial Recreation	420,000 square feet; 90–130 feet high
H-15	Hotel	250 rooms, 90–130 feet high
H-23	Resort Hotel	500 rooms, 300 feet high
H-23	Cultural/Retail	200,000 square feet; 30–65 feet high
HP-3	Shoreline Promenade (abutting H-9)	1 acre
HP-28	H Street Pier (first half)	0.4 acre

1.5.2.3 Phase III Projects

The project proposes approximately 150,000 square feet of retail/commercial recreation around the southern end of the harbor.

Construction of the Shoreline Promenade would continue in Phase III, during which the portion abutting Parcels HP-14, HP-15, and H-21 (approximately 3 acres) would be built.

Table 1-6 summarizes the proposed development for the Harbor District in Phase III.

TABLE 1-6
Proposed Phase III Development for the Harbor District

Parcel Number	Proposed Use	Proposed Development
HP-3	Shoreline Promenade (abutting HP-14, HP-15, and HP-21)	3 acres
HP-9, HP-12, HP-13, HP-14, HP-15	Park/Open Space	18 acres
H-21	Retail/Commercial Recreation	75,000–150,000 square feet; 1–2 stories; 15–30 feet high

1.5.2.4 Phase IV Projects

The Proposed Project would establish approximately 5 acres of parks in Phase IV on the northern end of the Harbor District, completing the continuous signature park, totaling approximately 40 acres at build-out.

A portion of the former Goodrich land areas would also be redeveloped with 100,000 square feet of mixed-use office/commercial recreation use and a 1,100 to 3,000 space collector parking garage. This was moved from Phase I in the previous Draft EIR to Phase IV.

EXHIBIT 4

Engineers retained by Inland Industries have reviewed the Proponents Environmental Assessment (PEA) for the South Bay Substation Relocation Project. The review has focused mainly on the PEA's "Chapter 2 – Project Purpose and Need," and the February 3, 2010 CAISO Board memo "Decision on the Bayfront Substation Transmission Project." Based on the information provided by SDG&E in the PEA regarding the "need" to relocate the existing South Bay Substation, and the data in the February 3, 2010 CAISO Board memo regarding the reliability "need" to relocate the substation, it is our opinion that -- considering other alternatives (including the alternative of not relocating the existing South Bay Substation)-- SDG&E and the CAISO have failed to demonstrate (i) that the project is needed, and (ii) that incurring costs for this project are in consumers' best interests.

Examples of deficiencies in both the CAISO board memo and SDG&E's PEA are discussed in more detail below. Most of the assertions made in the PEA are general, non technical, and without any hard data backing those claims. For example, SDG&E's objective number 1 is stated as: "replace aging and obsolete substation equipment." If this objective is accepted as stated without any valid reasons or data to support it, then not only would most of the SDG&E's substations need to be replaced, but so would most substations throughout California. Consumers would be on the hook for billions of dollars in replacement costs with no proof that the replacements are actually needed, or that the indicated dates of replacement are tied to an objective assessment of timing requirements. Without supporting data, a plan to replace old equipment with new equipment should not be accepted by the CPUC or the CAISO. Rebuilding (relocating) a substation at a cost to customers of hundreds of millions of dollars, requires a valid justification. Similarly, the PEA's other stated objectives lack specificity, supporting data, and valid justifications.

No valid reason has been provided as to why it is necessary to convert the South Bay substation from its existing 138/69 kV configuration to a 230/69 kV arrangement. The change to higher voltage may necessitate a larger substation footprint and rule out alternative sites that would be possible with a 138/69 kV configuration and that would be more viable and environmentally desirable. Furthermore lack of specificity in justifying the objectives makes it impossible for the CPUC to know if the proposed substation relocation is properly following the mandated California loading order (energy conservation/efficiency, demand response (load management), renewable energy).

Since both CAISO's decision and SDG&E's PEA have failed to provide adequate justification for the project, and because the project is going to cause specific problems for some stakeholders, then to meet its obligation to protect the public interest the CPUC should compel the applicant to address the concerns of the parties involved. To address these concerns the applicant should consider whether relocating the substation is actually necessary, whether there are other viable sites for relocating the substation, and whether there are modifications to the proposed project that would lessen stakeholder concerns. This needs to be done before the CPUC issues a final ruling on the project.

Examples of deficiencies in the memo from CAISO management to the CAISO Board:

1. The CAISO Board approved this project on the basis of a "reliability need." However, the memo points out that the earliest identified reliability criteria violation does not occur until 2019.

2. The CAISO management memo to the CAISO Board claims the project is "cost-effective." It appears this claim is based on a comparison of the cost of the proposed project to the cost of an alternative that relocates the project to another site. There is no comparison of the cost of the proposed project against the cost of performing necessary mitigation assuming the substation remains at its current location.

   As discussed in item 3 below, a comparison of the cost of the proposed project ($129.2 million) against the cost of performing the necessary mitigation assuming the substation remains at its current location ($27.7 million) would clearly indicate that the proposed substation relocation project is not "cost-effective."

3. The mitigation for the identified N-1 reliability criteria violations totals $27.7 million; all of the mitigation is outside of the substation. The bulk of the costs are for the actual substation relocation ($112.9 million) but there is no indication that the relocation of the substation itself mitigates any reliability criteria violations.

Examples of the deficiencies in the PEA regarding the need justification:

The PEA lists four objectives that, according the SDG&E, are "critical to planning the future southern SDG&E transmission system."

Objective 1 is to "replace aging and obsolete substation equipment." The justification for this replacement involves

(i) The consequences of a 138 kV bus outage at the existing substation.

With respect to the 138 kV bus outage, applicable reliability criteria permit the use of controlled load drop to mitigate any adverse consequences. A bus outage is considered a very low probability event and, accordingly, controlled load drop is considered acceptable mitigation by the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC) and the CAISO. There is no need to build a bigger bus at a different location, or even to reconfigure the existing bus.

(ii) The fact that equipment at the existing South Bay substation was not built to modern seismic standards.

Based on the information provided in the PEA, there is no indication that SDG&E is required to upgrade existing equipment that is not built to modern seismic standards. Of course, it is understandable that SDG&E would want to upgrade equipment to modern seismic standards; but that decision should not be made without consideration of the costs of doing so. There is a tradeoff between the risk of earthquake damage and the cost of minimizing that risk. The PEA provides no evidence that such a tradeoff was ever considered.

(iii) The desire to replace existing circuit breakers and associated relay equipment with entirely new equipment.

With respect to the asserted need to replace the circuit breakers and associated relay equipment, no analysis is presented in the PEA to support this need or that provides the timing of this need. Normally, circuit breakers closest to generation sources are subject to the highest stress and are therefore the most likely to need replacement. However, the South Bay power plant is being dismantled. It would be helpful to know how this effects the planned replacement of the circuit breakers. Finally, there is no indication of the cost difference between replacing the circuit breakers within the existing substation and adding new circuit breakers at the proposed relocation site.

Objective 2 is to "design a flexible transmission system that would accommodate regional energy needs subsequent to the retirement of the South Bay Power Plant." Based on the discussion in the PEA, it appears these "regional energy needs" require that the electric system be capable of withstanding:

(i) The outage of the 138/69 kV transformer at the existing substation, and

(ii) an outage of the 69 kV bus at the existing substation.

According to the PEA "regional energy needs" also mean that in the absence of the South Bay power plant, South Bay area loads be served "in an efficient" manner.

With respect to the **outage of the 138/69 kV transformer**, the PEA states that this failure would "further stress a soon to be inadequate system." There is no explanation of what the existing "stress" is although the PEA does suggest the outage of the 138/69 kV transformer would "further burden" existing 69 kV lines between Silvergate substation the South Bay area. What constitutes a "burden" is not described. Applicable reliability criteria do not use the terms "stress" or "burden." Applicable reliability criteria are

defined in terms of maximum acceptable power flows and minimum acceptable voltages under specific contingency conditions. If the outage of the 138/69 kV transformer (an N-1 contingency) does not result in power flows or voltages that are outside of acceptable levels, applicable reliability criteria imposes no obligation to take any particular action. There is no indication in the PEA that the N-1 outage of the 138/69 kV transformer results in unacceptable system performance.

The PEA indicates that if the 138 kV source is lost – because of an outage of the 138/69 kV transformer – the source of power for South Bay area loads "would be limited to flow of 69 kV power from the Silvergate 230/69 kV Substation to the north,[1] and/or operation of more expensive peaker generation that is interconnected to the Border and Otay substations." There is nothing in the PEA that suggests that either of these power "sources" presents a reliability issue. Further, it is unclear why peaker generation at the Border and Otay substations would have to be operated since the SDG&E transmission system is interconnected with the entire WECC grid and therefore power can, and does, flow into the San Diego area from the several thousand interconnected generators throughout the WECC, and many of these generators are more efficient (have lower variable operating costs) than the referenced peakers.

Assuming that there is a technical reason why the Border and Otay peakers would have to be operated, the PEA provides no indication of the system conditions under which such operation would be required, how often such operation would be required, and the net increase in costs from such operation as compared to using other, more efficient, generators.

The PEA states that the full output of these peakers "can be compromised by a special protection system that limits output from the Border substation...as a result of an outage of the 69 kV line from the Miguel to Border TL6910." An overlapping outage of the138/69 transformer at the existing South Bay substation and TL6910 is an N-1-1 outage under applicable reliability criteria. N-1-1 outages are considered low probability events from a planning perspective and permitted mitigation for any unacceptable system performance includes controlled load drop. There is no requirement to build any new facilities to mitigate any unacceptable system performance were such unacceptable system performance to exist, which the PEA stops short of indicating.

