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February 23, 2015

California Energy Commission
Attention: Chris Beale, Acting Executive Director, DRECP
Dockets Office, MS-4
Docket No. 09-RENEW EO-01
1516 Ninth Street
Sacramento, CA 95814-5512

SUBJECT: PACIFIC GAS AND ELECTRIC COMPANY'S, SEMPra ENERGY UTILITIES', AND SOUTHERN CALIFORNIA EDISON'S COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL IMPACT STATEMENT FOR THE DESERT RENEWABLE ENERGY CONSERVATION PLAN

To the Desert Renewable Energy Conservation Plan Committee:

Introduction

Pacific Gas and Electric Company, Sempra Energy Utilities (San Diego Gas & Electric Company & Southern California Gas Company), and Southern California Edison Company (hereafter referred to as "the Utilities") appreciate the significant efforts of the California Energy Commission ("CEC"), the U.S. Bureau of Land Management ("BLM"), the California Department of Fish and Wildlife ("CDFW"), and U.S. Fish and Wildlife Service ("USFWS") in developing the Desert Renewable Energy Conservation Plan ("DRECP"). The Utilities strongly support the DRECP's stated goals to provide a landscape level approach to development of renewable energy and associated electrical transmission facilities in California's Mojave and Colorado/Sonoran desert regions, while ensuring effective protection and conservation of the desert's natural resources. The Utilities respectfully provide the following comments on the October 14, 2014 draft Environmental Impact Report /Environmental Impact Statement ("DEIR/DEIS").

Conservation and Permitting Approach

The Utilities recommend incorporation of a variance process to manage and accommodate necessary siting and construction variances where conditions warrant modification from DRECP standards.

Background

The Utilities support the DRECP's landscape level, holistic approach and regulatory framework for project permitting, approvals, and resource protection. The current ("No Action") alternative does not provide the consistency and certainty that is needed for project proponents and resource conservation. In our review of the alternatives described in the DEIR/DEIS, the Preferred Alternative best achieves these goals. The DRECP's programmatic approach can provide the basis for a consistent and potentially streamlined permitting process, particularly if all agencies responsible for permitting of energy development and transmission projects endorse an established set of monitoring, compensation, and mitigation measures. Still needed is a clearly articulated, detailed discussion of how the DRECP will be incorporated into environmental reviews performed under the National Environmental Protection Act ("NEPA") and the California Environmental Quality Act ("CEQA") processes and major milestones and timelines. The continuation of the current project-by-project approach puts an ongoing burden on agencies, stakeholders, and project proponents without providing needed consistency and regulatory certainty.

The Utilities concur with the Covered Species identified in the DRECP and their value as appropriate indicator species of effective protection and conservation of native species and the habitat to support them. The Utilities have had favorable experiences with Habitat Conservation Plans and Natural Community Conservation Plans as a means of improving regulatory and cost certainty while at the same time, promoting regional conservation efforts. However, several of the impacts, setbacks, avoidance and compensatory measures are more conservative than typically justified or required by resource agencies. Many of the compensation and mitigation measures ("CMA") setbacks and measures are overly conservative in as much as they do not allow for site-specific conditions (e.g., riparian areas, special habitat types, species and avian avoidance, perch deterrents, structure designs, use of flight diverters, and avoidance of ridgelines) and may conflict with project siting and construction requirements. Setbacks and conservation measures should ensure protection of resources but should also be flexible enough to allow for site-specific conditions and actual resource needs. The Utilities recommend the incorporation of a variance process into the DRECP through the Coordinating Group to ensure that site and project specific issues can be fully addressed while protecting resources. Variances are routinely required on utility construction projects and such processes are necessary to manage and accommodate changes and adjustments when facilities are sited and when construction conditions warrant modification of DRECP standards.

Energy Planning

The Utilities recommend incorporation of routine periodic meetings between the DRECP, the California Independent System Operator ("CAISO"), the California Public Utility Commission ("CPUC"), and the Western Electricity Coordinating Council ("WECC") to evaluate trends and changes in national and state energy policies where DRECP is linked. The purpose would be to keep DRECP updated, relevant, and consistent with energy policy and conversely, the information in the DRECP should be used to inform the CEC's and CPUC's resource portfolio development under the Long Term Procurement Plan ("LTPP") process, which is then recommended for study in CAISO's Transmission Planning Process ("TPP").

The Utilities appreciate the work that has been done to date by the Renewable Energy Action Team (REAT) and DRECP Committee. In particular, we understand the challenge of forecasting the future of California's energy sector in 2040. Given the evolving energy market and state goals, the Utilities believe it is important for the DRECP to be periodically refreshed as policy goals change or new technologies becomes available. For example, future generation demands would be influenced by proposals to change current renewable energy mandates and reductions in greenhouse gas (GHG) targets. Similarly, technologies for advanced energy storage and the continued electrification of the transportation sector would affect growth in energy consumption. Additionally, it will also be important to update the DRECP assumptions as distributed and customer-side generation forecasts are revised, which in turn would affect the potential demand for renewable generation. The Utilities appreciate that the DRECP was conservative in estimating the amount of renewable development needed and believes that same guiding principle should be used as the DRECP is updated in the future.

