

3 COMMENTS AND RESPONSES

3.5 APPLICANT COMMENTS AND RESPONSES

This section includes the comments received from the Applicant (SDG&E), with individual comments delineated and followed by responses to each comment. SDG&E provided comments in a cover letter (D1), a comment letter (D2), and a supplemental table (D3; Attachment A: Detailed Comment Table). SDG&E's comment letter also included four attachments that are not individual comments on the Draft EIR. These attachments, with the exception of confidential information, are provided on CD and include:

- Attachment B: Minor Design Revisions
- Attachment C: NCCP Letter
- Attachment D: NCCP Implementing Agreement
- Attachment E: Statements of Overriding Considerations

The cover letter provided a summary of SDG&E's comments on the Draft EIR, and the comment letter provided comments that were more detailed, particularly comments that focused on alternatives to the Proposed Project and treatment of the NCCP in the Draft EIR. The table provided line-by-line suggested corrections to the Draft EIR text, including requests for changes to mitigation measures. Comments included editorial corrections, technical clarifications and corrections, and provision of supplemental data on project impact areas, the No Project Alternative, biological resource surveys, and staging areas for Alternative 5. An explanation is provided where changes were not incorporated.

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Comment Letter D1



David L. Geier
Vice President – Electric Transmission
& Systems Engineering
8330 Century Park Ct
San Diego • CA 92123-1530

November 16, 2015

Ms. Billie Blanchard, California Public Utilities Commission
c/o Panorama Environmental, Inc.
1 Embarcadero Center, Suite 740
San Francisco, CA 94111

Re: Draft Environmental Impact Report for the Sycamore to Peñasquitos 230kV Transmission Line Project

Dear Ms. Blanchard:

I have enclosed comments by San Diego Gas & Electric Company (SDG&E) in response to the Draft Environmental Impact Report (DEIR) prepared by the California Public Utilities Commission (CPUC) for the proposed Sycamore to Peñasquitos 230kV Transmission Line Project (Proposed Project).

SDG&E sincerely appreciates your efforts to conduct a thorough environmental analysis within the tight timeframe required by this important project. We understand what it takes to review the potential impacts of a project of this scope. SDG&E believes that the document is robust and comprehensive, even if some of our methodology and conclusions may differ.

As you know, the Proposed Project is critically needed to ensure long-term grid reliability. As originally identified by the California Independent System Operator (CAISO) and by Governor Brown's statewide task force, a new 230kV transmission line is necessary to ensure that Southern California has a reliable transmission grid due to the need to deliver increasing amounts of renewable energy reliably to load centers, the planned retirement of Coastal Power Plants that use Once-Through Cooling, and the unexpected loss of generation at the San Onofre Nuclear Generating Station. While SDG&E may disagree with certain aspects of the DEIR, SDG&E is very pleased that the CPUC has recognized this critical need and the basic scope of the required system upgrade: creating a new 230kV connection between the existing Sycamore Canyon and Peñasquitos Substations.

Due to the CAISO's findings in the 2012-2013 Transmission Plan, the Proposed Project was identified as a reliability-driven project eligible for competitive solicitation because of its additional policy benefits. CAISO selected SDG&E's proposal as the winner of the competitive solicitation. SDG&E believes its balanced approach was a key element in the selection. SDG&E designed the Proposed Project to be cost-effective; meeting the critical grid reliability objectives while minimizing costs to customers, potential impacts to the environment, and protecting community values.

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D1-1 | During the early planning stages, SDG&E relied on long-established principles for siting transmission infrastructure, which call for maximizing the use of existing public rights-of-way and transmission corridors. Based on these principles and other considerations, SDG&E identified a primarily overhead configuration within an existing electric transmission corridor and franchise position. SDG&E then conducted a detailed environmental analysis, which found that the Proposed Project would not result in any significant environmental impacts. In the absence of any significant environmental impacts, SDG&E determined that the potential additional costs to customers, environmental impacts, and other challenges associated with additional undergrounding were not warranted and would ultimately not balance all of these factors.

The DEIR reaches a different conclusion. Among other things, the DEIR identifies multiple alternatives that would be, according to the DEIR, “environmentally superior” to the Proposed Project; concludes that the Proposed Project would result in environmental impacts beyond those identified by SDG&E; and determines that additional mitigation measures beyond SDG&E’s Applicant Proposed Measures are required to comply with federal and state species laws.

