Chapter 1
Introduction to the Recirculated Portions of the Draft Environmental Impact Report

The California Public Utilities Commission (CPUC) is recirculating portions of the Draft Environmental Impact Report (DEIR) prepared for the Estrella Substation and Paso Robles Area Reinforcement Project (Proposed Project) proposed by Pacific Gas & Electric Company (PG&E) and Horizon West Transmission (HWT) (formerly known as NextEra Energy Transmission West, LLC) (collectively referred to as the "Applicants"). The DEIR was originally circulated for public review on December 8, 2020 and the public review and comment period lasted until February 22, 2021. CPUC received a large number of public comments on the DEIR, including a comment letter from HWT (one of the Applicants) identifying substantive changes to the Proposed Project. CPUC also received comments from Adams Broadwell Joseph & Cardozo (Adams Broadwell), on behalf of California Unions for Reliable Energy (CURE), raising concerns regarding the DEIR's air quality analysis, as well as comments from PG&E. These comments are described in detail in Section 1.1.

In accordance with Section 15088.5 of the California Environmental Quality Act (CEQA) Guidelines, CPUC has determined that the new information brought to light by HWT, Adams Broadwell, and PG&E merits recirculation of portions of the DEIR. Specifically, the following portions of the DEIR are being recirculated:

- Chapter 2, Project Description
- Section 4.2, "Agricultural Resources"
- Section 4.3, "Air Quality"

The recirculated portions of the DEIR are presented in underline/strikeout (to indicate additions and deletions) so that readers can see what is being changed from the original DEIR. This Introduction chapter provides background on the comments received and the reasons for the recirculation; as well as public review of the recirculated DEIR and the CEQA process going forward. The recirculated portions of the DEIR then follow.

The recirculated portions of the DEIR will be circulated for 55 days until January 12, 2022. The CPUC requests that reviewers limit their comments to the revised portions of the DEIR. After reviewing these comments, the CPUC will prepare a final environmental impact report (FEIR). The FEIR will respond to (i) comments received during the initial circulation period that relate to portions of the DEIR that were not recirculated, and (ii) comments received during the recirculation period that relate to portions of the DEIR that were revised and recirculated. The FEIR will not include responses to comments received during the initial comment circulation period that relate to those portions of the DEIR that are being recirculated now.

1.1 Comments Received on the Draft Environmental Impact Report

CPUC received a total of 129 letters during the public review period for the DEIR. Letters were submitted by state elected representatives and local agencies; additional stakeholders, such as the Proposed Project Applicants, homeowners associations, law firms representing a union labor group and a local business, and environmental organizations; and individual members of the public. No federal agencies submitted comments on the DEIR. As noted above, two comment letters, in particular, raised new information that CPUC determined warranted recirculation of portions of the DEIR. These comments, as they relate to the recirculation[1], are discussed further below.

1.1.1 Horizon West Transmission, LLC

Original Comment Letter

In its original comments on the DEIR, HWT identified a number of changes to the Proposed Project, which affected resources evaluated in the DEIR. Specifically, HWT indicated that the proposed Estrella Substation site was increasing in size from 15 acres (as reported in the DEIR) to 20 acres (HWT 2021a). HWT included a revised Project Description incorporating this change along with a revised substation layout figure (moving facilities closer to Union Road, among other changes). In its original comments, HWT stated that "Horizon West will acquire an additional five acres as part of the Estrella Substation Site…Adding five acres necessitated a design change to the Estrella Substation to reorient it to allow access to the five-acre addition" (HWT 2021a: page 3). Attachment 1 to the letter, which was a memorandum discussing what HWT referred to as the Minor Project Refinement, stated that the additional five-acre area would be used for "industrial activities", resulting in a permanent impact to this additional area, which is classified as Unique Farmland (HWT 2021a: Attachment 1, page 2).

The original HWT comment letter, specifically the revised Project Description (included as Attachment 2 to the letter) ("tracked changes" versions of the revisions were provided in Attachment 3, Detailed Comment Table), identified a number of other changes to the Proposed Project. These included, but were not limited to:

- Increasing the length of the paved access road at the substation up to the second entrance to the 70 kilovolt (kV) substation from 15 feet to 700 feet;
- Changing the height of the substation's chain-link fence from "approximately 7-foot-tall" to "a minimum of 7 feet tall";

[1] Only the portions of the comment letters relating to the new information that is resulting in recirculation are summarized and discussed in this section. The letters in their entirety are provided on the Project website and will be bracketed and responded to as part of the FEIR for the Proposed Project.

- Increasing the estimate for the amount of cut and fill required for substation construction from 50,000 cubic yards to 68,000 cubic yards, not including an additional 16,500 cubic yards of topsoil that would be stripped and stockpiled (with 4,000 cubic yards of this amount to be reused during restoration activities);

- Changing the estimated temporary disturbance area during construction of the Estrella Substation from 6.20 acres to 0.09 acres; and

- Increasing the length of the main substation access road from 1,100 feet long to 1,700 feet long.

Additionally, although not indicated in the revised Project Description, HWT indicated in its Minor Project Refinement Memorandum (Attachment 1) that the Proposed Project changes would extend construction activities at the substation by one week (HWT 2021a: Attachment 1, page 1).

Revised Comment Letter and Response to Data Request No. 6

Based on coordination with CPUC regarding the identified changes to the Proposed Project and in response to CPUC's Data Request No. 6 (CPUC 2021) (which requested clarification on a number of the changes), HWT subsequently revised its original comments on the DEIR. Both HWT's original comment letter (HWT 2021a) and its revised letter, included in its response to Data Request #6 (see Attachment D, Errata to the Cover Letter to HWT's DEIR Comments) (HWT 2021b), are included in Appendix A to this recirculated DEIR. HWT's redline revisions to its original comment letter clarified that the additional five acres being acquired by HWT would not be part of the Estrella Substation "site," but merely the substation "parcel" (HWT 2021b: Attachment D, page 1 and 3).