[1] The PEA tries to denigrate the reliance on 69 kV power from the Silvergate 230/69 kV substation by characterizing this flow as a "less reliable sources of power from remote substations." However, the PEA never makes the case that this flow is somehow "less reliable." And it can't, because applicable reliability criteria does not allow varying levels of reliability: The system either satisfies all applicable reliability criteria or it doesn't. If it doesn't, mitigation is required. There is no in-between reliability status.

Further, the PEA never indicates what facilities comprise the "soon to be inadequate system," never specifies what is meant by "inadequate," and never provides any timetable as to when the system becomes "inadequate." This is not a basis upon which the costly relocation of an existing substation can be justified.

With respect to the **69 kV bus outage**, applicable reliability criteria permit the use of controlled load drop to mitigate any overloads that could result. There is no requirement to build a bigger bus at a different location or even to reconfigure the existing bus.

The PEA states that the relocated substation "must also add to local transmission flexibility." Apparently, "local transmission flexibility" means that the relocated substation will facilitate "additional 69 kV transmission line connections, which may be needed in the future to serve existing or new distribution substations" and "accommodate three additional 230 kV transmission line connections." Utterly lacking in the PEA is any indication of why the relocated substation "must" provide these additional transmission connections. This vacancy is particularly notable because the only indication of future needs is reference to a negligible "nine megawatts" of load growth in the South Bay region by year 2016, and "ultimate load growth of 80 MW beyond 2016" if the hoped-for redevelopment actually occurs. If it were actually the case that the existing 69 kV system is inadequate to accommodate this load growth – and the PEA never asserts that this is the case – a single 69 kV line can accommodate 80 MW.

Finally, and perhaps most importantly, the PEA makes the claim that the proposed project **would serve the South Bay area load** in the absence of the South Bay power plant "in an efficient" manner. This statement is wholly unsupported because nowhere in the purpose and need discussion is there any comparison of (a) the costs of the relocated substation, to (b) the costs of maintaining the substation at its existing location (and potentially upgrading some circuit breakers and associated relay equipment, should those upgrades actually prove necessary). Based on the information in the PEA, the obvious conclusion is that retaining the existing substation would be a far more cost-effective solution; i.e., a far more "efficient" way of serving the South Bay area load.

Objective 3 is to "facilitate the City of Chula Vista's bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E-City of Chula Vista MOU." This is addressed separately in the accompanying letter from Inland Industries.

Objective 4 is to "provide for future transmission and distribution load growth for the South Bay region." As stated above, it is hard to see how 9 MW of load growth by year 2016, or an "ultimate" 80 MW of redevelopment load beyond year 2016, can justify the substation relocation. For this objective to translate into a need to relocate the substation,

a minimum requirement would be evidence that the existing substation location is incapable of meeting this increased need. There is absolutely no evidence provided in the PEA that this is the case.

EXHIBIT 5

California ISO
Your Link to Power

California Independent
System Operator Corporation

Memorandum

To: ISO Board of Governors

From: Dr. Keith Casey, Vice President, Market & Infrastructure Development

Date: February 3, 2010

Re: **Decision on the Bayfront Substation Transmission Project**

This memorandum requires Board action

EXECUTIVE SUMMARY

This memorandum seeks approval of the Bayfront substation transmission project. San Diego Gas & Electric Company proposed the project to meet a reliability need. Specifically, this project is needed to mitigate reliability concerns on the sub-transmission network facilities in the event that the remaining South Bay power plant (South Bay) Units 1, 2 and the 15 MW gas turbine are retired. The planned operational date for the proposed project is December 2012.

The California Independent System Operator identifies projects needed to meet reliability needs, including projects needed to meet standards established by the North American Electric Reliability Corporation (NERC), and the system must be planned and built in anticipation of circumstances that would lead to reliability impacts. In this instance, Dynegy has stated publicly that it intends to retire the South Bay plant if the ISO determines that the plant is no longer needed for reliability must run (RMR) purposes. Additionally, the existing South Bay power plant utilizes once-through cooling, which has been identified by the State Water Resources Control Board as one of nineteen plants that would be phased out due to its cooling technology.

The Bayfront project has an estimated total cost of $129.2 million, of which $57.2 million includes the cost for the 230 kV upgrades, $60.8 million for 69 kV and 138 kV related construction and $11.2 million is for the cost of borrowing funds until the project is placed into operation. In reviewing the project, ISO staff also evaluated one other alternative, which was found to be less cost effective than the Bayfront substation transmission project.

Moved, that the ISO Board of Governors finds that the Bayfront Substation Transmission Project, as detailed in the memorandum dated February 3, 2010, is a necessary and cost-effective long-term transmission addition to the ISO controlled grid; and

Moved, that the ISO Board of Governors directs San Diego Gas and Electric Company to continue with the design, licensing and construction of this project.

DISCUSSION AND ANALYSIS

Background

Downtown San Diego is presently served from the 500/230/138/69 kV Miguel substation by the Miguel-Silvergate-Old Town 230 kV line, two Miguel-Sycamore Canyon 230 kV and two Miguel-Mission 230 kV transmission lines, as well as by underlying 138 and 69 kV systems. The 138 kV lines connect Miguel substation with South Bay and Main Street substations in the north and Los Coches substation in the northeast. South Bay power plant is connected to the 138 kV and 69 kV systems, and at this time South Bay, or a portion of it, is essential in meeting local capacity requirement in the San Diego area.

The proposed project is needed to address transmission overloads that would occur when the South Bay power plant is retired. The project involves relocating and upgrading the South Bay substation from 138/69 kV to 230/69 kV and other system modifications described in the body of the memo. In addition to mitigating identified overloading concerns, there are two other issues that SDG&E cited as factors supporting the Bayfront project. First, the existing South Bay substation is over forty years old. The substation has aging infrastructure concerns, including undersized circuit breakers and 138 kV bus, outdated seismic standards, and an unreliable 69 kV configuration during bus outages. Secondly, per a Memorandum of Understanding between SDG&E and the City of Chula Vista regarding franchise agreements, SDG&E agreed to relocate the existing South Bay substation to a new location on Chula Vista's Bayfront in coordination with the retirement of the South Bay power plant. This relocation may be the only opportunity to bring the needed 230 kV source into the area.

South Bay has been included as RMR generation unit since 1998 to meet local reliability needs in the San Diego area. With the addition of new generation located within San Diego County, the need for maintaining South Bay as an RMR unit has been decreasing. For 2010 RMR requirements for South Bay, the ISO has determined that 296 MW (or two units) are needed, provided that the Otay Mesa power plant (573 MW) is proven to be a reliable generating station prior to summer 2010.

Reliability criteria violations

The proposed project will eliminate the following reliability criteria violations that occur for the following contingencies under a complete South Bay retirement scenario:

1) Overloading of the Miguel 230/138 kV bank # 2 based on a normal rating starting in 2012. If emergency rating[1] can be utilized on an extended basis, the ISO staff expects that there will be no overloads. However, SDG&E planning staff expressed concerns on the length of time it takes to bring in and install the spare transformer at Miguel substation, which can take up to two weeks or more. The emergency rating limit for the transformer is intended not for use more than 24 hours for five days (occurrences) in a year. The overloading occurs under T-1 contingencies.

2) Overloading of the Kettner-Station B 69kV transmission line starting in 2019 under an N-1-1 contingency condition.

3) Overloading of the Old Town-Kettner 69 kV transmission line starting in 2019 under an N-1-1 contingency condition.

4) Overloading of the Old Town 230/69 kV transformer banks under an N-1/T-1 contingency condition starting in 2010, if normal rating is utilized. However, if the emergency rating is utilized, the ISO staff does not expect the transformer to be overloaded. Similar to item # 1 above, SDG&E staff expressed concerns on the extended use of the emergency rating of the transformer while the spare bank is being relocated to Old Town.

Project description

The Bayfront substation transmission project includes the following scope of work:

1. Construct a new 230/69 kV substation that will replace the existing 138/69 kV substation;

2. Install two 224 MVA 230/69 kV transformers;

3. Loop in the Miguel-Silvergate 230 kV transmission line into the new substation;

4. Transfer all 69 kV lines presently connected to the South Bay 138/69 kV substation to the new substation;

5. Re-configure existing 138 kV lines to eliminate the need for the South Bay 138 kV bus.

[1] An emergency rating, which generally should not be exceeded, is a higher rating on a transmission line or transformer to allow higher flow than normal rating for a short duration of time (i.e., typically 15 minutes to 24 hours, depending on the equipment) to address contingency overloads.

Project cost

The proposed project has an estimated total cost of $129.2 million, in which $57.2 million includes the cost for the 230 kV upgrades; $60.8 million for the 69 kV, 138 kV and distribution upgrades and $11.2 million is for the cost of borrowing funds until the project is placed into operation.

Other alternatives considered

In addition to the proposed project, ISO staff also evaluated another option (alternative 2) under the assumptions that the South Bay power plant is retired.

Alternative 1 (preferred): Proposed project of rebuilding South Bay substation in a different location with 230 kV upgrades – This alternative has an estimated cost of $129.2 million. With this project, identified facility loading concerns under contingency conditions will be mitigated. This alternative also allow connection of 230 kV transmission facilities to serve downtown load, thus enable for more robust option of serving future load growth.

Alternative 2: Rebuild South Bay 138/69 kV substation in a different location and upgrade identified individual overloaded transmission facilities – This alternative is expected to have substantially higher cost than the proposed project. The alternative includes additional upgrades and estimated costs, shown in Table 1, in addition to $112.9 million for constructing a new South Bay substation with the same voltage (138/69 kV) at a nearby location. With this alternative, load curtailment in the order of about 50 MW would be required to mitigate loading concerns under N-1-1 contingency conditions and the facility upgrades, shown in Table 1, are proposed for mitigating loading concerns under an N-1 contingency.

