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March 30, 2009

Via Email

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

DOCKET	
09-RENEW EO-1	
DATE	MAR 30 2009
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Re: Docket No. 09-Renew EO-01; SMUD Comments on Renewable Energy Executive Order

Pursuant to the Notice of February 24, 2009, the Sacramento Municipal Utility District (SMUD) presents the following written comments on several of the topics covered in the workshop of March 12, 2009, relating to facilitating renewable energy development and natural resource conservation planning. SMUD appreciates the opportunity to participate in the workshop and presents these additional comments to those given orally by Michael DeAngelis, Program Manager for SMUD's Advanced Renewables & Distributed Generation Technologies.

SMUD's comments address two of the questions posed by Energy Commission staff to speakers on the afternoon panel of the March 12th workshop. Also, please note that our responses are primarily aimed toward expediting siting of renewable energy transmission rather than renewable energy projects.

Question 1: What should be considered when identifying areas for preferred development?

While there are both advantages (accelerated permitting time) and disadvantages (fairness of process to developers with sites not initially considered) to the Energy Commission also designating renewable areas of development, the Renewable Energy Transmission Initiative (RETI) process has made a good start for determining preferred renewable energy development areas. The data and analyses in RETI identify 29 CREZs in California in addition to promising, low cost out-of-state renewable energy zones. RETI has a detailed mapping process identifying "black-out" areas, where renewable energy (and transmission, mostly) is generally prohibited (e.g., National Parks, Federal

Wilderness areas, National Wildlife Refuges, Historic & Scenic trails, BLM National Monuments), and also "yellow areas" (e.g., BLM Areas of Critical Environmental Concern, USFWS designated Critical Habitat for federally listed endangered and threatened species), where there are specific constraints for development. Also, the Western Governor's Association Western Renewable Energy Zones (WREZ) process will augment the data for these out-of-state renewable energy resource areas. As shown in the RETI process, there also will be the need for more detailed analyses and perhaps "boots on the ground" to determine the viability of each renewable energy zone (e.g., for a land intensive solar project in a solar CREZ, how many land owners are there for the area needed?).

Possible additional criteria for designating renewable areas of development should include 1) where commercial interest has been expressed by the renewable energy industry and utilities, such as where renewable energy land is under control by a developer; 2) where power purchase agreements are signed; 3) where utilities already are studying to build a transmission line; and 4) where projects already are in the transmission queue.

Question 2: What can you suggest for improving the efficiency of the federal, state, and local permitting processes?

SMUD agrees that there is considerable room for streamlining both transmission and renewable energy projects siting, environmental reviews, and permitting. SMUD believes that there is not enough coordination between the activities of federal, state, and local government agencies that have a role in permitting transmission lines. Each agency should review their rules, policies, and procedures with the goal of integrating their processes with other agencies. In addition, if a project does not have a federal nexus for Section 7 consultation under the Federal Endangered Species Act, such as federal land ownership, the timeline for federal agency reviews is not specified in the law and thus can be greatly delayed. At the March 12th workshop, the United States Fish & Wildlife Service (USF&WS) stated that a Section 10 permitting timeline is three to five years for low effect HCPs, and from six to nine years for standard HCPs. Clearly, this is an unreasonable timeframe if California is serious about achieving a 33% RPS by 2020. Other important consequences of the multi-agency environmental review process are belated and unpredictable decisions on necessary mitigation measures to protect endangered species and their habitats.

It was good to hear at the workshop on March 12th about stepped up efforts to facilitate siting of renewable energy projects, particularly the Renewable Energy Action Team (REAT) process for the California desert, new hires at the USF&WS, and the Bureau of

Land Management (BLM) Programmatic EIS initiatives. Whether these changes will truly accelerate generation from renewable energy projects remains to be seen. However, the REAT process needs to be broadened *beyond* the California desert to the remainder of California. It also was explained by California Fish and Game (DFG) that the Natural Community Conservation Plan (NCCP) process for the desert, including any expansion to other renewable energy zones in California, will not accelerate the permitting process for renewables transmission lines since these are linear projects. It is generally recognized that a significant number of transmission lines need to be built to access adequate renewable energy zones for California's future, and transmission permitting needs streamlining. Without timely permitting of transmission lines, California will not get the renewable energy projects online by 2020 to meet its 33% goal since the streamlining only addresses projects, not transmission. Thus, the REAT, NCCP and other strategies of streamlining do not seem to meet the big policy picture of providing 33% renewables supply in California by 2020.

The streamlining activities described in the March 12th workshop should adopt the goal of a "one stop", joint federal/state, inter-agency process with a predictable time schedule that expedites the decisions of all of the federal, state, and local agencies included in the permitting process. As the Energy Commission is aware from its experience under the Warren-Alquist Act, the siting analysis, NEPA/CEQA environmental review, and permitting efforts could be completed together in a "one stop" process. At the end of the process, an applicant would have a complete federal, state and local jurisdiction approved and permitted project. Such a process should include standard environmental mitigation approaches between the different permitting agencies, and a defined deadline for completion of the process.

Another alternative might be to develop a programmatic EIS/EIR for larger programs. For example, transmission permitting for proposed transmission projects evaluated through the RETI process could be expedited using a programmatic renewable energy development EIS/EIR for all or a portion of Southern California, and another EIS/EIR for all or a portion of Northern California. If the programmatic EIS/EIR were specific enough to complete an alternatives analyses, to identify specific land areas to avoid, and also to identify generic mitigation for likely environmental impacts for the transmission corridor (e.g., xx acres of farmland, habitat and wetlands that are likely to be disturbed), then it could accelerate the permitting process of applications for specific transmission projects that fall within the programmatic EIS/EIR boundaries of impacts.

March 30, 2009

Once again, thank you for the opportunity to participate in the March 12th workshop and comment upon this significant hurdle to meeting California's renewable energy goals.

Respectfully submitted

/s/

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cc: Commissioner Karen Douglas, Chair
Commissioner Jeffrey D. Byron
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