HWT clarified in its revised comments that the design change to the substation was unrelated to the addition of the five acres to the parcel and was instead necessitated by information identified through the engineering process and discussions with the landowner, which required slight adjustments to the substation parcel boundary (HWT 2021b: Attachment D, page 4). Specifically, the revised comment letter stated that: "the parcel boundary was adjusted to avoid encroachment on the adjacent vineyard access road (to allow continued access to that road by the landowner) and to avoid encroachment on the 230 kV transmission line right-of-way" (HWT 2021b: Attachment D, page 4). Therefore, HWT explained, a design change to the substation was required to reorient it to align with the adjusted parcel boundary.

Regarding the use of the additional 5-acre portion of the substation parcel, in its response to Data Request No. 6, HWT stated (HWT 2021b: page A-1):

> "The additional 5 acres were acquired as part of property owner negotiations. These 5 acres will not be used during or following construction for any project activities, and HWT is not asking for any CPUC approval or authorization to utilize these 5 acres for any new or different use.
>
> The additional 5 acres will be separated from the substation site by a steep, approximately 17-foot elevation change, and HWT does not intend to use these 5 acres as part of the project or for any other utility use services. These additional 5 acres will

remain available for continued agricultural use. HWT has initiated conversations with the current landowner for continued farming of these additional 5 acres."

HWT confirmed and/or clarified the changes to the Project Description identified in HWT's original comment letter on the DEIR in response to CPUC's questions and data request; refer to the response to Data Request No. 6 (HWT 2021b; included in Appendix A to this recirculated DEIR) for detailed information. Notably, HWT confirmed that the revisions to the Proposed Project would extend rough grading of the substation by 1 week, but would not extend the total 230 kV substation construction schedule of 7 months (HWT 2021b: page A-2). Additionally, HWT confirmed that the cut and fill estimate for the proposed substation would increase from 50,000 cubic yards to 68,000 cubic yards (balanced on the site to the extent feasible), which would not include an additional 16,500 cubic yards of topsoil that would be stripped and stockpiled (HWT 2021b: page B-1). HWT also clarified that the substation access road would not be increasing from 15 feet to 700 feet, but rather would be decreasing from 715 feet to 700 feet (the confusion on this point appears to have been the result of a typo in HWT's original DEIR comment letter, Attachment 3).

Follow-up with California Public Utilities Commission Subsequent to the Response to Data Request No. 6

After HWT submitted its response to Data Request No. 6, CPUC coordinated a conference call with HWT and PG&E to clarify some additional points. Specifically, with respect to the substation fence height, HWT and PG&E clarified that 12 feet (comprised of a 10-foot-tall fence plus 1.5 feet of barbed wire plus a buffer amount of 0.5 feet) would be a reasonable maximum (i.e., worst-case scenario) height. The Applicants stated that the change to a "minimum of 7 feet tall" was due to differences between HWT's and PG&E's standards regarding fence height and uncertainty as to whether the fence height at the 230 kV substation (to be operated by HWT) would match PG&E's standards. Nevertheless, both applicants agreed that a reasonable maximum fence height could be established and included in the Project Description. Additionally, the Applicants confirmed that the additional 5 acres would no longer qualify as Williamson Act land (Mora, pers. comm. 2021).

1.1.2 Adams Broadwell Joseph & Cardozo

In its comments on the DEIR, Adams Broadwell raised a number of alleged issues with the DEIR's analysis, including that the DEIR failed to properly analyze potential impacts to human health from the Proposed Project's construction air pollutant emissions and from Valley Fever (Coccidioidomycosis). Specifically, Adams Broadwell argued that the DEIR is deficient because it does not include a Health Risk Assessment (HRA) (Adams Broadwell 2021: page 49). The DEIR's determination that "Project construction-related diesel particulate matter and other [toxic air contaminant] TAC emissions would not be of a magnitude and duration great enough to result in significant air toxic risks to exposed sensitive receptors," Adams Broadwell argued, is not supported by substantial evidence because no quantitative HRA was conducted. In its comments, Adams Broadwell pointed to the Office of Environmental Health Hazard Assessment's (OEHHA) guidance manual for conducting HRAs, stating that the OEHHA guidance recommends a formal HRA for construction exposures lasting longer than 2 months (Adams Broadwell 2021: page 48).

As part of its comment letter, Adams Broadwell summarized and cited a commentary by Dr. Phyllis Fox (Exhibit A). Dr. Fox's document summarizes the results of a HRA for the construction impacts from the Proposed Project prepared by Ray Kapahi at Environmental Permitting Specialists (see the document, included in Appendix A). This HRA stated "that cancer and acute health impacts from diesel [sic] [diesel particulate matter] DPM would be significant for on-site construction workers and nearby residents and other sensitive receptors" (Adams Broadwell 2021: page 49). Specifically, the HRA discussed two scenarios (one in which Tier 4 Final engines are used [Scenario #1], and one in which Tier 2 engines are used [Scenario #2]) (Environmental Permitting Specialists 2021). Under Scenario #1, the HRA stated that cancer risks exceeded the threshold used for the analysis (10 cancers per million) in the area of Estrella Substation (see Figure 4-1 in Environmental Permitting Specialists 2021). Under Scenario #2, the HRA stated that cancer risks exceeded the threshold in proximity to Estrella Substation and along the new 70 kV power line route and reconductoring segment (see Figure 4-2 in Environmental Permitting Specialists 2021).

Information provided by Adams Broadwell and their consultants was not adequate to conduct a thorough review to determine if this model accurately represents the Proposed Project. Specifically, the information did not include key details regarding the specific sources spatial representation and actual emissions assigned to specific sources. Such information would be necessary for the HRA to be reproducible in accordance with OEHHA guidance on HRAs.