TABLE 1

Overloaded Equipment	**Mitigation**	**Cost**
Miguel Bank 230/138 kV transformer #2	Upgrade 230/138 kV bank	$27.4 M
Old Town 230/69 kV transformers #1 & #2	Install System Protection System for load curtailment under contingency conditions	$0.1 M
Old Town-Kettner 69 kV line	Install System Protection System for contingency load curtailment	$0.1 M
Kettner-B 69 kV line	Install System Protection System for contingency load curtailment	$0.1 M
South Bay Substation Rebuild (In-kind Replacement)	N/A	$112.9 M
Total Cost of Alternative # 2		***$140.6 M***

MANAGEMENT RECOMMENDATION

Based on the ISO staff findings that the proposed project is the most cost effective transmission alternative to address overloading concerns associated with South Bay's retirement, Management recommends that the Board approve the project and that SDG&E be directed to proceed with necessary permitting, engineering and construction of the project. To allow for continued delivery of the South Bay generation until the ISO removes reliability must run designation for South Bay Units 1 and 2, the construction and energization of the new Bayfront substation should be coordinated such that there is no loading impact to the sub-transmission facilities.

SCHWARTZ SEMERDJIAN
BALLARD & CAULEY LLP
Attorneys at Law

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May 24, 2011

Jenson Uchida, CPUC Project Manager
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

RE: San Diego Gas & Electric South Bay Substation Relocation Project
Application A-10-06-007

Dear Mr. Uchida:

Our firm has been retained by Inland Industries Group, L.P. ("Inland Industries") to assist them in the analysis of San Diego Gas & Electric South Bay Substation Relocation Project. Inland Industries, a retained consultant and I have had an opportunity to do an initial review of the Application and Proponent's Environmental Assessment ("PEA"). Unfortunately, Inland Industries was not given notice of the public meeting on December 15, 2010 when the outlines of the proposed South Bay Substation Relocation was presented.

1) Inland Industries' Property

Inland Industries owns three parcels of land consisting of approximately 20.16 acres on Bay Boulevard, located at 1011 to 1161 Bay Boulevard. 2,356 linear feet of this property fronts on Bay Boulevard. Inland Industries' property is east of the proposed relocated substation and directly across the street.

An analysis of the PEA reveals that Inland Industries Group will be substantially negatively impacted by the proposed relocation project. The proposed substation will be 30 feet high with additional structures as high as 75 feet. It will be located directly on the Chula Vista's Bayfront, adjacent to potential wetlands and will be a dominant visual structure in an area which currently has unobstructed views from Bay Boulevard across the bay to Coronado and the Pacific Ocean. There are other property owners directly adjacent and south of the proposed relocated substation who will also be substantially negatively impacted by the relocated substation. These properties, including the ones owned by Inland Industries, because of their location on Chula Vista's Bayfront are among those most likely and best suited for redevelopment. All the necessary infrastructure such as roads and sewer are already in place and the property is close to the Palomar trolley stop and public transportation.

2) **Impacts on Inland Industries' Property**

Based on our review of the PEA, Inland Industries has several concerns and questions regarding what appears to be a serious lack of evidence supporting the need for the proposed South Bay Substation Relocation Project including the need for converting the existing 138/69 kV substation to a 230/69 kV substation and other proposed upgrades. They have come to this view after examining SDG&E's proponent's Environmental Assessment (PEA) for the South Bay Substation Relocation Project and found that the premise that the substation needs to be relocated any time soon, if ever, is not supported by any hard facts. Inland Industries' consultant has also looked at the CAISO Management's memo to its board which was assumed to be the basis of the board's approval to allow recovery of costs of the South Bay Substation Relocation Project in transmission rates. The CAISO board's approval appears to have been made on a basis of evidence that is not very compelling based on either reliability need or cost effectiveness. Our questions at this point, however, focus on the proposed relocation project's impacts on the property owners directly adjacent to the proposed relocation site.

Our consultant has gone through and plotted the size and location not only of the proposed new substation itself, but the seven new steel power poles that will be directly west and within 350-400 feet of Inland Industries' property. These seven new power poles range from 160 feet high to 121 feet high to 85 feet high and are located in close proximity to each other. Not only will these new steel poles have a daunting visual impact on the bayfront, the proposed 10-foot wall around the substation will do little to screen the substation itself due to its height and profile. First and foremost, was any consideration given to an alternative low-profile substation and more detailed and effective ways of screening the substation itself? These alternatives are not outlined in the PEA nor are the direct visual impacts of the existing design on the property owners located so close to the new structures.

3) **Inconsistencies in the PEA**

One of the four objectives outlined in the PEA that articulates the project purpose and need is Objective No. 3 which is to "facilitate the City of Chula Vista's Bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E-City of Chula Vista MOU." In the Environmental Impact Assessment section (Chapter 4), the PEA notes that the City of Chula Vista's General Plan contained several policy elements, including land use, and scenic resources which are addressed in their General Plan. One of the objectives of the General Plan is to "require undergrounding of utilities on private property and develop a priority based

program of utility undergrounding along public right of ways." The Chula Vista's Bayfront Specific Plan and approved Local Coastal Program also has as an objective to plan and develop the bayfront to ensure provisions of important views to, from and within the project area. There is also a policy for preserving and establishing views from the freeway and major entry ways and roadways within the site perimeters. In this regard, Inland Industries has questions as to why the plan includes seven new large steel power poles in addition to a high profile substation west of Bay Boulevard which fronts a scenic, unobstructed view of the bayfront. Such a plan appears inconsistent with the objective and policies of Chula Vista's General Plan and Bayfront Specific Plan.

The proposed undergrounding of power poles and lines, based on the current design, does appear to be proposed for north of the proposed site, but not adjacent to the properties south and east, including Inland Industries' property, where the proposed seven new poles are shown to be above ground. These new power poles are directly in the sight line of any redevelopment project whose value would in large measure be derived from its views of the bay and ocean. When the proposed new steel power poles were plotted on a map, six of them are lined up in very close proximity and within several hundred feet of Inland Industries' property. Because Inland Industries was unaware of the December 15, 2010 public meeting, it did not have the opportunity at that time to question this aspect of the proposed design which is inconsistent with Project Objective No. 3 and would detract from, and certainly not facilitate the redevelopment of Inland Industries' property, as well as its neighbors to the south and west.

4) The SDG&E and Chula Vista MOU

Objective No. 3 also stresses furthering the goals of SDG&E-City of Chula Vista Memorandum of Understanding ("MOU"). The number of new large power poles being proposed appears inconsistent with the MOU. The MOU anticipates that the major visual impacts of the power poles on the bayfront will be eliminated by undergrounding. For example, in section 1.7, page 7 of the MOU it states

> "SDG&E will work with the City to minimize overhead structures once the location of the new switch yard is determined. SDG&E will include the removal of the other 138 kV circuit and Supporting Structures, including tower 188701, with its application for the relocation of the switch yard. This removal of said 138 kV supporting structures and tower 188701 will be done and paid for by SDG&E consistent with its rules and regulations."

This specific section of the MOU is not consistent with the proposed location of the new steel

poles and the proposed plan. In so far as we can tell, the proposed plan does not include the removal of tower 188701.

Several sections of the City of Chula Vista's MOU also discuss the undergrounding of the 230 kV lines (1.3 - 1.3.B) and also 138 kV line which were anticipated to occur in conjunction with SDG&E application with the CPUC for what appears to be this anticipated relocation of the substation (see sections 1.4A-D; section 1.5). Another of Inland Industries' concerns and questions is why a more detailed analysis in the PEA of Chula Vista MOU with SDG&E and what is actually being proposed to be built was not done. The seven new steel poles that are proposed and the failure of the PEA to show that the 138 kV Supporting Structures and tower 188701being under grounded do not appear consistent with the Chula Vista MOU whose goal was to underground transmission lines and power poles as part of "relocating of the switch yard."

5) Site Alternatives

While our analysis of the proposed PEA is preliminary at this point in time, the discussion of project alternatives and the impact analysis in section 5.2, and specifically those concerning System and Substation Site Alternatives would appear conclusory in nature without a detailed discussion of facts supporting the conclusions. By way of example, the discussions concerning the Tank Farm Site, existing South Bay Substation Site, Power Plant Site, and LNG site would suggest they are viable alternatives which meet objective 1, 2 and 4 and which would not as significantly impact Inland Industries's property or those of the other adjacent property owners. Specifically, with respect to the Tank Farm Site, the PEA states that SDG&E's ability to secure this site is unknown and the cost associated with purchasing it would greatly exceed that of the proposed project no-cost land exchange. No detail is given as to who owns the Tank Farm Site, why SDG&E may not be able to secure it and there is no cost analysis of relocating the substation from at or near its current site to this site. This analysis would appear to be necessary, especially when considering the alternatives of the Existing South Bay Substation Site and the Power Plant Site directly adjacent to it. Since it is the rate payers who are ultimately bearing the cost of relocating the substation from its current location, a comparison of costs to achieve objectives 1, 2 and 4 at the site alternatives compared with relocating it to the proposed new location would be important to know.

Analytically, the discussions of these site alternatives appear to conclude that "building the Bay Boulevard substation at this site[s] would not help facilitate the City of Chula Vista's Bayfront redevelopment goals nor further SDG&E-City of Chula Vista MOU." The PEA does not, however, explain why this would be the case and what the proposed redevelopment would be impacted if these sites were chosen. Our analysis of the PEA would certainly indicate that the

exact same statement can be made about the relocated site as not only is Inland Industries' property a valuable site for redevelopment, there are known visual and aesthetic impacts which would have a negative impact on the ability to redevelop the southern portion on the City of Chula Vista's Bayfront if the substation were relocated. It would seem that the PEA needs to be more specific and objective in citing the specific redevelopment goals or project which would be hindered or impacted at the alternative sites. For example, building the new substation on the Power Plant Site or closely adjacent to it, might be a better alternative when considering the anticipated clean-up and time table for uses of these sites due to potential contamination. It would appear that some of the alternative sites and the directly impacted land nearby might not be available for redevelopment for quite some time, if at all, and it would be helpful to know what redevelopment would actually be effected at or near these site alternatives.

