

CALIFORNIA ENERGY COMMISSION

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VIA ELECTRONIC MAIL

July 2, 2007

United States Department of Energy
Office of Electricity Delivery and Energy Reliability, OE-20
Attention: Docket No. 2007-OE-02
Forrestal Building, Room 6H-050
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: COMMENTS ON U.S. DEPARTMENT OF ENERGY'S DRAFT NATIONAL INTEREST ELECTRIC TRANSMISSION CORRIDOR DESIGNATION - SOUTHWEST AREA NATIONAL CORRIDOR

The California Energy Commission (Energy Commission) submits the following comments concerning the United States Department of Energy's (DOE) May 7, 2007, notice of Draft National Interest Electric Transmission Corridor (NIETC) Designations. Specifically, our comments concern the Southwest Area National Corridor, Docket No. 2007-OE-02.

The Energy Commission appreciates DOE's sound rationale and supports the proposed Southwest Area National Corridor NIETC designation. The Energy Commission understands the critical nature of bringing needed transmission on line, particularly in southern California. In earlier comments, we raised concerns that DOE's focus on congestion, as originally proposed, was too restrictive to address California's energy policy priorities.¹ The Energy Commission is pleased to see that DOE has applied a broad approach in identifying national interest corridors that recognizes the need to alleviate congestion and to address constraints that pose obstacles to reasonably priced power, diversity of supply, and energy security regardless of whether these constraints currently produce congestion.

The Energy Commission supports DOE's conclusion that one of the consequences of congestion in southern California is prolonged and exacerbated dependence on natural gas. DOE rightly concludes that inadequate transmission capacity leaves consumers exposed to higher prices and higher price volatility associated with natural gas. DOE has also explicitly recognized California's strong commitment to renewable resources by

¹ The Energy Commission submitted comments in Response to U.S. Department of Energy's August 2006 National Electric Transmission Congestion Study on October 10, 2006. The Energy Commission also provided comments in Response to the February 2, 2006 Notice of Inquiry Regarding Considerations for Transmission Congestion Study and Designation of National Interest Electric Transmission Corridors on March 6, 2006.

including not only source locations with substantial amounts of existing, under-used generation, but also locations with potential for substantial development of wind, geothermal, and solar generation. We agree with DOE that improved transmission access to areas with renewable-based generation potential would diversify supply.

The Energy Commission continues to strongly recommend that DOE, as part of its NIETC efforts, develop a process to identify and protect sensitive areas in California that are unsuitable for transmission corridors. We include as an enclosure to this letter a listing of such areas we identified in our March 6, 2006, comments. While we recognize the importance of transmission infrastructure to meet the growing demands of California, we also continue to emphasize California's unique environmental, cultural, and scenic attributes and the need to protect these unique attributes in skillful corridor designation and permitting. As we stated in our earlier comments, protecting certain "no-touch zones" is vital to preserve attributes highly valued by Californians. DOE has concluded that adjusting the boundaries of a National Corridor to avoid parks or other environmentally protected areas is not necessary. We believe this approach fails to recognize the significant potential to streamline the existing planning and permitting process for transmission facilities by proactively identifying those areas where significant environmental impacts and controversies could be avoided altogether.

As the Energy Commission has previously stated, California will not easily cede its sovereignty over land-use decisions relating to transmission development in California. The Energy Commission believes federal pre-emption of state siting authority should only occur as a last resort and never be used to circumvent state environmental standards or mitigation requirements. However, we also believe that in cases where the state has been unable to make progress in approving vital projects, federal backstop authority would be beneficial. Despite good faith efforts to streamline transmission planning and permitting in California, the lack of timely decisions on important transmission projects continues to deeply concern the Energy Commission

The unmistakable message that the Energy Commission derives from the NIETC designation is the need to advance earlier in time the land use decisions needed to locate transmission lines in California. Key legislation (Chapter 4.3 of Division 15 of the California Public Resources Code)² enacted in 2006 created a state transmission corridor designation process for non-federal lands to address land use and environmental issues well in advance of the need for transmission facilities. The Energy Commission is the lead agency responsible for preparing the necessary environmental documentation for transmission corridor designation that is subject to review under the California Environmental Quality Act. For future transmission projects the Energy Commission's new designation process creates an improved linkage between transmission planning and permitting in California.

California's new corridor designation process also links with DOE's energy corridor designation for federal lands in California pursuant to Section 368 of the federal Energy

² www.leginfo.ca.gov/pub/05-06/bill/sen/sb_1051-1100/sb_1059_bill_20060929_chaptered.html

Policy Act of 2005 (EPAAct-05). Specifically, it can connect federal energy corridors with state transmission corridors to coordinate timely permitting of high-voltage transmission projects by both federal and state agencies. Competing land uses are exerting tremendous pressure throughout California to set aside lands for transmission corridors before options disappear. California's new corridor designation process supports and facilitates the banking of land needed for transmission infrastructure, thus effectively preserving, for later use, transmission corridors consistent with long-term planning determinations. The Energy Commission is currently developing regulations to govern the transmission designation process and plans to begin accepting corridor applications by the end of this year.