Adams Broadwell also summarized comments and recommendations from Dr. Fox regarding the risk to human health from Valley Fever. Dr. Fox argued that the DEIR did not adequately analyze and mitigate the risk from Valley Fever, as the Valley Fever spores could be transported in fugitive dust generated by Proposed Project construction over long distances, thereby exposing sensitive receptors potentially hundreds of miles away. To mitigate the risk from Valley Fever, Dr. Fox recommended including various additional fugitive dust mitigation measures from the South Coast Air Quality Management District (Adams Broadwell 2021: page 60-61). Dr. Fox also recommended including numerous additional measures to limit the exposure of construction workers to Valley Fever spores during the Proposed Project construction activities (Adams Broadwell 2021: page 61). Adams Broadwell and Dr. Fox alleged that the measures included in the DEIR to minimize fugitive dust (Applicant Proposed Measure [APM] AIR-3) are not enforceable and would not be effective in reducing fugitive dust such as to reduce the risk from Valley Fever.

1.1.3 Pacific Gas & Electric Company

In its comments on the DEIR, PG&E identified a number of revisions to language in the Project Description. Additionally, PG&E noted that the San Luis Obispo County Geographic Information System (GIS) viewer shows the Bonel Ranch Substation Site (Alternative SS-1) to be under a Williamson Act contract (whereas the DEIR indicated it was not under contract). Thus, PG&E recommended that the impact conclusion under Impact AG-2 for Alternative SS-1 be changed to significant and unavoidable.

1.2 Reasoning for Recirculating Portions of the Draft Environmental Impact Report

1.2.1 Relevant CEQA Guidelines Sections

Under Section 15088.5 of the CEQA Guidelines, "A lead agency is required to recirculate an environmental impact report (EIR) when significant new information is added to the EIR after public notice is given of the availability of the draft EIR for public review under Section 15087 but before certification" (Section 15088.5[a]). Section 15088.5(a) of the CEQA Guidelines provides the following examples of "significant new information" requiring recirculation:

1) A new significant environmental impact would result from the project or from a new mitigation measure proposed to be implemented.

2) A substantial increase in the severity of an environmental impact would result unless mitigation measures are adopted that reduce the impact to a level of insignificance.

3) A feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the environmental impacts of the project, but the project's proponents decline to adopt it.

4) The draft EIR was so fundamentally flawed and basically inadequate and conclusory in nature that meaningful public review and comment were precluded (*Mountain Lion Coalition v. Fish and Game Com.* (1989) 214 Cal.App. 3d 1043).

Section 15088.5(b) clarifies that "Recirculation is not required where the new information added to the EIR merely clarifies or amplifies or makes insignificant modifications in an adequate EIR." Finally, Section 15088.5(c) states that "If the revision is limited to a few chapters or portions of the EIR, the lead agency need only recirculate the chapters or portions that have been modified."

1.2.2 New Information Provided by Horizon West Transmission, LLC

In reviewing the Proposed Project changes identified by HWT (see summary in Section 1.1.1), CPUC determined that one of these changes could substantially increase the severity of a significant impact identified in the DEIR. Specifically, the addition of the 5-acre area as part of the Estrella Substation parcel could substantially increase the severity of the Proposed Project's effects on agricultural resources. Figure 1-1 shows a comparison of the Estrella Substation parcel boundary, as described in the DEIR, to the new substation parcel boundary identified in HWT's comments on the DEIR.

As background, the DEIR found that the Proposed Project would significantly impact agricultural resources due to the permanent conversion of 11.76 acres of Unique Farmland and 2.66 acres of Farmland of Statewide Importance (almost all of which would be converted due to the substation construction) (DEIR: page 4.2-12). Although the DEIR would require implementation of Mitigation Measure AG-1: "Provide Compensation for Loss of Agricultural Land", which would require contribution of funds to support conservation of agricultural land in San Luis Obispo County, the DEIR found that this mitigation measure would not fully offset the significant impact

because it would not create any new Important Farmland (DEIR: page 4.2-13). As a result, the DEIR found the Proposed Project's impacts under Impact AG-1 (Conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance to nonagricultural use) to be significant and unavoidable.

Further, the DEIR found that two of the Power Line Route (PLR) alternatives (Alternative PLR-1A: Estrella Route to Estrella Substation and Alternative PLR-1C: Estrella Route to Bonel Ranch, Option 1) would have significant and unavoidable impacts on Important Farmland even though these alternatives would each convert less than 5 total acres of Important Farmland (DEIR: page 4.2-18 and 4.2-19). In other words, the DEIR applied a standard that any amount of permanent conversion of Important Farmland as a result of project or alternative components would constitute a significant impact. Additionally, as noted above, the DEIR concluded that contribution of funds to support conservation of agricultural land (per Mitigation Measure AG-1) would not reduce the significance of the impacts to less than significant.

As such, assuming that the additional 5-acre area acquired by HWT could be impacted (as stated in HWT's original comment letter), this would constitute a substantial increase in the severity of the significant and unavoidable impact to agricultural resources identified in the DEIR. Although HWT revised its comments to state that the additional 5 acres "will not be used during or following construction for any project activities" (HWT 2021b), it did not provide substantial evidence to ensure the agricultural resource will remain used for agricultural purposes. Given that the land would be owned by HWT, even if the land would not be used for utility purposes (at this time), it may be allowed to go fallow and/or may be managed in accordance with HWT's vegetation management guidelines. The continuance of farming on the parcel would be at the discretion of the former landowner (or possibly another entity) and incumbent on HWT to continue the farming agreement. Although HWT reports that an agreement has been reached with the landowner to continue farming this area, this agreement could be terminated or not renewed in the future.