Lastly, with respect to System and Substation Site Alternatives, there is a site not on the Chula Vista's Bayfront which is owned by San Diego Gas & Electric which Inland Industries believes is worthy of further discussion in the PEA. As previously indicated, Inland Industries does have some concerns and questions with respect to the actual need for a 230/69 kV substation based on applicable reliability criteria and acceptable mitigation standards as set by the National Electric Reliability Counsel ("NERC") and the Western Electrical Coordinating Counsel ("WECC") and the CIASO. While Inland Industries has not yet studied the needs justification for a 230/69 kV substation in depth, an analysis of whether the Toy Storage site, which is not on the bayfront, could accommodate a new 138 kV / 69 kV substation would be an important alternative to consider. Bayfront property with its associated biological resource and value as a public resource is at a premium as there is little, if any, property like it left in Southern California. If from a reliability need and cost justification a 230/69 kV substation is not required, the toy storage site should at least be examined to see whether it can accommodate a 138 kV / 69 kV substation due to the fact that it is not on the bayfront and is already owned by SDG&E.

6) Conclusion

Since our analysis of the PEA is still in its preliminary stages and because of the several questions Inland Industries has, possibly a meeting with you or a designated representative of the PUC and the designers of the proposed relocated site may be helpful in giving us a greater understanding of why the proposed design and site were selected and indeed whether Inland Industries' concerns could be addressed and mitigated. If you could help facilitate such a meeting and discussion, Inland Industries Group's comments on the PEA could be refined or modified following such a meeting.

In this respect, while I submitted to the DUDECK website a request that I be notified of any

notices relating to the proposed relocated substation, I have not yet received any such notices. It would be helpful also to know what the current time table is for the proposed environmental review as well as any related proceedings before the PUC regarding the proposed relocation of the substation.

Inland Industries Group desires to be a proactive and constructive participant in the project so that all concerned parties can maximize the goals and objectives of a reliable transmission and distribution system which also furthers the goal of City of Chula Vista's redevelopment of its very valuable property on bayfront property.

Sincerely,

John S. Moot
of
SCHWARTZ SEMERDJIAN BALLARD & CAULEY LLP

JSM/jlh

SCHWARTZ SEMERDJIAN
BALLARD & CAULEY LLP
Attorneys at Law

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June 28, 2011

VIA EMAIL AND U.S. MAIL

Jenson Uchida, CPUC Project Manager
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

RE: San Diego Gas & Electric South Bay Substation Relocation Project
Application A-10-06-007

Dear Mr. Uchida:

Thank you for setting up the conference call regarding the San Diego Gas & Electric South Bay Substation Relocation Project ("The Project"). The conference call was very helpful in assisting Inland Industries' understanding of the PUC proceedings as it relates both to the environmental assessment of The Project and SDG&E's Application for Permit to Construct.

It was Inland Industries' intention that the May 24, 2011 letter to you be considered and incorporated into the PUC's environmental assessment of The Project. Inland Industries does believe that this Relocation Project will have significant negative impact which should be addressed and mitigated. Specifically, the Proponents Environmental Assessment ("PEA") indicates that SDG&E intends to construct seven new tall steel power poles which in conjunction with the power poles which SDG&E indicates will remain in place, along with the associated transmission lines, will have a significant negative impact on the views of the public traveling on Highway Interstate 5, Bay Boulevard and the property owners and tenants adjacent to The Project with an average daily count of 160,000 vehicles traveling on Highway 5, the view impacts are indeed significant.

I am including with this letter two of the documents discussed in the conference call which show where these new power poles will be located and the existing power poles which will remain in place along with the above-ground transmission lines. Document No. 1 shows the approximate location of the new power poles and how they will be in close proximity both to each other as well as the existing power poles. Together they will create an obstruction and visual blight which currently does not exist. The second document enclosed shows these power poles in conjunction with the proposed profile of the substation. This second document takes Figure 3-10 of the PEA and adds to it the new and existing power poles creating a more accurate and visual representation

of the significant negative impact to the public traveling on Bay Boulevard and the adjacent property owners. In its environment assessment, the PUC should study and address this significant impact. The visual simulations offered in the PEA, Figures 4.1-3, do not fully represent and simulate the nature and expense of the visual impact. Mitigating options such as undergrounding the power poles and transmission lines which is clearly shown to occur north of The Project should be incorporated in this area as well.

The PEA purports to justify the purpose and need for The Project as necessary "to facilitate the City of Chula Vista's Bayfront redevelopment goals by relocating the Substation and furthering the goals of the SDG&E-City of Chula Vista MOU." The PUC's environmental analysis should address whether the Proponent's assessment justifying the purpose and need for relocation is factually supportive and indeed consistent with furthering the "goals of the Chula Vista MOU." As pointed out in my May 24, 2011 letter, the MOU clearly states that Tower 188701 is to be undergrounded while the PEA shows that it remains in existence. The Chula Vista MOU also clearly contemplates the undergrounding of the power poles and transmission lines as its major goal, whereas the PEA not only proposes to leave in place many of these power poles but to add seven new ones. Inland Industries believes that the City of Chula Vista should be specifically contacted and asked to submit comments as to whether they believe the Proponent's Environmental Assessment with respect to the new power poles and remaining power poles in the vicinity of the relocated substation is in fact "consistent" with the City's understanding of the goals of the MOU.

The PUC's environmental assessment should also contain a more rigorous analysis of a no project alternative or project alternatives which do not involve relocating the substation on the bayfront. The environmental impact and cost of relocating the South Bay substation should be compared to the alternative of performing any needed upgrades at the existing South Bay substation location. Almost by definition, upgrades performed at the existing substation location should have considerably less adverse impact on the environment than relocating the substation to an entirely new location. In addition, the Commission should consider which upgrades are actually needed considering applicable reliability criteria. If only the needed upgrades are done – as compared to the "nice to have but not needed" upgrades – the Commission should assess whether other alternatives become viable and whether these other alternatives would have less adverse environmental impacts and lower costs than the South Bay Substation Relocation Project. To assist the Commission in this determination, Inland Industries retained engineers who have prepared the analysis which is included as Document No. 4.

The Proponent's Environmental Assessment proceeds on the assumption that a 230/69 kV substation is necessary and is the only project alternative studied. As pointed out in Inland Industries' May 24, 2011 letter, and the attached Document No. 4, the evidence supporting the

reliability need for such a 230/69 kV substation is not compelling. If from a reliability need perspective, a 230/69 kV substation is not necessary, the alternative of upgrading the substation at its existing site or relocating a 138/69 kV substation to the Toy Storage site should be addressed as the preferred site. The Toy Storage site is not on the Bayfront and, therefore, not adjacent to sensitive wetlands, birds and potentially endangered species. The substation at the Toy Storage site creates no visual obstruction of the bay.

Lastly, the PUC's environmental assessment should also take in consideration the specific development goals or projects which the Proponent's Environmental Assessment states creates the need to relocate the substation to the proposed site. Included with this letter is Document No. 3, a portion of the current Chula Vista Bayfront Master Plan which depicts the proposed development on and adjacent to the current power plant and substation as well as to the relocated site. Seventy-seven of the acres designated for open space or ecological buffer and the rest designated for an industrial park use or an RV park. Should the substation location remain in its current location it would be adjacent to an industrial park or RV park. It is hard to see how the relocation of The Project can be justified based on the purpose and need to "facilitate the City of Chula Vista's Bayfront redevelopment goals" when it would simply be moved to and adjacent to a different industrial park, also on the City of Chula Vista's Bayfront. As indicated in the May 24, 2011 letter, Inland Industries believes its property can be redeveloped to a higher and better use than its current use and the infrastructure is already in place to do so.

Inland Industries appreciates the CPUC's consideration of the enclosed material as well as this letter and its May 24th letter it has submitted in developing its environment assessment of the proposed South Bay Substation Relocation Project.