Transmission Planning

The Utilities recommend:

- 1) Incorporation of a variance process for the siting of transmission lines, switchyards, substations, and other support infrastructure.
- 2) Using the Transmission Technical Group (TTG) to advise DRECP on special transmission routing and siting issues. These issues would be brought to the TTG at the request of the project applicant.
- 3) Incorporation of additional language emphasizing the conceptual nature of transmission lines shown in DRECP maps.

Background

Transmission planning for the DEIR/DEIS was understandably at a broad, conceptual level due to the limitations of the available information and the lack of certainty around base assumptions. It is certain that electrical infrastructure upgrades and additions will be needed to safely and reliably interconnect the proposed renewable energy generating facilities in the Development Focus Areas (DFAs) to the existing transmission grid and to transmit the energy to load centers. However, there is great uncertainty regarding the amount, timing, and specific locations of renewable energy development that will trigger transmission system upgrades. To ensure all DRECP stakeholders and the public fully understand the preliminary nature of the transmission planning information in the DRECP documents, the language in Appendix K (Transmission Technical Group Report) qualifying the level of detail provided should be highlighted. Specifically, it needs to be clear and should be repeated throughout the DEIR/DEIS, and prominently restated in the Executive Summary and Volume II.3 Preferred Alternative, that the depiction of the locations for new transmission lines and land disturbance estimates are conceptual in nature. This is critical to ensuring that residents, community organizations, environmental groups, local cities and municipalities, energy developers, and other stakeholders have an unambiguous understanding that additional studies and approvals will be needed prior to locating transmission projects and that those projects will not necessarily be located as depicted on Figure 6 or in the figures in Appendix K.

Of more specific concern is the stated expectation that transmission projects will be sited within existing rights-of-way (“ROW”) or designated corridors within the DRECP boundary. Utilities will often attempt to place new transmission lines within existing ROWs consistent with the intent of the Garamendi Principles but cannot always do so for a variety of reasons such as available room in the existing ROW, the configuration and spacing of existing towers and wires in the right-of-way, reliability and redundancy concerns, location of substations/generators/load centers, changing demographics, topography and physical constraints, etc. The DRECP should recognize the value of designating additional transmission corridors or expanding existing corridors. This value is evident in the regional planning performed by the CAISO and, for transmission projects connecting outside the CAISO region, in the interregional planning performed by the CAISO, the WestConnect regional transmission planning organization and the WECC.

The DRECP should include a clear variance process for instances when transmission projects need to be partially sited in conservation reserves or conservation study areas. To this end, the Utilities strongly encourage the REAT to create a process for reviewing corridors and transmission line routes proposed by utilities as part of the implementation of the DRECP. On-going planning for transmission line routes will be necessary as development occurs inside and outside the DFAs. The Utilities recommend that the REAT establish the TTG as a standing advisory group that would take the lead on transmission issues and inform the DRECP accordingly. The Utilities appreciate the opportunity to have participated in the DRECP TTG and are committed to continuing to contribute as members of that group.

Long-Term DRECP Planning

The Utilities recommend granting longer term permits for associated transmission line and substation infrastructure.

Background

Assuming the Plan is finalized in 2015, the analysis and applicable term for the permits obtained under the DRECP would only be 25 years, much shorter than most regionally approved Habitat Conservation Plans. Generation facilities may be operational for approximately 20-25 years, but transmission projects are likely to be in service for 75-100 years. Projects that obtain permits later in the Plan duration (2025-2040) would not have adequate coverage, unless the permits are extended on a project-by-project basis. The Utilities strongly encourage the DRECP evaluation take into consideration the operations and maintenance (O&M) of utility facilities, including replacement, refurbishment, and expansion, of the transmission facilities and associated infrastructure over the project’s full operating period. The Utilities suggest that the DRECP amend the Plan to continue coverage for another 25-50 years to provide regulatory certainty for O&M associated with Covered Activities. The DRECP should consider this effort as an effective approach to continue protection of the Covered Species and conservation of the desert’s natural resources. Furthermore, it is anticipated that the majority of O&M-related habitat impacts to be temporary in nature once a facility is constructed and operational.

Existing California Utility Infrastructure

The Utilities recommend incorporation of a policy statement that the goals, policies, and measures do not apply to the operation, maintenance, and reconstruction of existing utility infrastructure placed into service prior to DRECP creation.

Background

While it is clear that DRECP is designed for new energy development, subsequent amendments to land use plans of the BLM, FWS, and CDFW are likely to be required to ensure consistency with DRECP. It is important that these plans not require DRECP measures to be imposed on existing utility infrastructure.

Sincerely,



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