If the additional 5 acres of Unique Farmland were allowed to go fallow or were otherwise no longer actively farmed, or potentially developed at some point in the future for industrial/utility uses, this would constitute a conversion of this land to non-agricultural uses, which would be a significant impact under CEQA. In particular, based on the standard applied in the DEIR with respect to agricultural resources, this would constitute a substantial worsening of the significant impact identified for Important Farmland. As a result, CPUC determined that it was necessary to recirculate the agricultural resources section of the DEIR.

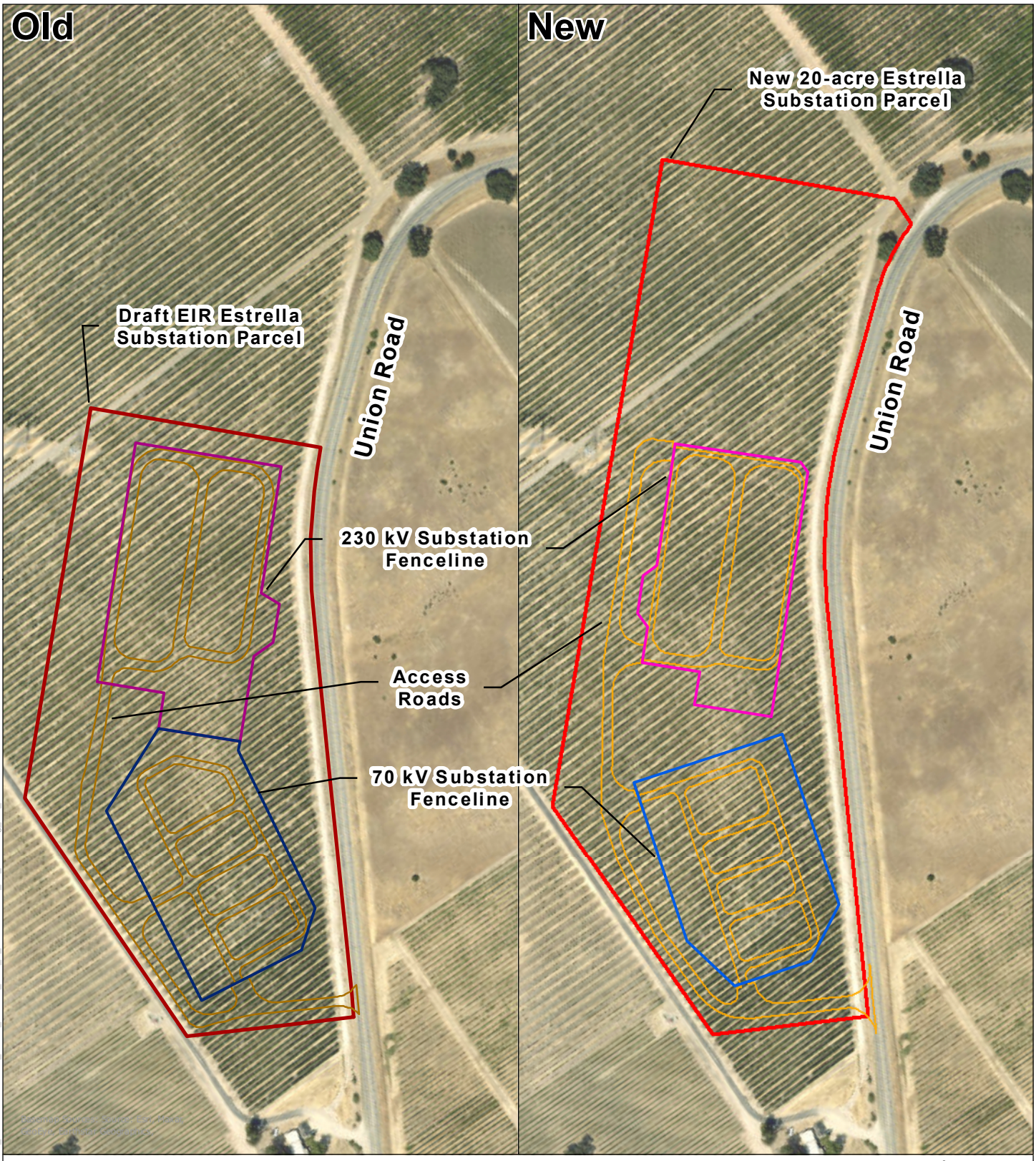

Figure 1-1. Comparison of Estrella Substation Fencelines, Access Roads, and Parcel Boundaries

Horizon WATER and ENVIRONMENT

Estrella Substation and Paso Robles Area Reinforcement Project

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With respect to the other changes identified by HWT (see Section 1.1.1), CPUC reviewed this information and determined that the changes would not substantially worsen any of the significant impacts identified in the DEIR or create any new significant impacts. The positioning of the substation facilities slightly closer to Union Road (see Figure 2 in HWT's original comment letter [HWT 2021a: Attachment 1] and Figure 1-1) would slightly increase the prominence of the facilities to motorists driving along the road, but this change would be incremental and would not substantially change the aesthetics analysis included in the DEIR.

Changing the fence height from "approximately 7-foot-tall" to a "minimum of 7-feet-tall" (as originally indicated by the Applicants) would have the potential to substantially worsen the aesthetics impacts identified for the substation in the DEIR, as this revised language would leave open the possibility of a fence of unlimited height. However, as described in Section 1.1.1, CPUC confirmed with the Applicants that 12-feet-tall (including barbed wire) is a reasonable worst-case scenario for the fence height at the substation. A 7 to 12-foot-tall, as shown in the revised Project Description included in this recirculated DEIR, will result in impacts to aesthetics that are not substantially worsened compared to what was disclosed in the DEIR.