Very truly yours,

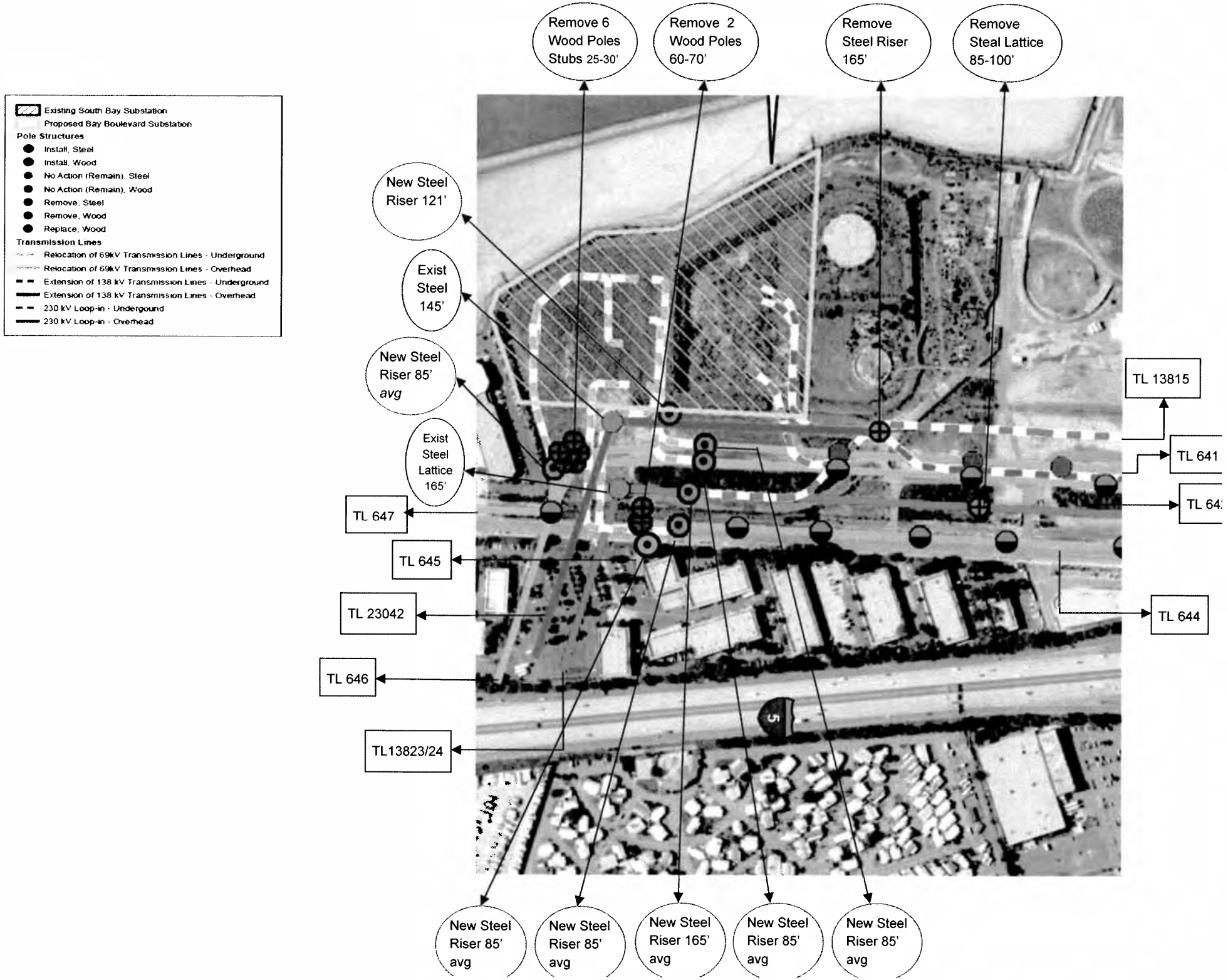
John S. Moot
of
SCHWARTZ SEMERDJIAN BALLARD & CAULEY LLP

JSM/dka

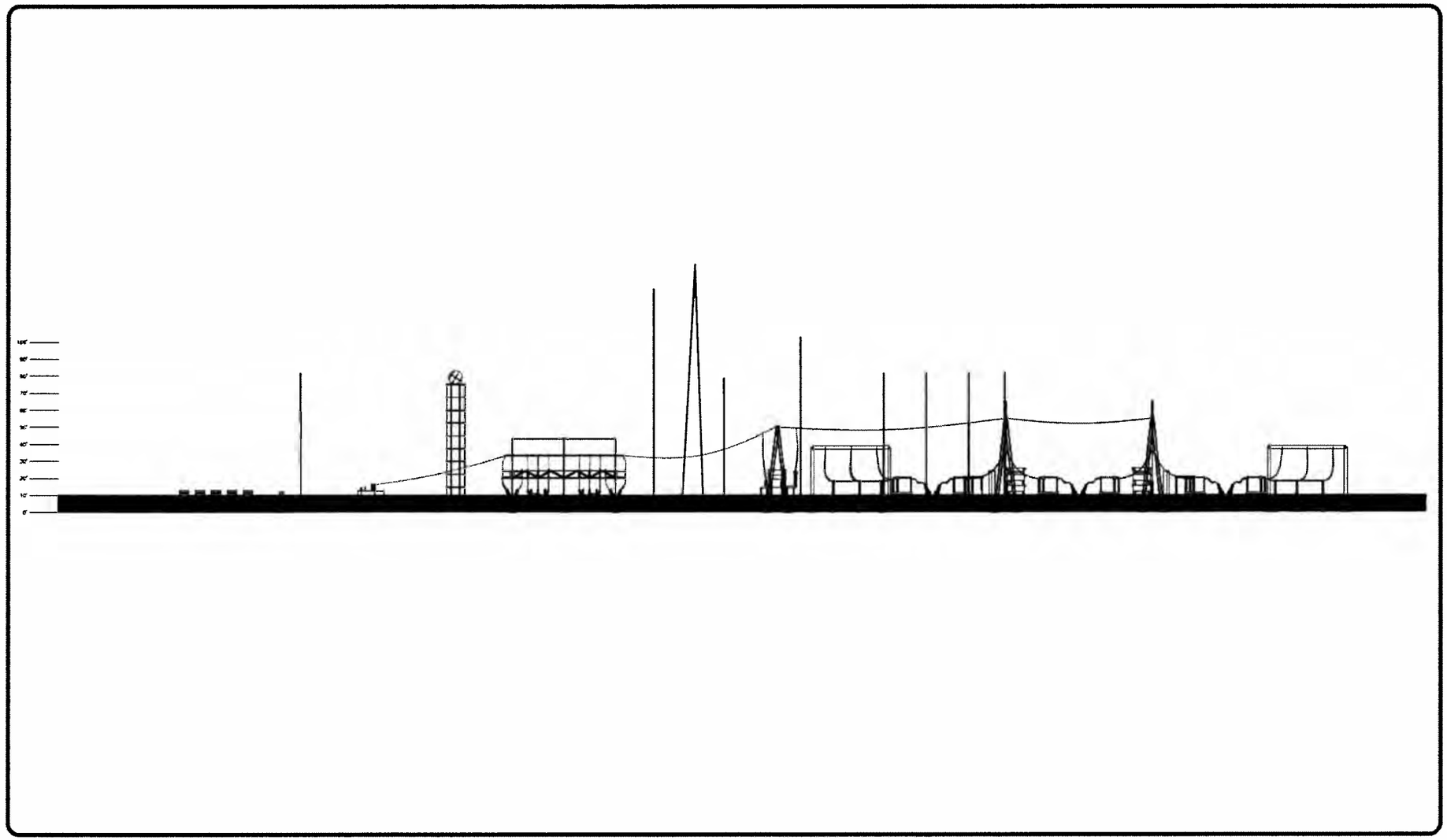
Encls.

cc: Nicholas Sher
David Hochart

DOCUMENT NO. 1


Existing South Bay Substation
Proposed Bay Boulevard Substation
Pole Structures
Install, Steel
Install, Wood
No Action (Remain), Steel
No Action (Remain), Wood
Remove, Steel
Remove, Wood
Replace, Wood
Transmission Lines
Relocation of 69kV Transmission Lines - Underground
Relocation of 69kV Transmission Lines - Overhead
Extension of 138 kV Transmission Lines - Underground
Extension of 138 kV Transmission Lines - Overhead
230 kV Loop-in - Undergound
230 kV Loop-in - Overhead
Remove 6 Wood Poles Stubs 25-30'
Remove 2 Wood Poles 60-70'
Remove Steel Riser 165'
Remove Steal Lattice 85-100'
New Steel Riser 121'
Exist Steel 145'
New Steel Riser 85' avg
Exist Steel Lattice 165'
TL 647
TL 645
TL 23042
TL 646
TL13823/24
TL 13815
TL 641
TL 644
New Steel Riser 85' avg
New Steel Riser 85' avg
New Steel Riser 165' avg
New Steel Riser 85' avg
New Steel Riser 85' avg

DOCUMENT NO. 2



SDGE

Figure 3-10: Bay Boulevard Substation Ultimate Profile View

DOCUMENT NO. 3

1.5.3.1 Phase I Projects

All of the Otay District components are proposed in Phase III. No construction in this district is proposed in Phase I.

1.5.3.2 Phase II Projects

All of the Otay District components are proposed in Phase III. No construction in this district is proposed in Phase II.

1.5.3.3 Phase III Projects

All Phase II Otay District components in the previous Draft EIR have been moved to Phase III. The project proposes a recreational vehicle park with approximately 236 RV parking spaces and ancillary facilities. Industrial Business Park uses are proposed on the northernmost and southernmost Parcels O-1 and O-4 in the Otay District, previously proposed for residential and Energy Utility Zone uses in the previous Draft EIR. No new power plant, Energy Utility Zone, or residential uses are proposed in the Otay District.

As with the Sweetwater and Harbor Districts, the Otay District would also include new parkland use. Specifically, a new passive South Park, composed of approximately 24 acres is proposed, as well as 27 acres of other open space areas on the eastern edge of the district. Like the Sweetwater District, the Otay District would have a buffer that would include a 170-foot-wide to 200-foot-wide No Use Zone that could be used for habitat mitigation opportunities. Finally, development in the Otay District would involve improvements to the existing concrete-lined drainage channel at Telegraph Creek within the Proposed Project limits to accommodate projected storm flows.