D1-2 | The DEIR also states that SDG&E’s compliance with its Subregional Natural Community Conservation Plan (NCCP) is uncertain and that mitigation measures beyond implementation of the NCCP are needed for impacts to biological resources. This contradicts confirmation in a letter dated June 29, 2015, from the U.S. Fish and Wildlife Service and the California Department of Fish and Wildlife (collectively, the Wildlife Agencies) that sufficient take coverage under the NCCP is available for the Proposed Project. The Wildlife Agencies, which are the agencies charged with compliance with the NCCP, based this confirmation on an independent and comprehensive audit of take authorization under the NCCP.

SDG&E agrees with the Wildlife Agencies’ confirmation about the NCCP and disagrees with the DEIR’s treatment of the NCCP. SDG&E also notes that impacts to natural habitat would be substantially less for several alternatives, thereby making the remaining take authorization under the NCCP even larger. SDG&E urges the CPUC to clarify in the Final EIR that sufficient take coverage under the NCCP is available and that a separate take permit – which would unnecessarily and significantly extend the approval process and in-service date – is not required to comply with federal and state species laws.

D1-3 | For the reasons described in the attached comments, SDG&E respectfully disagrees with these conclusions in the DEIR. SDG&E did not propose the alternatives identified in the DEIR and did not anticipate that they would be determined to be environmentally superior. We do not believe that the approximate \$54 to \$152 million additional costs to customers, potential environmental impacts, schedule delays, and other challenges associated with additional undergrounding are warranted for this project. Nor do we agree that compliance with the NCCP is uncertain or that a take permit separate from the NCCP may be needed.

D1-4 | While SDG&E does not agree with all of the conclusions in the DEIR, SDG&E is committed to working with the CPUC to construct this critically needed project. Therefore, we have conducted a detailed review of the DEIR’s alternatives in anticipation that one may ultimately be approved. Our goal has been to evaluate these alternatives and bring to the CPUC’s attention any relevant concerns, costs, or other balancing considerations before a final determination is made. Because this evaluation has been conducted under the relatively tight timeframe of the DEIR comment period, it is foreseeable that additional information may come to light at a later date.

SDG&E’s overall response to the DEIR is as follows:

- D1-5 | • **SDG&E does not support any undue costs to customers.** SDG&E estimates that the alternatives which include additional undergrounding could add approximately \$54 to \$152

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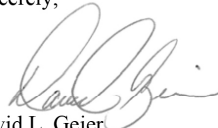
- D1-5 | million to the projects' overall cost depending on which alternative is selected. SDG&E also assumes that any increase to the project costs will not be approved unless the CPUC determines such costs are necessary for the customer to ensure safety and reliability, to mitigate environmental impacts or to address community values.
- D1-6 | • **SDG&E does not support any undue delays.** Notwithstanding the apparent constructability of the alternatives, SDG&E is concerned that the additional investigation, design, and construction associated with additional undergrounding will delay the current CAISO in-service date for the new 230kV line. SDG&E is also concerned about the potential for unnecessary and significant delays associated with potentially requiring a take permit separate from the NCCP to comply with the federal and state species laws.
- D1-7 | • **Additional undergrounding and alternative routes appear to be feasible.** Based on the information available to date, SDG&E believes that the alternatives identified in the DEIR as “environmentally superior” are feasible from a constructability and legal perspective, if ultimately approved by the CPUC.
- D1-8 | • **SDG&E strongly urges the CPUC to consider community values.** SDG&E is aware that the Scripps Ranch and Mira Mesa Planning Groups, recognized advisory bodies to the City of San Diego, have submitted detailed written comments on the DEIR. SDG&E encourages the CPUC to consider whether community values require additional undergrounding.

SDG&E's remaining detailed comments include the following sections:

- Comment Letter
- Detailed Comment Table
- Minor Design Refinements

Again, we appreciate the CPUC's analysis and continued efforts to bring this critical project online. The project team stands ready to answer any questions or provide any additional information that would advance this mutual goal.

Sincerely,



David L. Geier
Vice President – Electric Transmission &
Systems Engineering
San Diego Gas & Electric Company

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3.5.1 Response to Letter D1: SDG&E

D1-1 Comment noted. The Draft EIR provides an independent analysis of the environmental impacts of the Proposed Project and five alternatives to the Proposed Project. The Draft EIR was prepared consistent with the CEQA Statute and Guidelines. Thresholds of significance were defined consistent with state and local agency guidance and standard CPUC practice. As the lead agency, the CPUC has the discretion to determine whether impacts are significant; this discretion does not rest with the applicant. Mitigation measures were identified in the Draft EIR to avoid, reduce, or compensate for significant impacts of the project as required by CEQA Guidelines Section 15126.4. The Draft EIR includes “a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project” consistent with CEQA Guidelines 15126.6.