The increased estimates for cut and fill volume associated with substation grading and construction (and associated increase in the schedule for grading activities by one week) would increase air quality and greenhouse gas (GHG) emissions due to the increased operation of equipment for earthmoving activities. However, the increase in emissions would be incremental and would not substantially change the analysis presented in the DEIR. Finally, the changes identified by HWT related to the temporary disturbance area from substation construction (reducing the acreage of temporary impacts from 6.20 acres to 0.09 acres [subsequently revised to 0.2 acres]) and the substation access road length (increased by 600 feet) would not result in or constitute new or substantially worsened impacts for any resource topics compared to what was disclosed in the DEIR.

Overall, based on the information submitted by HWT, CPUC has decided to recirculate the agriculture and forestry resources section (Section 4.2) of the DEIR. As described further in Section 1.3, this section has been revised to reflect the new information. None of the other changes to the Proposed Project identified by HWT warranted recirculation of any of the resource sections of the DEIR (Section 4.3 is being recirculated due to the information provided by Adams Broadwell, as described below). Chapter 2, *Project Description* is being recirculated, however, to show all of the Proposed Project changes in context.

1.2.3 New Information Provided by Adams Broadwell Joseph & Cardozo

The original DEIR air quality section determined that Impact AQ-3 (Potential to expose sensitive receptors to substantial pollutant concentrations) would be less than significant based on qualitative assessments due to the short construction time frame and primarily linear nature of the Proposed Project, such that no individual receptor would be exposed to more than a few days of construction, except for the substation construction. A detailed HRA was deemed unnecessary for inclusion in the DEIR. Given the quantitative HRA that was prepared and submitted by Adams Broadwell, suggesting that health impacts may be above the thresholds for the San Luis Obispo County Air Pollution Control District (SLOCAPCD), CPUC decided to recirculate Section 4.3, "Air Quality," of the DEIR out of an abundance of caution. The CPUC's qualitative analysis, as documented in the DEIR, supports a finding that human health impacts

from construction-related DPM and other TAC emissions would be relatively limited due to the short construction duration and the sparsely populated area surrounding the project site. Information provided by the commenters and their consultants was not adequate to conduct a thorough review to determine if their model accurately represents the Proposed Project, as it did not include key details required to make their study reproducible regarding the specific sources spatial representation and actual emissions assigned to specific sources were not provided. Despite, the lack of detailed information provided, the analysis in this recirculated DEIR now conservatively concludes that a few receptors located close to the project construction areas, in particular the Estrella Substation area, may experience increased TACs, which may lead to adverse health impacts. Thus, the significance determination for Impact AQ-3 has been changed to significant and unavoidable. This constitutes significant new information, in that a new significant environmental impact would result from the project compared to what was disclosed in the DEIR.

Similarly, the new information provided by Adams Broadwell regarding the potential health impacts from Valley Fever, which could be caused or exacerbated by the Proposed Project's construction, caused CPUC to reevaluate its significance conclusion with respect to Valley Fever. CPUC recognizes that there is potential even after implementation of dust mitigation measures (e.g., APM AIR-3, Mitigation Measure AQ-1) for Valley Fever spores to reach nearby sensitive receptors. Thus, the EIR now considers the impact from Valley Fever under Impact AQ-3 significant and additional mitigation is proposed to reduce potential for impacts. Although the decision to recirculate the air quality section, and specifically the Impact AQ-3 discussion, had already been made based on the HRA findings described above, this change in the significance conclusion for Valley Fever would constitute significant new information under Section 15088.5(a) of the CEQA Guidelines.

1.2.4 New Information Provided by Pacific Gas & Electric Company

The revisions to the Project Description identified by PG&E were reviewed and determined not to be substantive (i.e., would not result in new significant impacts not already disclosed in the DEIR). Although not a factor in the decision to recirculate portions of the DEIR, these revisions are nonetheless shown in the revised and recirculated DEIR Chapter 2, Project Description, as described further in Section 1.3. CPUC confirmed that the San Luis Obispo County GIS viewer does show the Bonel Ranch Substation Site as being under a Williamson Act contract. The viewer also showed several other discrepancies in the Williamson Act status of parcels in the Proposed Project and alternatives vicinity, compared to what was shown in Figure 4.2-2 of the DEIR. While the original DEIR relied on Williamson Act data from the California Department of Conservation (CDOC), the CDOC has since stopped preparing Williamson Act maps and data, instead directing persons to contact the relevant city or county.

Given that the Bonel Ranch Substation Site is under a Williamson Act contract, and the DEIR's conclusion that construction of a substation on lands under Williamson Act contract would conflict with that contract, including its underlying intent, which is to preserve agricultural land in agricultural use, this would result in a new significant impact for Alternative SS-1 compared to what was disclosed in the DEIR. As described in Section 1.2.2, the decision to recirculate the Agriculture and Forestry Resources section of the DEIR was already made based on the new information submitted by HWT. Thus, Section 4.2, "Agriculture and Forestry Resources," was

further revised to update the Williamson Act contract information and the discussion of Impact AG-2 for Alternative SS-1.

1.3 Overview of the Changes Included in the Recirculated Portions of the Draft Environmental Impact Report

The following portions of the DEIR are being recirculated: Chapter 2, *Project Description;* Section 4.2, "Agriculture and Forestry Resources," and Section 4.3, "Air Quality". The specific changes included within the recirculated DEIR chapters/sections are discussed further below.

1.3.1 Chapter 2, Project Description

The changes to Chapter 2, *Project Description* are based on the revisions to the Proposed Project submitted by HWT in its comments on the DEIR. Changes submitted by PG&E in its comments on the DEIR (PG&E 2021) are also shown in the revised Chapter 2. As described in Section 1.1.1, the revisions by HWT primarily relate to the substation parcel size, substation layout and orientation, substation fence height, and substation construction (e.g., grading). Several other relatively minor changes were identified by HWT and PG&E. All of the changes are shown in underline/strikeout in the revised Chapter 2, *Project Description* included in this recirculated DEIR and are summarized here.