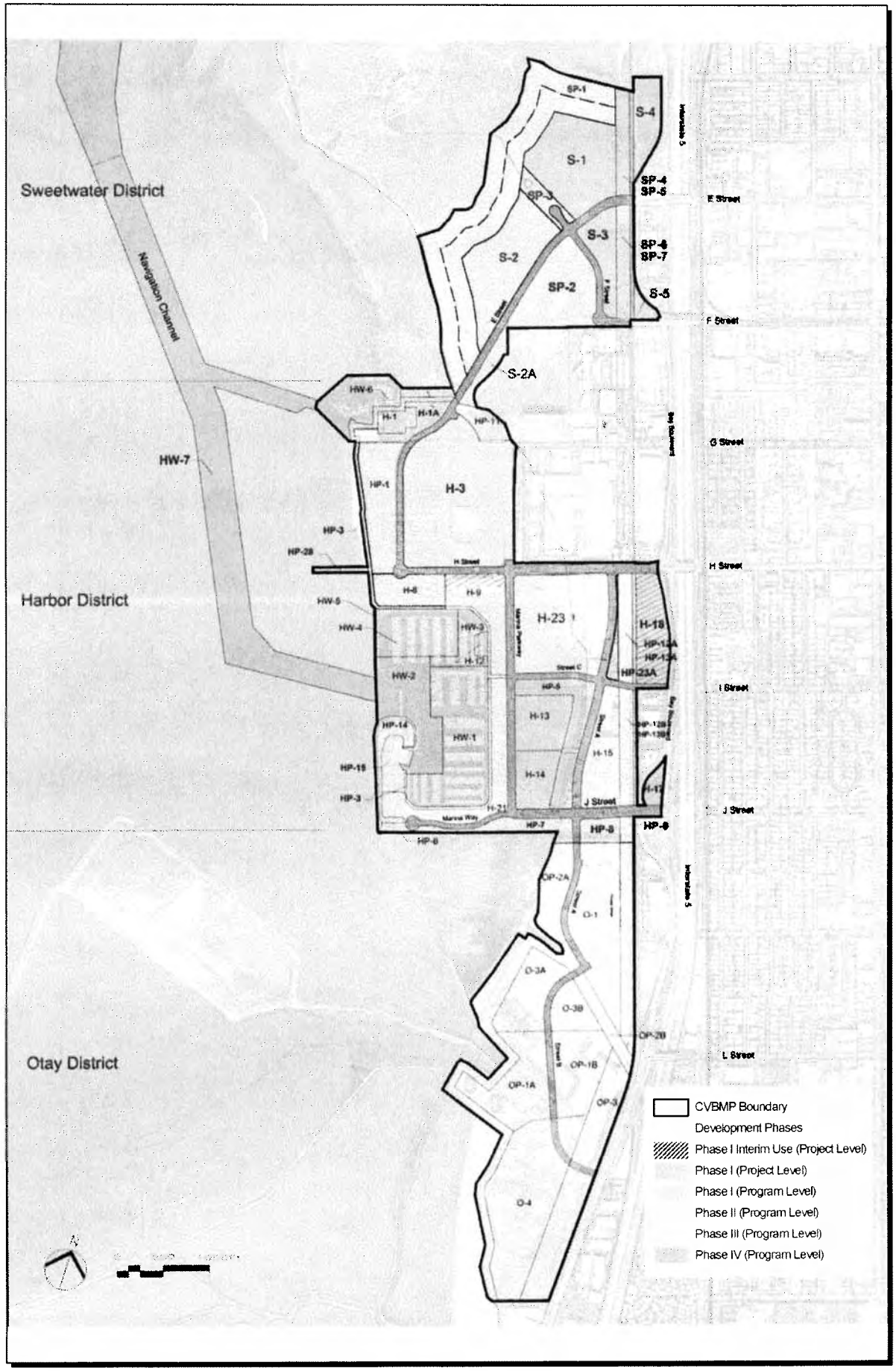
Table 1-8 summarizes the proposed development for the Otay District in Phase III.

TABLE 1-8
Proposed Phase III Development for the Otay District

Parcel Number	Proposed Use	Proposed Development
OP-1A, OP-1B, OP-3	South Park/Open Space	51 acres
OP-2A, OP-2B	Ecological Buffer/Telegraph Creek Channel	27 acres
O-1	Industrial Business Park Use	18 acres
O-3A, O-3B	RV Park	175–236 RV spaces, 1–2 stories, 15–35 feet high
O-4	Industrial Business Park Use	28 acres

1.5.3.4 Phase IV Projects

All of the Otay District components are proposed in Phase III. No construction in this district is proposed in Phase IV.



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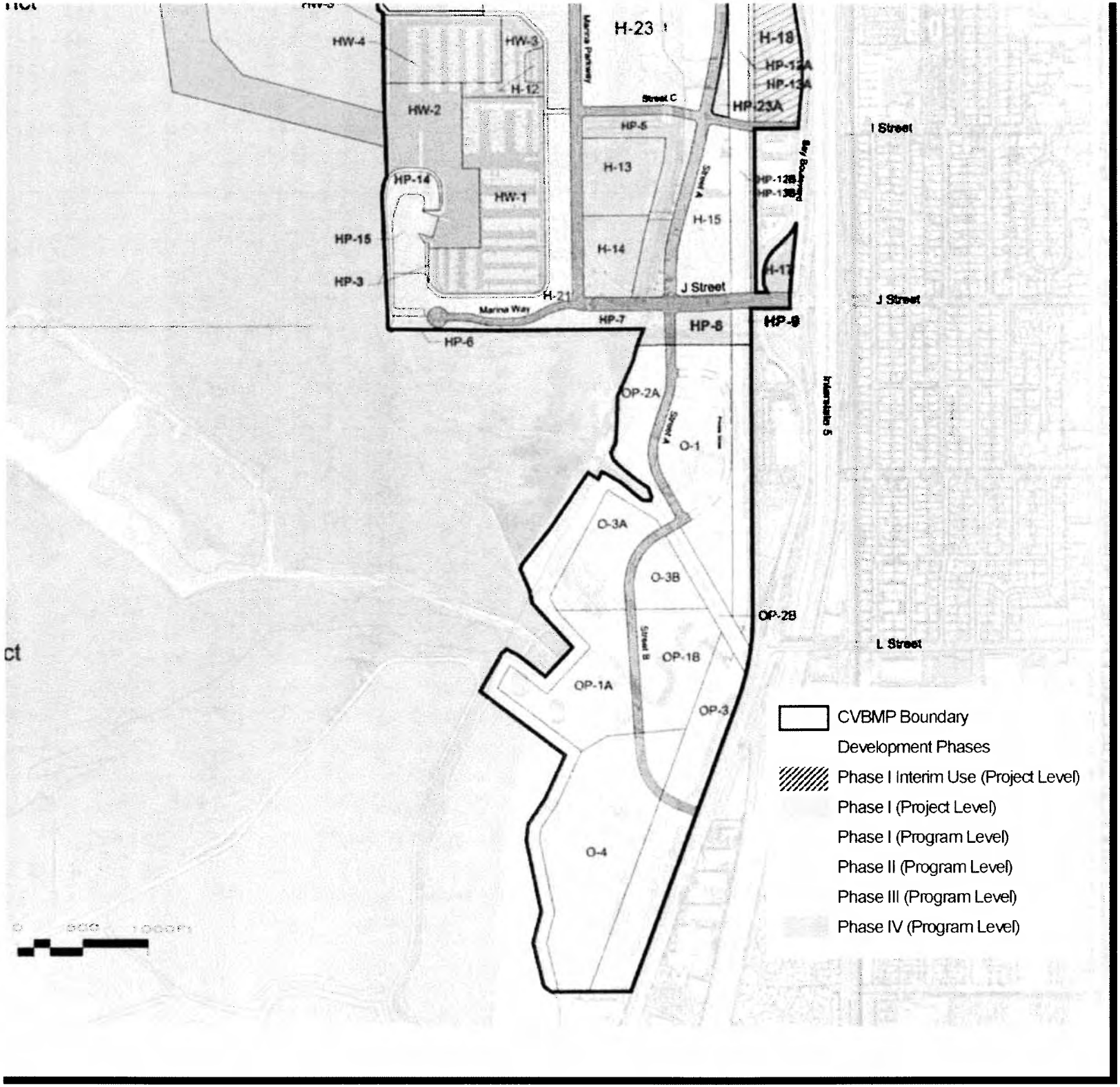
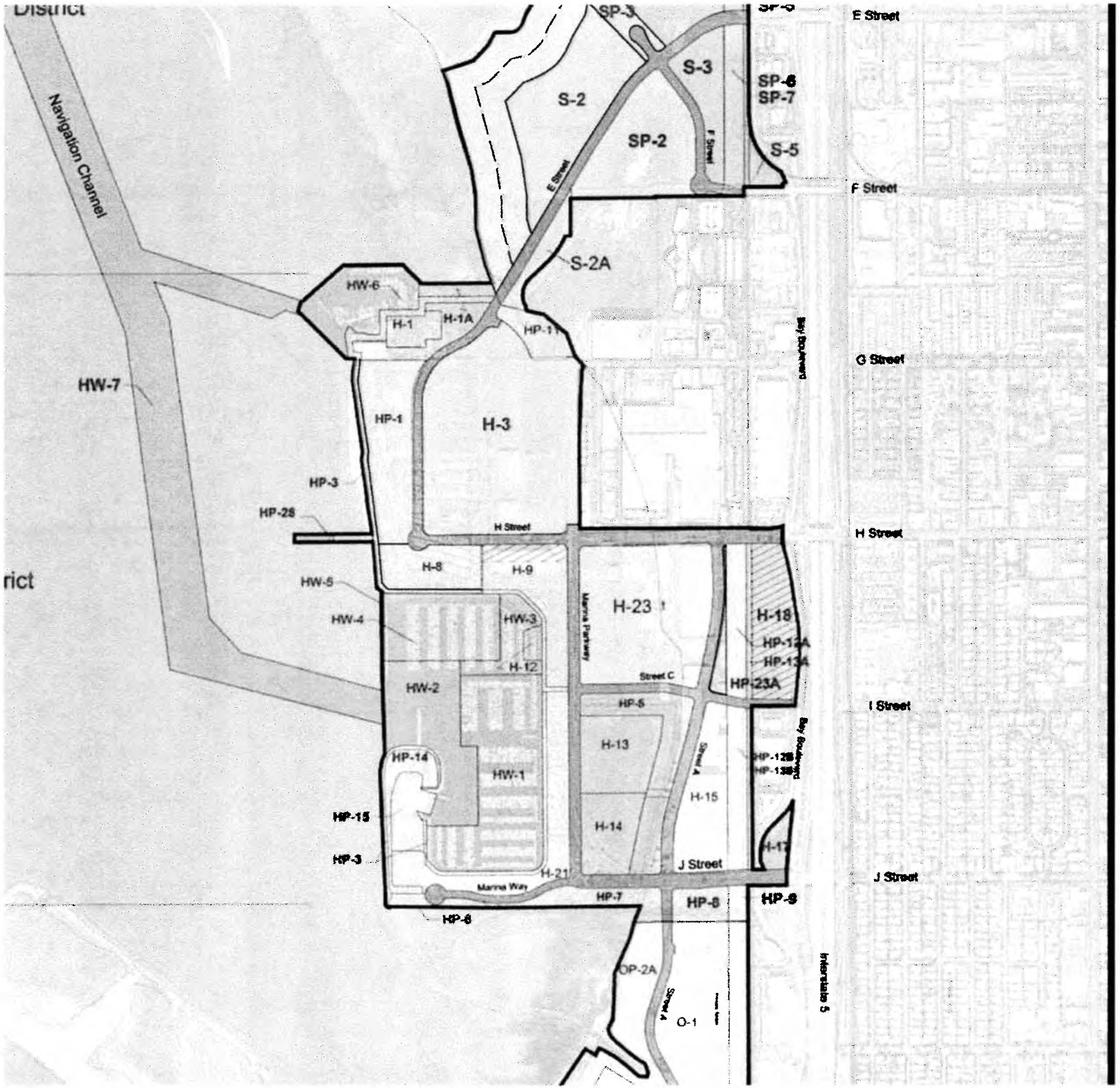
SOURCE: Port of San Diego

