COMMITTEE WORKSHOP

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

In the Matter of:	)
	)
Proposed Adoption of Regulations	) Docket No.
Governing an Electric Transmission	) 07-OIR-1
Corridor Designation Process Under	)
SB-1059	)
	)

CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

FRIDAY, JUNE 29, 2007

10:03 A.M.

Reported by:
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Contract No. 150-04-002

COMMISSIONERS PRESENT

John L. Geesman, Presiding Member

Jeffrey D. Byron, Associate Member

ADVISORS PRESENT

Gabriel Taylor

STAFF and CONTRACTORS PRESENT

Chris Tooker

Arlene Ichien

Gary Collord

Jim Bartridge

Roger Johnson

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Kathy Mannion
Regional Council of Rural Counties

Andy Horne
Imperial County

ALSO PRESENT

John Leeper
Lynn Ferry
Southern California Edison Company

Steve Hill
Modesto Irrigation District

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P R O C E E D I N G S

10:03 a.m.

PRESIDING MEMBER GEESMAN: This is a workshop of the California Energy Commission's Siting Committee on proposed regulations to flesh out some of the ways in which SB-1059, enacted last year, will be applied by the Energy Commission.

I'm John Geesman, the Presiding Member of the Commission's Siting Committee. To my right is Jeffrey Byron, the Associate Member of the Siting Committee; also the Presiding Member of the Commission's Electricity Committee. And to his right, Gabe Taylor, his Staff Advisor.

I want to turn this over t the staff pretty promptly. But I'd also like to explain the context in which we are considering these draft regulations.

The Commission is supportive, and this may surprise a number of people, but it is supportive of the federal government's assertion of jurisdictional authority in southern California under the proposed National Interest Electric Energy Transmission Corridors Provision of the Energy Policy Act of 2005.

It's our belief that a federal presence is likely to be an ongoing fixture of transmission permitting jurisdiction in southern California. And as things go, it's one of those we-told-you-so moments for the Energy Commission. Because we had been predicting that in several previous Integrated Energy Policy Reports.

Not clear whether or not that will be the case at some point in time in northern California. But we're mindful of the experience that we had with Path 15 several years ago. And recognize that there's likely to be, over time, an ongoing shift in jurisdictional relationships between levels of government involved in transmission siting.

To us, the message from that is that California, particularly in pursuit of its land use objectives -- and we've argued in the past that one of the principal state interests in transmission permitting is land use.

In our judgment the message of the impending federal role is that California needs to try to accelerate in time the decision points, the land use aspects of transmission permitting.

The Legislature, I think, has

anticipated this and enacted SB-1059 after quite a bit of consideration in committees before the bill was actually passed. And many of the parties were today were involved in that discussion.

There were important stakeholders that I don't see any familiar faces from. But their interests are important, too.

I hesitate to us a sports metaphor because it tends to be overworked, but I'm going to return to it again and again in the course of this process, and that is a baseball game. Our current decisionmaking process tends to concentrate state decisions on transmission permitting to the eighth or ninth inning of a project. We would like to accelerate as many of those land use and environmental decisions as we can to the second or third inning.

We'd like to avoid re-litigating issues or decisions that have been resolved in the second and third inning, but we're clearly mindful of the need for updating decisions if new information becomes available. And we're particularly mindful, as well, of the importance of extending due process rights to all affected parties. Give them a meaningful opportunity to participate.

So, with that preface, what we'd like to do today is go through the staff's draft of regulations; attempt to elicit as much input as we can. And I guess the key test that I'd ask people to observe is how can these regulations be made helpful and useful to you or the interests you represent.

We don't have -- beyond the statute and what I've tried to articulate from our past Integrated Energy Policy Reports, we don't have a grand vision here. If there is a way in which these regs can be made more useful to your interests, please make us aware of that and help us to craft something that can prove workable over the years ahead.

It's our intent to have these adopted by the end of the year. And let me emphasize, I'd very much like to see them adopted before my term expires at the Commission, and that is the end of the year.

So, with that, Commissioner Byron, do you have anything to add?

ASSOCIATE MEMBER BYRON: I would like to just add that obviously Commissioner Geesman's been working on transmission issues here at the

Commission for a number of years. 1059 authorizes the Energy Commission to designate transmission corridors.

I think the staff's done a very good job of working collaboratively with a lot of the different agencies and constituents that have been involved.

But clearly Commissioner Geesman's direction here is extremely helpful. We want the public's input today and we're really looking forward to your comments and hearing what you have to say.

Commissioner Geesman, thank you.

PRESIDING MEMBER GEESMAN: We're going to proceed. I don't know how much time we'll need today, but we'll spend as much time as it takes. Commissioner Byron and I are going to leave no later than 1:00.

And if there's a desire for more time after the lunch break, what we intend to do is convert this into a staff workshop where the staff and the parties have an opportunity to interact without the benefit or the burden of having Commissioner Byron and I present.

Chris, why don't we turn it over to you.

DR. TOOKER: Thank you, Commissioner. Before I turn it over to Gary Collord, the Project Manager, I just want to point out that we have coordinated with the IOUs, and I expect that they have their representatives here today. Multiple representatives from San Diego, from PG&E and from Edison.

