



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: (415) 973-7226

October 25, 2013

Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov
Fax: 415-703-2200

Re: **PG&E's Reply to Randell Parker's Comments on Draft Resolution E-4619**

Dear Energy Division Tariff Unit:

Pacific Gas and Electric Company ("PG&E") hereby replies to the October 20, 2013 comments on Draft Resolution E-4619 submitted by Randell Parker on behalf of Kern County Advocates for Agriculture ("KCAA"). Draft Resolution E-4619 approves Advice Letter 4268-E, which was submitted by PG&E on August 2, 2013 requesting authority from the California Public Utilities Commission ("Commission" or "CPUC") under General Order ("GO") 131-D to construct a new switching station and related facilities to interconnect SunEdison's planned FRV Adobe Solar Photovoltaic ("PV") facility ("Adobe Solar Project"). The Draft Resolution will be on the agenda for the October 31, 2013 Commission meeting.

KCAA attempts a collateral challenge to the Environmental Impact Report ("EIR") for the Adobe Solar Project, having failed to challenge it in the proper forum when it was adopted. Two new issues are identified, both related to the loss of agricultural land to solar energy development. KCAA asserts that the cumulative loss of prime farmland will (1) negatively impact environmental justice by reducing available farm labor jobs, and (2) create cumulative air quality impacts by taking farmland out of production. Neither of these issues was raised in its earlier protest dated September 12, 2013 ("Protest"). KCAA asks the Commission to undertake further California Environmental Quality Act ("CEQA") review concerning impacts associated with the Adobe Solar Project, miscomprehending both the project before the Commission and the legal scope of the advice letter process under GO 131-D. KCAA's comments amount to a misrepresentation of law and fact.

KCAA Challenges the Adobe Solar Project Rather Than PG&E's Interconnection Facilities and Misunderstands the Legal Scope of the Commission's Advice Letter Process

A. Approval of the Adobe Solar Project is not before the Commission

The Adobe Solar Project was approved on December 11, 2012 by the County of Kern, the agency with jurisdiction over the project. Before it approved the project, the County certified a final EIR for the Adobe Solar Project and two other solar projects (State Clearinghouse #2011111027 (December 2012)) ("FRV Valley Solar Project EIR"). KCAA did not bring a lawsuit to challenge the FRV Valley Solar Project EIR, and the time to do so has passed. (See Guidelines for Implementation of the California Environmental Quality Act, Cal. Code Regs., tit. 14, §§ 15000 ("CEQA Guidelines"); § 15112.)

Pursuant to the Federal Power Act and Federal Energy Regulatory Commission (“FERC”) interconnection policy,¹ PG&E has an obligation to interconnect new generation to the electrical grid. In order to construct the legally-required interconnection facilities, PG&E must comply with GO 131-D. When such interconnection facilities have been included in a solar project’s CEQA document and impacts related to those facilities are found to be less than significant, GO 131-D authorizes PG&E to file an advice letter with the Commission. (See GO 131-D, § III.B.1.f.)

The FRV Valley Solar Project EIR considered the impacts from construction and operation of PG&E’s interconnection facilities, and determined that all impacts – including air quality and greenhouse gas impacts – were less than significant. (See *gen’ly* PG&E response to Protest, dated August 22, 2013.) Although the EIR did find that impacts from the conversion of prime farmland for the solar projects themselves were significant and unavoidable (see FRV Valley Solar Project EIR, p. 4.2-18), it concluded that any cumulative farmland impacts from PG&E’s interconnection facilities – minor in scale compared to the solar projects – were less than significant (FRV Valley Solar Project EIR, p. 7-15). Thus, PG&E is authorized to file an advice letter with the Commission for construction of the interconnection facilities under GO 131-D, § III.B.1.f. While KCAA attempts to establish that the proposed project could result in significant environmental impacts due to cumulative conversion of agricultural land, triggering one of the three exceptions to the exemptions listed in GO 131-D, § III.B.2, that issue was directly disposed of by the FRV Valley Solar Project EIR when it determined that PG&E’s interconnection facilities did not have significant cumulative impacts due to farmland conversion. (FRV Valley Solar Project EIR, p. 7-15 (“the cumulative loss of agricultural land associated with the proposed PG&E facility upgrades is considered less than significant”); see also pp. 7-13 - 7-14 (farmland impacts less than significant).)

KCAA’s issue is not with PG&E’s interconnection facilities, but with the Adobe Solar Project and other solar projects in the area. Those issues and approvals are not before the Commission. KCAA offers no evidence or arguments whatsoever that are specific to PG&E’s interconnection facilities.

B. Additional CEQA review is not within the scope of this proceeding

CPUC Executive Director resolutions have repeatedly found that there are only two circumstances in which a protest to a claim of exemption under GO 131-D may be sustained: (1) where the protest establishes that the utility has incorrectly applied an exemption or (2) when one of three special conditions listed in GO 131-D Section III.B.2 exist such that the proposed project could result in significant environmental impacts, thereby rendering the claimed exemption inapplicable. (See, e.g., Res. E-3460 (July 1, 1996); Res. E-3789 (October 30, 2002); Res. E-4243 (November 20, 2009); Res. E-4360 (August 13, 2010).) These are the only issues before the Commission with respect to this advice letter. As the Draft Resolution finds, and the further information above confirms, KCAA “has not shown that any of the conditions specified in GO 131-D Section III.B.2 exist to invalidate the claimed exemption,” and “PG&E correctly applied for a GO 131-D exemption in Advice Letter 4268-E.” (Draft Resolution, p. 8, findings 10 and 11.) Nothing more is at issue.

¹ See Standardization of Generator Interconnection Agreements and Procedures, 104 FERC 61,103 (2003).

In both its Protest and its Comments, KCAA has failed to establish that PG&E incorrectly applied the exemptions in GO 131-D authorizing construction of PG&E's legally-mandated facilities needed to interconnect the Adobe Solar Project. For this reason, PG&E asks that the Commission reject KCAA's Protest and Comments, and approve Draft Resolution E-4619 as submitted.

Sincerely,

Handwritten signature of Brian Cherry in cursive, followed by a forward slash and the initials 'sw'.

Vice President – Regulatory Relations

cc: Commissioner President Michael Peevey
Commissioner Carla Peterman
Commissioner Michel Florio
Commissioner Catherine Sandoval
Commissioner Mark Ferron
Frank Lindh, General Counsel
Karen Clopton, Chief Administrative Law Judge
Edward Randolph, Energy Division Director
Mary Jo Borak, Energy Division
Michael Rosauer, Energy Division
Energy Division Tariff Unit, Energy Division
Service List for Resolution E-4619