Final Environmental Impact Report (EIR) for the Chula Vista Bayfront Master Plan

Proposed Project Parcel Plan & Development Phases

FIGURE 1-1


HW-4
HW-3
H-12
HW-2
HW-1
HP-14
HP-15
HP-3
H-23
H-18
HP-12A
HP-13A
HP-23A
HP-5
H-13
H-14
H-15
H-17
H-21
HP-7
HP-8
HP-9
HP-6
J Street
I Street
L Street
OP-2A
O-1
O-3A
O-3B
OP-2B
OP-1B
OP-1A
OP-3
O-4
CVBMP Boundary
Development Phases
Phase I Interim Use (Project Level)
Phase I (Project Level)
Phase I (Program Level)
Phase II (Program Level)
Phase III (Program Level)
Phase IV (Program Level)


District
Navigation Channel
SP-3
S-3
SP-6
SP-7
S-2
SP-2
S-5
E Street
F Street
S-2A
HW-6
H-1
H-1A
HP-11
HW-7
HP-1
H-3
HP-3
HP-2B
H Street
H-8
H-9
HW-5
HW-4
HW-3
H-23
H-18
HP-12A
HP-12A
HP-23A
H-12
HW-2
Street C
HP-5
H-13
HP-14
HW-1
H-15
HP-15
H-14
HP-3
H-21
J Street
Marina Way
HP-7
HP-8
HP-9
HP-6
OP-2A
O-1
Street A
Marina Parkway
Bay Boulevard
Interstate 5
G Street
I Street
J Street

DOCUMENT NO. 4

Engineers retained by Inland Industries reviewed the Proponents Environmental Assessment (PEA) for the South Bay Substation Relocation Project. The review focuses mainly on the PEA's "Chapter 2 – Project Purpose and Need," but it also considers the February 3, 2010 CAISO Board memo "Decision on the Bayfront Substation Transmission Project." Based on the information provided by SDG&E in the PEA regarding the "need" to relocate the existing South Bay Substation, and the data in the February 3, 2010 CAISO Board memo regarding the reliability "need" to relocate the substation, it is our opinion that -- considering other alternatives (including the alternative of not relocating the existing South Bay Substation)-- SDG&E and the CAISO have failed to demonstrate (i) that the project is needed, and (ii) that incurring costs for this project are in consumers' best interests.

Examples of deficiencies in the memo from CAISO management to the CAISO Board:

1. The CAISO Board approved this project on the basis of a "reliability need." However, the memo points out that the earliest identified reliability criteria violation does not occur until 2019.

2. The CAISO management memo to the CAISO Board claims the project is "cost-effective." It appears this claim is based on a comparison of the cost of the proposed project to the cost of an alternative that relocates the project to another site. There is no comparison of the cost of the proposed project against the cost of performing necessary mitigation assuming the substation remains at its current location.

   As discussed in item 3 below, a comparison of the cost of the proposed project ($129.2 million) against the cost of performing the necessary mitigation assuming the substation remains at its current location ($27.7 million) would clearly indicate that the proposed substation relocation project is not "cost-effective."

3. The mitigation for the identified N-1 reliability criteria violations totals $27.7 million; all of the mitigation is outside of the substation. The bulk of the costs are for the actual substation relocation ($112.9 million) but there is no indication that the relocation of the substation itself mitigates any reliability criteria violations.

Examples of the deficiencies in the PEA regarding the need justification:

The PEA lists four objectives that, according the SDG&E, are "critical to planning the future southern SDG&E transmission system."

Objective 1 is to "replace aging and obsolete substation equipment." The justification for this replacement involves

(i) The consequences of a 138 kV bus outage at the existing substation.

With respect to the 138 kV bus outage, applicable reliability criteria permit the use of controlled load drop to mitigate any adverse consequences. A bus outage is considered a very low probability event and, accordingly, controlled load drop is considered acceptable mitigation by the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC) and the CAISO. There is no need to build a bigger bus at a different location, or even to reconfigure the existing bus.

(ii) The fact that equipment at the existing South Bay substation was not built to modern seismic standards.

Based on the information provided in the PEA, there is no indication that SDG&E is required to upgrade existing equipment that is not built to modern seismic standards. Of course, it is understandable that SDG&E would want to upgrade equipment to modern seismic standards; but that decision should not be made without consideration of the costs of doing so. There is a tradeoff between the risk of earthquake damage and the cost of minimizing that risk. The PEA provides no evidence that such a tradeoff was ever considered.

(iii) The desire to replace existing circuit breakers and associated relay equipment with entirely new equipment.

With respect to the asserted need to replace the circuit breakers and associated relay equipment, no analysis is presented in the PEA to support this need or that provides the timing of this need. Normally, circuit breakers closest to generation sources are subject to the highest stress and are therefore the most likely to need replacement. However, the South Bay power plant is being dismantled. It would be helpful to know how this effects the planned replacement of the circuit breakers. Finally, there is no indication of the cost difference between replacing the circuit breakers within the existing substation and adding new circuit breakers at the proposed relocation site.

Objective 2 is to "design a flexible transmission system that would accommodate regional energy needs subsequent to the retirement of the South Bay Power Plant." Based on the discussion in the PEA, it appears these "regional energy needs" require that the electric system be capable of withstanding:

(i) The outage of the 138/69 kV transformer at the existing substation, and

(ii) an outage of the 69 kV bus at the existing substation.

According to the PEA "regional energy needs" also mean that in the absence of the South Bay power plant, South Bay area loads be served "in an efficient" manner.

With respect to the **outage of the 138/69 kV transformer**, the PEA states that this failure would "further stress a soon to be inadequate system." There is no explanation of what the existing "stress" is although the PEA does suggest the outage of the 138/69 kV transformer would "further burden" existing 69 kV lines between Silvergate substation the South Bay area. What constitutes a "burden" is not described. Applicable reliability criteria do not use the terms "stress" or "burden." Applicable reliability criteria are defined in terms of maximum acceptable power flows and minimum acceptable voltages under specific contingency conditions. If the outage of the 138/69 kV transformer (an N-1 contingency) does not result in power flows or voltages that are outside of acceptable levels, applicable reliability criteria imposes no obligation to take any particular action. There is no indication in the PEA that the N-1 outage of the 138/69 kV transformer results in unacceptable system performance.

The PEA indicates that if the 138 kV source is lost – because of an outage of the 138/69 kV transformer – the source of power for South Bay area loads "would be limited to flow of 69 kV power from the Silvergate 230/69 kV Substation to the north,[1] and/or operation of more expensive peaker generation that is interconnected to the Border and Otay substations." There is nothing in the PEA that suggests that either of these power "sources" presents a reliability issue. Further, it is unclear why peaker generation at the Border and Otay substations would have to be operated since the SDG&E transmission system is interconnected with the entire WECC grid and therefore power can, and does, flow into the San Diego area from the several thousand interconnected generators throughout the WECC, and many of these generators are more efficient (have lower variable operating costs) than the referenced peakers.

Assuming that there is a technical reason why the Border and Otay peakers would have to be operated, the PEA provides no indication of the system conditions under which such operation would be required, how often such operation would be required, and the net increase in costs from such operation as compared to using other, more efficient, generators.

[1] The PEA trys to denigrate the reliance on 69 kV power from the Silvergate 230/69 kV substation by characterizing this flow as a "less reliable sources of power from remote substations." However, the PEA never makes the case that this flow is somehow "less reliable." And it can't, because applicable reliability criteria does not allow varying levels of reliability: The system either satisfies all applicable reliability criteria or it doesn't. If it doesn't, mitigation is required. There is no in-between reliability status.

The PEA states that the full output of these peakers "can be compromised by a special protection system that limits output from the Border substation...as a result of an outage of the 69 kV line from the Miguel to Border TL6910." An overlapping outage of the138/69 transformer at the existing South Bay substation and TL6910 is an N-1-1 outage under applicable reliability criteria. N-1-1 outages are considered low probability events from a planning perspective and permitted mitigation for any unacceptable system performance includes controlled load drop. There is no requirement to build any new facilities to mitigate any unacceptable system performance were such unacceptable system performance to exist, which the PEA stops short of indicating.

