



SOUTHERN CALIFORNIA  
**EDISON**

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**DOCKET**

**09-RENEW EO-1**

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March 31, 2009

California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 09-Renew EO-01  
1516 Ninth Street  
Sacramento, CA 95814-5512

Subject: Renewable Energy Executive Order

SCE appreciates the opportunity to provide written comments to the CEC, the Department of Fish and Game, and the other agencies who participated in the Renewable Energy Executive Order Scoping Workshops.

By way of background, in 2008, SCE purchased about 13 BkWh of renewable energy, equating to nearly 16% of our bundled service resource requirements. In addition, since the RPS went into effect six years ago, we have conducted six annual solicitations, securing 40 new renewable contracts with the maximum potential of 25 BkWh. This amount is more than sufficient to meet a substantial amount of our customers' energy needs with renewable energy, well into the future. This demonstrates that the utilities and the developers are able to reach meetings of the minds for the purchase/sale of power. However, we still have a delivery/integration problem.

Our concern is that the majority of the new renewable generation resources rely on the construction of new transmission in order to be able to deliver power. Most of these resources are located in areas where there are few or no existing transmission facilities. Transmission facilities typically require 6 to 10 years to site, license and complete construction before a renewable generator can interconnect and begin generating power.

While RETI is performing valuable work in this area and we look forward to the Phase 2 Report, RETI has no authority to site, license or grant permission to construct any transmission facilities. It should be recognized that Edison currently has more than 35,000 MW of renewable generation in its interconnection queue. Of this amount, more than 26,000 MW are located in the areas covered by the Desert Renewable Energy Conservation Plan. By July of this year, essentially all of these projects will have completed their basic interconnection studies, which will drive the identification of substantial new transmission facilities and upgrades necessary to interconnect these projects. SCE believes that there should be a coordinated effort to identify and preserve needed transmission corridors, and the development of a programmatic environmental assessment for these corridors

Given the difficulties in siting new renewable generation, the issues and hurdles needed to site new high-voltage transmission to access the renewable power, are more difficult.

There needs to be increased coordination within and between Federal and State agencies. Ideally, there could be a “one-stop-shop” to oversee the entire effort. However from our perspective, although this approach would appear to be the most productive, there would likely be significant amount of time lost in trying to develop such, given the inherent Federal-State rights concerns that exist between the Federal, State and when applicable, local government agencies.

With respect to transmission, the best approach would be to designate lead Federal and lead State agencies, and have them coordinate with one another in the gathering and use of environmental and other required data. Included would also be the need to involve native Americans in those projects needing to access to their lands. Further, the responsible agencies need to give great weight to the responsible transmission operators regarding the need determination for the new facilities. In our case, this is the California ISO.

To add clarity to the coordination effort between agencies, an augmented and expanded MOU between Federal and State agencies would be desirable that spells out the approach, including the joint use and development of needed environmental information needed to site new generation and transmission, as well as how the process will be open and transparent to the public. There also needs to be priority given to the people resources to perform the needed work.

SCE provides responses to the specific questions posed in the notice for the workshop in Appendix A, attached.

If you have any questions regarding these comments, please call me at (916) 441-2369.

Sincerely,

Manuel Alvarez

cc: Chairperson Karen Douglas, J.D.  
Commissioner James Boyd  
Commissioner Arthur H. Rosenfeld  
Commissioner Jeffrey Byron  
Commissioner Julia Levin, J.D.

## APPENDIX A

In specific response to the questions posed in the Notice of these workshops, SCE offers the following:

1. The Executive Order calls for the development of a Desert Renewable Energy Conservation Plan which will be developed to meet the requirements and achieve the benefits of the Natural Communities Conservation Plan Act. What factors would you consider to be most important to consider during plan development?

SCE's concern is that the Desert Renewable Energy Conservation Plan must provide for (1) sufficient renewable resources to be built **and** (2) sufficient transmission facilities/upgrades to enable the state to reach its desired renewable targets. Looking at the RETI Phase 1B report, it states that in order for the state to achieve 33% renewable resources, substantial quantities of renewable resources in the California desert areas will be required. The key to the development of any of these areas is the design, siting, permitting and construction of substantial transmission lines to carry the renewable generation to the load centers. So not only does the state need to deal with the licensing and permitting of the generation projects, but also the transmission facilities necessary.

2. What should be considered when identifying areas for preferred development?

The REAT should consider the final prioritization provided by the RETI as a starting point. The final RETI prioritization is scheduled for completion in April 2009. Substantial data are available, maps considering blackout zones and layers of mapping, as well as substantial effort to gain consensus at RETI should facilitate the identification of preferred development areas by the REAT.

Further, the REAT should consider the projects contained in the CAISO interconnection queue as projects with a high likelihood of success, and therefore should be included in the areas of preferred development.

3. What can you suggest for improving the efficiency of the federal, state, and local permitting processes?

The agencies should expand the MOU's signed last year to not duplicate efforts (and to the extent possible, do joint efforts) in proceeding with the certification.