And we have set up a roundtable -- square table structure here to facilitate a dialogue, and would invite anybody in the room who does plan to participate in the discussion and provide comments to come forward. We've found that an effective strategy at staff workshops, and invite you to come forward today.

PRESIDING MEMBER GEESMAN: That's a great idea and it also frees us of the cumbersomeness of having people come up to the podium. I'd really invite people to come up to the table.

It's real important that when you speak the green light on your microphone be turned on; and that you introduce yourself. The reason for that is so that we have an orderly transcript of today's proceeding.

DR. TOOKER: So, I'd like to turn it

over to Gary Collord, the Project Manager.

MR. COLLORD: Okay, good morning. I'm Gary Collord with the energy facilities siting division. And I think most of the background information for the objectives of today's workshop have been pretty well covered.

The main goal here is to develop regulations that create an Energy Commission process for designating electric transmission corridors within California.

And, as Commissioner Geesman noted, the goal here is to hopefully have regulations adopted by the Commission by the end of the year. And hopefully approved and ready for implementation early next year.

Staff's proposed regulations were posted on the Commission's website on June 8th. And this is the first workshop the Commission's Siting Committee has hosted to solicit comments from interested parties.

I think it's been noted that we've already received written comments from several parties, including the California Public Utilities Commission, San Diego Gas and Electric, Imperial County, Imperial Irrigation District, the

California Farm Bureau Federation. And copies of those written comments are on the table out front, along with the workshop notice and staff's proposed regulations.

I'm essentially going to ask Arlene Ichien, with our legal office, who has also been the primary author of the draft regulations, to kind of walk us through staff's proposed regulations. And we also have staff here from our engineering and environmental offices to help in the discussion, particularly concerning any clarification that's needed concerning application information requirements contained in appendix G of the draft regulations.

And we also have key project staff here such as Chris Tooker and Jim Bartridge to help in the discussion, as well.

I understood that staff from the PUC might also be here today; and if that's the case, we're hoping that they will, too, participate in this roundtable discussion.

And then lastly, we've arranged for a telephone call-in line; and so we may have individuals participating in today's discussion over the telephone.

And so with that I'll turn it over to Arlene.

MS. ICHIEN: Good morning. I'm Arlene Ichien, attorney at the Energy Commission. And I'll just provide a brief overview of the regulations as drafted.

These regulations are modeled after the power plant licensing regulations. And they are quasi-adjudicatory in nature in that they would include an evidentiary hearing at which parties, including the staff as an independent party, would present testimony under oath and subject to cross-examination.

And the staff's testimony would be at that point the equivalent of a final EIR. Prior to the evidentiary hearings the staff would publish a draft EIR that would go out for public review and comment. And that would be followed by the final EIR which would serve as staff's testimony, and subject to review and rebuttal at the evidentiary hearings.

As part of the quasi-adjudicatory nature of the proceedings there would be an ex parte rule that would apply to all parties, including the staff.

The proceedings contemplate the Energy Commission Staff doing an EIR, probably a program EIR. And in the context of what Commissioner Geesman was saying about dealing or addressing environmental and land use issues in the second and third innings of the game, the program EIR would hopefully help to focus project-specific EIR later at the permitting stage.

The proceeding contemplates several public workshops, and contemplates conferring with and receiving input from all levels of government, particularly local and regional governments with respect to their land use interests.

The evidentiary hearings would establish the hearing record upon which the Commission's decision would be based, and upon which it can make the findings that are expected under the statute with respect to whether a proposed corridor is appropriate with respect to environmental, public health and safety, economic, other factors.

Appendix G contains informational requirements for selected technical areas. You'll note that there aren't as many technical areas contemplated here as there would be for power

plant licensing cases. And depending on the technical area, the level of information may vary. So your comments on the level of information requested would be appreciated.

The regulations, as drafted, are currently silent on the update proceeding. And that's probably something that we need to address, as the statute does require us to review, at least every ten years, the designated corridors.

But in the context of the strategic plan, which is part of the IEPR done biennially, we expect to have updates more frequently than every ten years. And those updated would be subject to the same procedural requirements as a designation process.

So with that, I'd like to just turn to you folks and perhaps unless there's a suggested alternative way of doing it, perhaps we should just start with the draft regulations and go section-by-section on through to appendix G. Unless there's a desire to just focus on certain part of the sections.

MR. ACUNA: This is Tom Acuna; I represent SDG&E. And today I have Chris Terzich from my staff, as well as Allen Trial from SDG&E's

regulatory staff.

My suggestion is that since the Commissioners won't be here after 1:00 perhaps the utilities could share some of their key points. And then maybe we could drill down to the more detailed level of review as we go.

MS. ICHIEN: Certainly, that would be fine. Shall we begin with you, then, and have the parties then get their key points across while the Commissioners are here.

MR. ACUNA: That would be fine, thank you.

Well, thank you for having us here today. I think the CEC effort to streamline and plan in advance is complementary to what needs to be done in this state; fits very well with what the federal government's doing with their energy policy.