Further, the PEA never indicates what facilities comprise the "soon to be inadequate system," never specifies what is meant by "inadequate," and never provides any timetable as to when the system becomes "inadequate." This is not a basis upon which the costly relocation of an existing substation can be justified.

With respect to the **69 kV bus outage**, applicable reliability criteria permits the use of controlled load drop to mitigate any overloads that could result. There is no requirement to build a bigger bus at a different location or even to reconfigure the existing bus.

The PEA states that the relocated substation "must also add to local transmission flexibility." Apparently, "local transmission flexibility" means that the relocated substation will facilitate "additional 69 kV transmission line connections, which may be needed in the future to serve existing or new distribution substations" and "accommodate three additional 230 kV transmission line connections." Utterly lacking in the PEA is any indication of why the relocated substation "must" provide these additional transmission connections. This vacancy is particularly notable because the only indication of future needs is reference to a negligible "nine megawatts" of load growth in the South Bay region by year 2016, and "ultimate load growth of 80 MW beyond 2016" if the hoped-for redevelopment actually occurs. If it were actually the case that the existing 69 kV system is inadequate to accommodate this load growth – and the PEA never asserts that this is the case – a single 69 kV line can accommodate 80 MW.

Finally, and perhaps most importantly, the PEA makes the claim that the proposed project **would serve the South Bay area load** in the absence of the South Bay power plant "in an efficient" manner. This statement is wholly unsupported because nowhere in the purpose and need discussion is there any comparison of (a) the costs of the relocated substation, to (b) the costs of maintaining the substation at its existing location (and potentially upgrading some circuit breakers and associated relay equipment, should those upgrades actually prove necessary). Based on the information in the PEA, the obvious conclusion is that retaining the existing substation would be a far more cost-effective solution; i.e., a far more "efficient" way of serving the South Bay area load.

Objective 3 is to "facilitate the City of Chula Vista's bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E-City of Chula Vista MOU." This is addressed separately in the accompanying letter from Inland Industries.

Objective 4 is to "provide for future transmission and distribution load growth for the South Bay region." As stated above, it is hard to see how 9 MW of load growth by year 2016, or an "ultimate" 80 MW of redevelopment load beyond year 2016, can justify the substation relocation. For this objective to translate into a need to relocate the substation, a minimum requirement would be evidence that the existing substation location is incapable of meeting this increased need. There is absolutely no evidence provided in the PEA that this is the case.

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WRITER'S EMAIL:
RMADAFFER@SANLAWYERS.COM

August 15, 2011

Via Electronic & U.S. Mail

Mr. Jensen Uchida
California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, CA 92024
southbaysub@dudek.com

Re: SDG&E South Bay Substation Relocation Project – Comments to Notice of Preparation/Notice of Public Scoping Meeting

Dear Mr. Uchida:

We represent Latitude 42, Inc., which owns property located at 1120-28 Bay Boulevard in Chula Vista, California, immediately adjacent to the proposed SDG&E South Bay Substation Relocation Project. We have reviewed the Notice of Preparation (NOP) and have identified several deficiencies in the proposed scope of the DEIR, specifically with respect to Aesthetics, Biological Resources, and Land Use and Planning. Additionally, we are providing comments regarding proposed alternatives identified in the NOP.

1. Aesthetics

The NOP generally identifies potential aesthetic impacts and states that the project "could degrade views for motorists on Bay Boulevard." In its Proponent's Environmental Assessment (PEA), SDG&E identified seven new power poles and lines ranging in height from 85 feet to 165 feet which are to be installed on Bay Boulevard. The PEA also shows above-ground power lines and poles on the project site. A visual simulation of what the actual power poles on Bay Boulevard and the power poles and substation on the project site will look like for motorists, those using the bike path, and pedestrians, as well as from various points surrounding the project site should be included in the DEIR so as to accurately represent the project's aesthetic impacts. Specifically, we request that the DEIR contemplate a visual simulation of the project, including proposed above-ground power poles and the substation itself, from adjacent properties including the Latitude 42, Inc. property located at 1120-28 Bay Boulevard.

We also suggest that the DEIR include an alternative which contemplates putting all new power poles and lines on Bay Boulevard as well as those poles and lines proposed on the project site underground so as not to substantially degrade the existing visual character and quality of the site and its surroundings.

An additional alternative overlooked in the PEA is the option of eliminating the power poles entirely, both on Bay Boulevard and on the project site and instead, installing the wires underground. It is unclear why the PEA does not consider this viable alternative. We suggest that the DEIR include this alternative to alleviate the substantial degradation of the visual character of the Chula Vista Bayfront.

2. Biological Resources

We are concerned that the initial study of the biological resources which may be impacted by the proposed project was not comprehensive enough as to identify all potential issues or impacts. For example, at the Pubic Scoping Meeting on August 1, 2011, a representative from the Audubon Society identified two additional endangered species, the light-footed clapper rail and the western snowy plover, that nest in the project area. The Audubon Society expressed concern that the proposed power poles and lines would serve as perches for raptors and other predators of these high-risk species. In addition to the biological resources identified in the NOP, the DEIR should also identify the potential impact of the project on the light-footed clapper and the western snowy plover.

We also suggest that the DEIR include an alternative which contemplates putting all new power poles and lines on Bay Boulevard as well as those poles and lines proposed on the project site underground so as to avoid a substantial adverse effect, either directly or through habitat modifications, on these endangered species.

3. Land Use and Planning

The Project's consistency with underlying environmental documents must be carefully analyzed in the DEIR. As proposed, the project is not consistent with SDG&E and the City of Chula Vista's Memorandum of Understanding (MOU), the City of Chula Vista General Plan, the Chula Vista Bay Front Master Plan, the certified Local Coastal Program, or the Port Master Plan. The MOU was executed in 2004 between the City of Chula Vista and SDG&E to address several energy issues including the relocation of the South Bay Substation. The MOU indicates that lattice tower 188701 was to be removed along with the 138kV support structures at SDG&E's expense. However, the Project does not show the removal of this lattice structure and 138 kV supporting structure.

Further, the Project is inconsistent with the land use and scenic resources elements of the Chula Vista General Plan. Specifically, one objective of the land use and transportation element is to "require undergrounding of utilities on private property and develop a priority based program of utility undergrounding along pubic rights of ways." As proposed, SDG&E's project includes seven above ground utility poles which clearly conflicts with this stated objective.

The Project's consistency with the Chula Vista Bayfront Local Coastal Program Amendment and Bayfront Specific Plan also needs to be carefully analyzed in the DEIR. The Specific Plan and LCP include an objective to plan and develop the Chula Vista Bayfront to

ensure protection of important views around the project area as well as an objective to preserve and establish views from the freeway and major entry ways and roadways within the site perimeters. Again, SDG&E's proposed above-ground utility poles on Bay Boulevard and the project site seem to conflict with these policies and should be carefully considered in the DEIR.

4. Alternatives

When an agency uses the scoping process to narrow the range of potential alternatives to be analyzed in detail in an EIR, the EIR should ultimately describe the facts and rationale by which rejected alternatives were deemed infeasible. CEQA Guidelines, § 15126.6; *Citizens of Goleta Valley v. Board of Supervisors* (1990) 52 Cal. 3d 553, 569.

a. Substation Site Alternatives

In its PEA, SDG&E identified several substation site alternatives including the Tank Farm Site Alternative, Existing South Bay Substation Site Alternative, Power Plant Site Alternative, South Bay Boulevard Site Alternative, Toy Storage Site Alternative, Cima NV Site Alternative, and Broadway and Palomar Site Alternative. However, it does not adequately explain why it rejected certain alternatives and, where it did provide a rationale, the analysis was flawed.

SDG&E's site analysis in the PEA is deficient because it wrongfully rejects site alternatives, citing cost considerations to distinguish the proposed site from alternative sites. But the PEA fails to cite to a cost analysis or to take into consideration several important cost factors. For example, the PEA states that the costs to secure the Toy Storage Site are "unknown" and that the costs to purchase the Broadway/Palomar site greatly exceed the no cost alternative. This analysis, however, fails to consider that the 230/169 kV upgrade may not be necessary, which would reduce the costs by over $57 million. Further, the analysis ignores the fact that SDG&E owns both the Toy Storage site and Broadway/Palomar site so the costs associated with acquiring these sites must result in a savings. This fact coupled with the savings from the 138/69 kV alternative which incorporates Transmission System Load Management and Energy Conservation Alternatives must be properly analyzed in the DEIR.

Additionally, the Tank Farm site, the Existing Substation site and the Power Plant site alternatives were wrongfully eliminated based on a flawed cost analysis. For example, the PEA notes that the Tank Farm site meets all four of its identified objectives but that its ability to secure the site is unknown and the costs would exceed the no cost alternative. Not only does the PEA fail to identify the costs associated with purchasing the property, it does not factor in the savings of building the substation adjacent to its current location or at its current location. To properly analyze the alternative sites, including the Tank Farm site, the Existing Substation site and the Power Plant site—all of which are adjacent to the existing transmission line—the cost factors in moving and rebuilding the substation should be analyzed in the DEIR.

b. System Alternatives

The Project assumes the need for a 230/69 kV substation instead of the existing 138/69 kV substation without analyzing or explaining the justification for the larger configuration. The 138/69 kV configuration should be addressed in the EIR because such a smaller configuration could be located on two of the smaller identified alternative sites, the Toy Storage Site and the Broadway and Palomar Site. Further, the Transmission System Load Management Alternative and Energy Conservation Alternative are identified at a 138/69 kV configuration. These alternatives should be studied in combination so as to accommodate a 138/69 kV arrangement on an alternative site with less significant environmental impacts.

We appreciate the opportunity to provide these comments on the scope of the DEIR for the SDG&E South Bay Substation Relocation Project and look forward to reviewing and commenting on the DEIR.

Very truly yours

Robin M. Madaffer

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