- **Estrella Substation Parcel Size.** The size of the Estrella Substation parcel is revised from 15 acres to 20 acres in several places in the text (Sections 2.2.1, 2.4). Figure 2-7 is also revised to show the larger substation parcel size.

- **Estrella Substation Layout and Orientation.** The Estrella Substation layout and orientation are revised to move the substation facilities slightly closer to Union Road. Other minor changes to equipment layout within the substation are reflected in updated figures. Changes to the substation layout and orientation are reflected in the revised Figures 2-11, 2-12, 2-13, 2-15, and 2-18.

- **Estrella Substation Fence Height.** The height of the fence enclosing the 230 kV substation is revised from approximately 7-foot-tall with an additional 1 foot of barbed wire to a maximum of 12-feet-tall (including 1.5 foot of barbed wire) (Section 2.3.1).

- **Estrella Substation Access Road Dimensions and Construction.** The dimensions of the access road to and within the Estrella Substation is revised. In Section 2.3.1, the length of the access road that is paved to the second entrance to the 70 kV substation is changed from 715 feet to 700 feet. In Section 2.5.2, the total length of the new main substation access road off of Union Road is revised from 1,100 feet to 1,700 feet. Additionally, the text describing the excavation depth required for the access road construction is revised (Section 2.5.1). The excavation would now extend from approximately 2 feet deep at the intersection with Union Road, increasing to 17 feet deep for the remainder of the road (previously, it had been 7 feet deep at the intersection with Union Road, tapering off to 2 feet deep for the remainder of the road).

- **Estrella Substation Grading Volume.** The volume of cut and fill material resulting from substation construction is revised from 50,000 cubic yards to 68,000 cubic yards (Section

2.5.1). It is also clarified that the cut and fill estimate does not include approximately 16,500 cubic yards of topsoil which would be stripped and stockpiled during construction (4,000 cubic yards of which would be used on-site, with the remainder removed from the site).

- **Estrella Substation and Power Line Construction Schedule/Duration.** In Table 2-10, subsection table headings are revised to indicate that several activities (i.e., access roads, site work area preparation mobilization, and fence and gate installation) would apply to the entire 15-acre substation site, instead of solely the 230 kV substation. Additionally, the estimated work dates in Table 2-10 are revised to change the phasing of the Proposed Project construction activities and generally reflect that work on the 230 kV transmission interconnection would be initiated prior to other work activities on the substation. The overall duration of Proposed Project construction is revised from 18 months to 21 months.

- **Estrella Substation Temporary Disturbance Area.** In Table 2-9, the total approximate area of disturbance from the substation work and staging areas is revised from 6 acres to 0.2 acres.

- **Use of Water Trucks during Proposed Project Construction.** It is clarified that although construction would typically occur 6 days per week (Monday through Saturday) throughout the duration of construction, water trucks may be operated on Sundays for fugitive dust control in compliance with the Construction Activity Management Plan (CAMP) (Section 2.5.3).

- **Miscellaneous Corrections and Changes.** Several corrections and changes are made, as follows:

  - In several places of the text in Chapter 2, the name of the existing transmission line adjacent to the Estrella Substation site is revised to reflect its new name: PG&E Morro Bay-California Flats 230 kV transmission line.

  - In Section 2.4, it is clarified that HWT would sell the land and/or grant easements to PG&E (rather than merely sell the land) necessary for construction of the 70 kV substation and 230 kV interconnection.

  - In Section 2.4, it is clarified that Tubular Steel Poles (TSPs) could be used (in addition to or in lieu of the Lattice Steel Towers [LSTs] reported in the original DEIR) to complete the 230 kV interconnection on the substation parcel.

  - In Section 2.5.1, in the discussion of the substation grading and site preparation, the depth of digging for installation of the fence footings is revised from 4 feet to 5 feet.

  - In addition, the text in the discussion of above-ground construction of the Estrella Substation (Section 2.5.1) is revised to indicate that the control house will be delivered and installed on a concrete slab (not on concrete piers).

  - The text describing the process for construction of the 230 kV interconnection is also revised.

1.3.2 Section 4.2, Agriculture and Forestry Resources

This section of the DEIR was revised to disclose the potential additional conversion of agricultural land (Unique Farmland) that could result due to HWT's acquisition of an additional 5 acres of land adjacent to the Estrella Substation site, as well as update information and discussion related to lands under Williamson Act contract. In various places throughout the Section 4.2 text (e.g., Environmental Setting, Impacts Analysis), the reported size of the Estrella Substation parcel is revised to 20 acres from 15 acres. It is also clarified that the Estrella Substation would be constructed on an approximately 15-acre site within a 20-acre parcel. In Table 4.2-1, specific acreages of Important Farmland categories within the substation site are revised to reflect the slightly re-oriented substation layout. Additionally, acreages of Important Farmland categories are added to Table 4.2-1 for the larger 20-acre substation parcel.

Similarly, the acreage calculations in Table 4.2-2 for known impacts to agricultural lands from the Proposed Project are revised to reflect the revised substation layout and positioning. Slight changes to impact acreage calculations for the 70 kV power line were made based on updated data provided by the Applicants in the response to Data Request No. 6. In the discussion under Impact AG-1 (Conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance to nonagricultural uses), the potential impacts to agricultural lands associated with HWT's purchase of the larger 20-acre site are discussed and disclosed. As described in Section 1.2.2, although HWT has stated in its response to Data Request No. 6 that the additional 5 acres "will not be used during or following construction for any project activities" (HWT 2021b), no substantial evidence has been provided to ensure that agricultural uses will be continued on this 5-acre area. As such, the added text in Section 4.2 explains that, assuming the area could be impacted or farming could otherwise cease to occur, there would be a permanent conversion of a total 18.9 acres of Important Farmland (excluding Grazing Land, Farmland of Local Potential, and Farmland of Local Importance) to non-agricultural uses as a result of the Proposed Project.