D1-2 The CPUC has reviewed the letter from USFWS and CDFW dated June 29, 2015 regarding take authorization. The letter from USFWS and CDFW is discussed in Section 4.1.7.1, Species Take Authorization, of the Draft EIR. The CPUC acknowledges that USFWS and CDFW found that there would be sufficient take coverage under the NCCP for SDG&E’s four pending projects with the CPUC including the Proposed Project; however, the CPUC identified other reasons for potential take to occur that were not accounted for in the USFWS and CDFW letter. Additional take could occur from access roads (see response to comment A2-6) and impacts from unknown contingencies for other projects that would use the NCCP for take coverage (see response to comment D2-45). The letter from USFWS and CDFW finds that there would be only 7.42 acres of available take remaining under the NCCP after approval of the four pending projects. The CPUC concluded that additional take could potentially occur because the 7.42 acres of available coverage did not account for any contingencies or impacts from access roads. Therefore, a conservative approach was used in the Draft EIR that does not rely solely on the NCCP’s conclusions, and the conclusions in the Draft EIR are independent of SDG&E’s use of the NCCP. The Draft EIR does not limit how SDG&E would obtain take coverage for the Proposed Project and instead provides a flexible analysis that allows SDG&E to obtain take coverage by whatever method is available. The methods identified in Section 4.1.7.1 of the Draft EIR do not change in the Final EIR.

The CPUC recognizes that Alternatives 3, 4, and 5 would have fewer impacts to biological resources than the Proposed Project. While there is likely sufficient take authorization remaining in the NCCP to cover these alternatives, there is still the potential that the NCCP would be amended prior to or during construction of the project. The CPUC cannot know what the terms of an amended NCCP would be. To anticipate this situation, the Draft EIR includes mitigation measures that would fully mitigate significant impacts independent of the NCCP. The Draft EIR provides

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an approach that ensures sufficient mitigation is in place regardless of whether the Proposed Project or an alternative is constructed under the NCCP, an amended NCCP, or other take permit. No changes are required to the Draft EIR.

- D1-3 See responses to comments D1-1 and D1-2 above. There are potential schedule delays for the Proposed Project that could be avoided by Alternative 4 or Alternative 5. SDG&E would need to obtain a permit from the CCC prior to construction within the coastal zone. It is unlikely that SDG&E could obtain a permit from the CCC for the Proposed Project because the Proposed Project is not the less environmentally damaging practicable alternative (refer to comment letter A4). Inability or a protracted effort to obtain a permit from the CCC could result in substantial delays to the in-service date of the transmission line.
- The additional costs to implement the alternatives are noted. However, in order to determine that a particular alternative is economically infeasible, the lead agency must find that the cost of the alternative is so great compared to the proposed project that a reasonably prudent person or property owner would not proceed with the alternative. Evidence of increased costs is not sufficient for an infeasibility determination (refer to *Uphold Our Heritage v. Town of Woodside (Steve Jobs)* (2006)). The CPUC has determined that the alternatives evaluated in the EIR are potentially feasible. CEQA requires consideration of alternatives that would reduce the environmental impacts of a project even if those alternatives would be more costly (CEQA Guidelines Section 15126.6(b)).
- D1-4 Comment noted. Specific responses to SDG&E's comments on the alternatives are provided in responses to comment letter D2.
- D1-5 The CPUC will consider the effect that the Proposed Project or an alternative would have on ratepayers during the decision-making process. Safety and reliability, community values, and environmental impacts of the Proposed Project or an alternative will also be considered during this process. See General Response GR-1 for a more detailed description of the factors considered during the CPUC decision-making process. See also response to comment D1-3 regarding the consideration of cost in the evaluation of alternatives pursuant to CEQA.
- D1-6 SDG&E's comments D2-9, D2-18, D2-26, and D2-32 specify the estimated delay to the in-service date as a result of additional investigation, design, and construction required for an underground alternative. These delays are likely much less than the permitting delays that could be anticipated for the Proposed Project. See response to comment D1-3 regarding delays resulting from the permitting process. The Draft EIR does not preclude use of the NCCP and does not require that SDG&E obtain a separate take permit or an amended NCCP to implement the Proposed Project or an alternative. See response to comment D1-2 regarding use of the NCCP.

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- D1-7 Comment noted. The CPUC will consider the legal and technical feasibility of the Proposed Project and alternatives during the decision-making process.
- D1-8 Members of the Scripps Miramar Ranch Planning Group submitted three comments (B1, B2, and B7) on the Draft EIR. The CPUC has considered and provided responses to these comments (see Section 3.3 of this Final EIR). The CPUC also received 118 comments from individuals regarding the Proposed Project and Alternative 3 impacts and 127 comment letters expressing support for Alternative 5. The CPUC will consider the concerns expressed by the Scripps Miramar Ranch Planning Group and all other commenters during the decision-making process.