There is a need for as much guidance as possible up-front, however, the realities are that the agencies would likely have to spend a significant amount of time up-front to do such. Therefore, we recommend that agencies provide something like a scoping memo as part of their approval of the data adequacy.

SCE proposes five ways to improve the permitting processes, as follows:

- **Site and License Generation and Transmission Together.** The current approach to siting and permitting renewable resources violates the intent of CEQA by segmenting project components. A renewable generation facility that requires new

transmission lines to interconnect should evaluate the impacts of the "entire project" from a CEQA perspective, which includes the transmission lines. The current process places these projects at risk if challenged by activists. For example, the ALJ recently dismissed Nevada-Hydro's application for the Lake Elsinore Advanced Pump Storage (LEAPS) project for several deficiencies, including not fully evaluating impacts to SCE facilities. Nevada-Hydro claims their project facilitates "renewable" energy.

When project components are sited and permitted separately, it may not be possible to make the best decisions for the project as a whole. An alternate approach would evaluate the existing grid and capacity, and prioritize generation project locations based on connectivity, available corridors, and existing line capacity rather than maximum generation potential. Alternately, if all the third-party generators (renewable or traditional) were required to evaluate potential impacts to SCE's system, and include system modifications (including new transmission lines) in their CEQA documents, the entire permitting process could be shortened.

- **Programmatic Environmental Assessments.** Through the RETI process, renewable areas are being analyzed in advance of specific projects. The data collection and analysis that have already been completed would make it convenient to implement area-wide programmatic environmental assessments to initiate discussion among all the relevant permitting authorities of issues that might affect multiple projects within the area. If area-wide issues can be resolved at the programmatic level, then only the remaining specific issues need to be incorporated into project environmental assessments. Training for all entities may be necessary to assure a complete understanding of the functions and format for programmatic environmental assessments.
- **Involvement of Regulators in Project Planning.** The process of involving regulators in project planning might add efficiencies to the permitting process. Additional certainty for both regulators and proponents comes with agreement in advance on project scope, CEQA checklists, significance criteria, and other impact assessment requirements. The Eldorado-Ivanpah project is an example of a project in which regulators worked with the SCE team during the preparation of the Proponent's Environmental Assessment.
- **Focus on Corridors First for Transmission Planning.** Although permits are issued for projects, an interim planning step involves the identification of new corridors or the use of designated corridors. This interim step can be used for several planning purposes and might increase permitting efficiency: dialogue among proponents and regulators, dialogue among interested stakeholders, and designation through the CEC regulations for designating transmission corridor zones. This step might improve route identification and subsequent applications for licenses for new lines.
- **Anticipate Community and Public Concerns—Especially with Transmission Lines.** Transmission lines, whether they connect to renewable resources or not, generate negative public reaction that no amount of regulatory streamlining can anticipate. Renewable projects across the country have resulted in considerable

public reaction to the transmission, even if there are endorsements for “green” power sources. Special attention needs to be paid to projects in which transmission lines traverse areas that receive no benefit from the transmission line between the generation source and the load centers. There are several approaches to anticipate public concerns that could improve the prospects for siting and licensing:

- Establish a dialogue between the regulators and all project proponents on how best to involve stakeholders in project planning--long before specific projects need to be developed
- The CEC has the mandate to educate the public on energy issues, and should undertake that responsibility with respect to all types of generation and transmission projects (reliability projects as well as renewable projects). A major multimedia educational campaign may be needed to inform and educate the general public concerning the development of renewables and transmission connections. Note that this will not prevent activists from opposing projects, but it will lay the groundwork for broad-based understanding of all the tasks involved in bringing “green” power to communities.
- Multi-stakeholder groups should be constituted for renewable transmission planning, just as they are for renewable generation identification and prioritization.

4. What can your organization contribute to an improved permitting process?

SCE will continue to submit high quality applications for the transmission facilities necessary to support the renewable generating resources.

SCE would appreciate the opportunity to dialogue with other siting and licensing entities on more efficient processes for both generation and transmission, and to provide input to a BMP manual.

5. The REAT has been tasked with preparing a Best Management Practices (BMP) manual. It is expected that this BMP manual will improve the efficiency of the permitting process. What do you recommend be in the scope of this manual? What level of detail should it contain?

SCE recommends that the BMP manual provide guidance on stakeholder involvement (especially for renewable transmission planning).

The BMP manual should provide a set of common standards and procedures for siting and permitting for all parties to follow. All entities involved in permitting projects are facing similar resource and staffing shortages. In addition, established procedures are lacking in many instances. As a result, each project is approached slightly differently by utilities, agencies and consultants. Collaborative development of procedures and related training would bring all entities closer to being "on the same page" when preparing and reviewing applications and supporting environmental documentation. Such procedures should include useful data resources, the use of siting criteria, due diligence and risk management approaches, compliance with CEQA and NEPA in energy facility permitting and licensing applications, and the scope of authority of each regulatory agency.