The discussion under Impact AG-2 (Conflict with existing zoning for agricultural use or a Williamson Act contract) is also revised to reflect the increase in the substation parcel size from 15 acres to 20 acres. Accordingly, due to the larger parcel size, the text is revised to indicate that the current 98-acre Williamson Act parcel would be reduced to 78 acres (instead of 83 acres) (Mora, pers. comm., 2021). For the purposes of this DEIR, the CPUC assumes the additional 5 acres could be used for non-agricultural uses at some point in the future. Even if the land would not be used for utility purposes (at this time), it may be allowed to go fallow and/or may be managed in accordance with HWT's vegetation management guidelines (Kidwell, pers. comm., 2021). The continuance of farming on the parcel would be at the discretion of the former landowner (or possibly another entity). Although HWT reports that an agreement has been reached with the landowner to continue farming this area, this agreement could be terminated or not renewed in the future. However, neither the changes under Impact AG-1 nor AG-2 change the impact conclusions reached.

With respect to the updated data for Williamson Act contracts in the Proposed Project and alternatives vicinity, Figure 4.2-2 was revised to incorporate the updated data (San Luis Obispo County). This updated data did not change the significance conclusion or discussion for the Proposed Project or any of the alternatives, except for Alternative SS-1, with respect to potential conflicts with a Williamson Act contract (Impact AG-2). The discussion under Impact AG-2 for

Alternative SS-1 was revised to state that the Bonel Ranch Substation Site is under a Williamson Act contract and construction of the substation on this site would conflict with the underlying intent of the contract, even with implementation of Mitigation Measure AG-1 and AG-2. As such, impacts under significance criterion B[2] for Alternative SS-1 would be significant and unavoidable.

1.3.3 Section 4.3, Air Quality

This section of the DEIR was revised to disclose the additional potential significant impacts of the Proposed Project and alternatives related to human health impacts from the construction-related emissions and those impacts related to Valley Fever. In Section 4.3.2, "Regulatory Setting," under the discussion of "State Laws, Regulations, and Policies," text is added to summarize Assembly Bill (AB) 203, which was enacted in 2019, modifying section 6709 of the California Labor Code to require construction employers in counties where Valley Fever is highly endemic to provide training to all employees (e.g., types of work and personal factors affecting risk, personal and environmental exposure prevention methods, recognizing signs and symptoms, etc.). Additionally, discussion is added summarizing relevant recommendations and regulations of the California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) applicable to Valley Fever. These include requirements and regulations related to reporting of worker illnesses, provision of respiratory protection, and control of harmful exposures to workplace hazards.

In Section 4.3.4, "Impact Analysis," under the discussion of Impact AQ-2 (Potential to violate reactive organic gases [ROG], nitrogen oxides [NOx], and particulate matter with aerodynamic radius of 10 micrometers or less [PM_{10}] significance thresholds and contribute substantially to an existing or projected air quality violation), an additional table has been added (Table 4.3-5b, "Construction Emissions-Mitigated") to distinguish between the Proposed Project's unmitigated and mitigated emissions estimates during construction. The data and analysis included in Table 4.3-5b shows that even with implementation of mitigation measures (i.e., use of Tier 4 final construction equipment), the Proposed Project's construction emissions would still exceed applicable significance thresholds for certain constituents (ROG plus NOx and fugitive dust [PM_{10}]). The text of Mitigation Measure AQ-1 is revised to provide minimum performance standards for measures that may be included into the CAMP for mitigating fugitive dust and construction equipment emissions. Text is also added to Mitigation Measure AQ-1 to identify specific fugitive dust control measures that must be implemented during Proposed Project construction. Mitigation Measure AQ-1 is also revised to provide for coordination with SLOCAPCD to establish emission offsets to reduce net emissions below applicable quarterly thresholds, if emissions are projected to exceed thresholds.

Although HWT identified changes to the schedule and phasing of construction activities in the Project Description (see revisions in the revised DEIR Chapter 2, included in this recirculated DEIR), no changes were made to the air pollutant emissions modeling assumptions or results compared to the original DEIR. The CPUC maintains that the schedule and equipment

[2] Significance criterion B in Appendix G of the CEQA Guidelines under the Agriculture and Forestry Resources topic states that a project would have a significant impact if it would "conflict with existing zoning for agricultural use, or a Williamson Act contract."

assumptions used in the air quality analysis are reasonable estimates for the project given the information provided and considering that some uncertainty still exists regarding the construction schedule (additional changes are possible in the future given that final design and engineering has not yet been completed). The changes to the schedule and phasing included in the revised DEIR Chapter 2 would not substantially change the results of the original analysis of air pollutant emissions included in Section 4.3, "Air Quality."

The discussion under Impact AQ-3 (Potential to expose sensitive receptors to substantial pollutant concentrations), with respect to exposure to DPM and TACs, is revised to: (1) provide background on the uncertainty associated with estimates of chronic and cancer health effects associated with DPM and other fossil fuel combustion TACs over short periods; (2) discuss the potential exposure to construction emissions that could be experienced by sensitive receptors near the Proposed Project construction areas, particularly the substation site; (3) describe the SLOCAPCD's recommendations with respect to conducting HRAs and its defined significance thresholds with respect to cancer risk and acute health hazards; (4) discuss and summarize the HRA submitted by Adams Broadwell as part of its comments on the DEIR (see discussion in Section 1.1.2 above) and the HRA's findings, and (5) disclose the potential health impacts that could occur from exposure to DPM and TACs during Proposed Project construction. Although implementation of APMs AIR-1, AIR-2, and AIR-3, and Mitigation Measure AQ-1, would help to reduce DPM emissions during construction, the analysis conservatively finds that the health impacts would be significant and unavoidable.