The Energy Commission's *Strategic Transmission Investment Plan (Strategic Plan)* also facilitates acceleration of land use decisions for transmission lines by identifying needed transmission investments that inform the state's corridor designation process. The *Strategic Plan* identifies and recommends actions required to implement transmission investments needed to ensure reliability, relieve congestion, and meet future growth in load. In considering the need for transmission, the Energy Commission examines non-wires alternatives to generation, including energy efficiency, demand response, and renewable resources. The first *Strategic Plan* was completed in November, 2005, and the *2007 Strategic Plan* is scheduled for publication later this fall.

As you are aware, the Energy Commission is a cooperating agency for Section 368 of the EPAAct-05 corridor designation process. We have been coordinating an interagency team of federal and state agencies to review proposals to designate new and/or expand existing energy corridors and examine alternatives to these corridors on federal lands in California. We will continue to offer our assistance with regard to designation of Section 368 corridors, particularly with the preparation of a West-Wide Energy Corridor Programmatic Environmental Impact Statement (PEIS) to evaluate issues associated with the designation of energy corridors on federal lands in eleven Western states. We will also continue to provide input for the ongoing NIETC process.

If you have any questions concerning our comments please contact:

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Thank you for the opportunity to comment on this important proposal. We look forward to working with DOE and other federal agencies to develop transmission infrastructure consistent with the energy needs and policy objectives of California.

Sincerely,



JACKALYNE PFANNENSTIEL
Chairman

Enclosures

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ATTACHMENT

WILD PLACES AT RISK

Bureau of Land Management Wilderness

- Black Mountain Wilderness, BLM California Desert Conservation Area
- Carrizo Gorge Wilderness, BLM California Desert Conservation Area
- Chuckwalla Mountains Wilderness, BLM California Desert Conservation Area
- Coyote Mountains Wilderness, BLM California Desert Conservation Area
- Fish Creek Mountains Wilderness, BLM California Desert Conservation Area
- Kelso Dunes Wilderness, BLM California Desert Conservation Area
- Little Chuckwalla Mountains Wilderness, BLM California Desert Conservation Area
- Mecca Hills Wilderness, BLM California Desert Conservation Area
- Newberry Mountains Wilderness, BLM California Desert Conservation Area
- Nopa Range Wilderness, BLM California Desert Conservation Area
- Old Woman Mountains Wilderness, BLM California Desert Conservation Area
- Orocopia Mountains Wilderness, BLM California Desert Conservation Area
- Palo Verde Wilderness, BLM California Desert Conservation Area
- Piute Mountains Wilderness, BLM California Desert Conservation Area
- Rodman Mountains Wilderness, BLM California Desert Conservation Area
- Rice Valley Wilderness, BLM California Desert Conservation Area
- Sawtooth Mountains Wilderness, BLM California Desert Conservation Area
- Stepladder Mountains Wilderness, BLM California Desert Conservation Area
- Turtle Mountains Wilderness, BLM California Desert Conservation Area

Bureau of Land Management Study Areas

- Cady Mountains Wilderness Study Area, BLM California Desert Conservation Area
- Death Valley #17 Wilderness Study Area, BLM California Desert Conservation Area
- Dry Valley Rim Wilderness Study Area, BLM Eagle Lake Field Office
- Skedaddle Wilderness Study Area, BLM Eagle Lake Field Office
- Soda Mountains Wilderness Study Area, BLM California Desert Conservation Area

National Forest Wilderness

- Cucamonga Wilderness, San Bernadino National Forest
- Desolation Wilderness, Eldorado National Forest
- Ishi Wilderness, Lassen National Forest
- Mokelumne Wilderness, Eldorado National Forest

National Forest Inventoried Roadless Areas

- Caples Creek Roadless Area, Eldorado National Forest
- Cajon Roadless Area, San Bernadino National Forest
- Circle Mountain Roadless Area, San Bernadino National Forest
- Cucamonga Roadless Area, San Bernadino National Forest
- Dardanelles Roadless Area, Lake Tahoe Basin Management Unit
- Fish Canyon Roadless Area, Angeles National Forest
- Freel Roadless Area, Lake Tahoe Basin Management Unit
- Grizzly Mountain Roadless Area, Plumas National Forest
- Heart Lake Roadless Area, Lassen National Forest
- Ishi Roadless Area, Lassen National Forest
- Magic Mountain Roadless Area, Angeles National Forest
- Middle Fort Feather River Roadless Area, Plumas National Forest
- Mill Creek Roadless Area, Lassen National Forest
- Red Mountain Roadless Area, Angeles National Forest
- Salt Creek Roadless Area, Angeles National Forest
- Salt Springs Roadless Area, Eldorado National Forest
- San Sevaine Roadless Area, San Bernadino National Forest
- Steele Swamp Roadless Area, Angeles National Forest
- Strawberry Peak Roadless Area, Angeles National Forest
- Tragedy-Elephant's Back Roadless Area, Eldorado National Forest
- Tule Roadless Area, Angeles National Forest
- West Fork Roadless Area, Angeles National Forest
- Wild Cattle Mountain Roadless Area, Lassen National Forest

National Parks

- Death Valley National Park
- Joshua Tree National Park
- Lassen Volcanic National Park
- Mojave National Preserve

State Parks

- Anza-Borrego Desert State Park