With respect to Valley Fever, the discussion under Impact AQ-3 is revised to discuss the potential for the Proposed Project construction to result in exposure of sensitive receptors to Valley Fever spores, resulting in significant health impacts. A new mitigation measure (Mitigation Measure AQ-2: Prepare a Valley Fever Management Plan [VFMP] for Review by the California Department of Public Health [CDPH] and San Luis Obispo Department of Public Health and Final Approval by CPUC) is included, which would require preparation of a VFMP in coordination with CDPH and the San Luis Obispo Department of Public Health. Mitigation Measure AQ-2 lists specific elements that shall be included in the VFMP, as currently suggested by CDPH, including measures to minimize dust creation and exposure; minimize transporting of spores off-site, and protect worker health. In spite of the measures that would be included in the new Mitigation Measure AQ-2, the analysis conservatively finds that the impacts from Valley Fever would be significant and unavoidable.

In a similar vein, the discussions of Impact AQ-3 for Alternatives SS-1, PLR-1A, PLR-1C, PLR-3, SE-1A, and SE-PLR-2 were revised to disclose potential significant impacts related to exposure of sensitive receptors to DPM, TACs, and Valley Fever spores. Although the CPUC continues to believe that human health impacts from construction-related DPM and other TAC emissions would be relatively limited due to the short construction and the sparsely populated areas surrounding most of the alternatives sites, the analysis conservatively concludes that a few receptors located close to construction areas may experience increased TAC, which may lead to adverse health impacts. Similarly, ground disturbance for construction of alternatives could mobilize Valley Fever spores, leading to adverse health impacts.

1.4 Recirculation Process and Public Review of the Recirculated Portions of the Draft Environmental Impact Report

The CPUC's rationale for recirculating portions of the DEIR is provided in the preceding sections of this chapter. As discussed, in accordance with Section 15088.5 of the CEQA Guidelines, CPUC has determined that new information has been presented, including changes to the Proposed Project, which would result in a substantial increase in the severity of a significant impact disclosed in the DEIR. As a result, certain portions of the DEIR are being recirculated.

Note that recirculation is only pertaining to the new information described in this chapter and does not address other aspects of comments received on the DEIR. Therefore, any further revisions to the DEIR, unrelated to the recirculation, that may be deemed appropriate in response to comments received on the original DEIR are not included here, but will be included in the FEIR prepared for the Proposed Project. Additionally, the FEIR will include written responses to all comments received on the DEIR, including the comments on the original DEIR and the comments that may be submitted on the recirculated portions of the DEIR contained herein. As discussed further below, the CPUC requests that public comment on this document be limited to the substantive new information in this document to avoid duplication of comments.

Section 15088.5(d) of the CEQA Guidelines states that recirculation of an EIR requires notice pursuant to Section 15087, and consultation pursuant to Section 15086. As such, in recirculating the portions of the DEIR herein, CPUC will follow all public noticing requirements typically required of a DEIR, including notifying responsible agencies, trustee agencies, and other applicable federal, state, and local agencies. This will include posting of the Notice of Availability (NOA) on the Proposed Project website; emailing the NOA to individuals on the Proposed Project's email list; and mailing hard copies of the NOA to properties and property owners with properties in proximity to the Proposed Project or alternative components. CPUC will also send a Notice of Completion to the Office of Planning and Research (OPR).

Section 15088.5(f) provides guidance for lead agencies in limiting comments on a DEIR where only portions of the DEIR are being recirculated:

> When the EIR is revised only in part and the lead agency is recirculating only the revised chapters or portions of the EIR, the lead agency may request that reviewers limit their comments to the revised chapters or portions of the recirculated EIR. The lead agency need only respond to (i) comments received during the initial circulation period that relate to chapters or portions of the document that were not revised and recirculated, and (ii) comments received during the recirculation period that relate to the chapters or portions of the earlier EIR that were revised and recirculated. The lead agency's request that reviewers limit the scope of their comments shall be included either within the text of the revised EIR or by an attachment to the revised EIR. (CEQA Guidelines Section 15088.5[f][2])

In Section 1.5 below, CPUC requests that reviewers limit their comments to the portions of the DEIR being recirculated and, specifically, the new information included within the recirculated

portions of the DEIR. The public review period for the recirculated portions of the DEIR will be 55 days. CPUC will review the comments on the recirculated portions of the DEIR, along with the comments submitted on the original DEIR, and will ensure that all substantive comments are addressed in the FEIR.

1.5 Submittal of Comments

CPUC is recirculating portions of the DEIR for a 55-day public review and comment period, as indicated in the NOA. As of publication of this recirculation, CPUC does not plan to hold any public meetings during this period. In accordance with CEQA Guidelines Section 15088.5(f)(2), the CPUC requests that review and comment on the recirculated DEIR be limited to the revised portions of the DEIR. The purpose of public circulation is to provide agencies and interested individuals with opportunities to comment on or express concerns regarding the contents of the recirculated portions of the DEIR.

Written comments concerning the recirculated portions of the DEIR can be submitted at any time during the 55-day public review period. All comments must be received by the deadline indicated in the NOA, directed to the name and address listed below:

Trevor Pratt, Project Manager
c/o Tom Engels
Horizon Water and Environment
P.O. Box 2727, Oakland, CA 94602
266 Grand Avenue, Suite 210
Oakland, CA 94610

estrellaproject@horizonh2o.com

Submittal of written comments via e-mail (Microsoft Word or PDF format) would be greatly appreciated. Written comments received in response to the recirculated portions of the DEIR during the public review period will be addressed in the response-to-comments section of the FEIR for the Proposed Project.

All documents mentioned herein or related to the Proposed Project can be reviewed online at the following website:

www.cpuc.ca.gov/environment/info/horizonh2o/estrella/index.html

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