So, we've looked at this in detail. We sent our recommendations here. And I'll go through them very quickly. We have five key recommendations.

And I think the first one is most important to us, is that we do this in a programmatic approach. One of the things that is

difficult, when we looked at the original regulations or the draft regulations is -- and I know folks have heard this already -- why would a utility go through a process to repeat what will happen down the road with the CPUC.

And so our goal is not for that to be the fact. In fact, let's make this helpful to what happens in the future.

So you mentioned the programmatic approach. We strongly support that. That was our number one recommendation. We think that by designating existing rights-of-way with the ability to add additional utility lines within those corridors is key.

That does not mean that future lines would be exempt from CPUC regulatory licensing. We feel that your programmatic approach would fit well with that. The CPUC would still have an opportunity to comment and approve our projects later. But at least the route routing, the designated corridor will have been defined. And the key focus would be left to the CPUC such as environmental issues that could be addressed in their process. So we commend you for that approach, and at least taking that on. I think

it'll be a good approach for everyone.

Chris or Allen, would you like to add anything to that?

MR. TERZICH: I'd say that the use of the -- this is Chris Terzich with SDG&E. I think that the use of existing corridors recognizes existing policies and guidelines. The Garamendi principles, for example, which stress the use of existing transmission corridors in the siting of transmission lines.

And sometimes the intervenors and others that might be out there in the public looking at transmission line corridors will conveniently use those; and then not use those as need be, depending on what they want.

So the recognition of those principles and the transmission line corridors is, I think, really key. Because what it's going to do, it's going to mesh those things together and kind of almost codify or make those principles really kind of have some further bearing, or some further teeth. So, that.

And then coupled with the programmatic approach which really, I think, can look at, you know, broad-based issues, focus and narrow down

the subsequent environmental review, address cumulative impact needs and also maybe even provide further impetus for purpose and need for the project, which would be adjudicated later with the CPUC.

But at least you would have a purpose and need, a point A and a point B, and a need to get the transmission from point A to point B. But you would have maybe more of a focused or narrowed way of getting from point A to point B, meshing the Garamendi principles, sound transmission planning criteria and the CEC's corridor process that meshes with the federal process.

So I think this is all good stuff.

MR. ACUNA: The second part of our recommendation is that when we submitted our IEPR this spring, we included transmission lines that we felt -- these were 69 kV lines that would ultimately be useful to reaching out to renewable locations.

And we feel that it's important that we take those routes identified in the plan and make them part of your strategic initiative here so that if we designate those lines we can seek a designation. So that's important to us.

So, very briefly again, the existing 69 kV lines that reach out to renewable areas need to be designated so that we have an opportunity later to upgrade them if we need to. And right now, the strategic plan, our IEPR, we brought that forth. And those routes are not reflected currently in your strategic map. So that's what we would like you to do, if you could open that up that would help us in that direction.

PRESIDING MEMBER GEESMAN: Can I ask, are those lines currently under the operational control of the Cal-ISO? The 69 kVs.

MR. TERZICH: I believe so. I think all transmission --

MR. ACUNA: No, I think ISO is 138 and --

MR. TERZICH: And above?

MR. ACUNA: I think it's a greater voltage, yes.

Well, our feeling is that at some point you could have a 69 kV line --

PRESIDING MEMBER GEESMAN: That would be upgraded?

MR. ACUNA: Right.

PRESIDING MEMBER GEESMAN: Yeah.

MR. ACUNA: To 138.

And recommendation 3, I think you folks -- that's pretty clear that we'd like the plan to be updated every year -- I'm sorry, every two years. And I think we discussed that with staff a little bit, and that seems to be their intent. So that was one of our recommendations.

DR. TOOKER: Let me just clarify. This is Chris Tooker with the staff. The strategic plan, which is part of the IEPR process, we will be updating every two years.

MR. ACUNA: Right.

DR. TOOKER: But designated corridors, although they need to be reflected in the strategic plan for the statute, we wouldn't plan on automatically updating every two years unless, you know, there was a rationale for doing that in terms of the timing as to permitting. At least at this point that's our perception.

MR. ACUNA: So we would still want it, to update it every two years as a utility, then. That would be necessary because I think you're saying that wouldn't occur the way it's drafted now?

MS. ICHIEN: Well, right now the

regulations are silent on updates. But we're thinking of a provision which would allow a party to petition for an update. And so I think that would meet your concerns --

MR. ACUNA: Okay, good.

MS. ICHIEN: -- about the ability to ask for an update as you see fit.

MR. ACUNA: Great.

PRESIDING MEMBER GEESMAN: What do you envision coming from an update?

MR. ACUNA: What we've seen is that things change very quickly, especially with renewable energy. We need the ability to change our mind, --

PRESIDING MEMBER GEESMAN: Sure.

MR. ACUNA: -- to add things.

PRESIDING MEMBER GEESMAN: Sure.

MR. ACUNA: And if we can come back and periodically have that mechanism to do that, that would facilitate those changes that we didn't predict.

PRESIDING MEMBER GEESMAN: If that's triggered by your request, is that sufficient? Or do you want the staff to just automatically go through a process?

MR. ACUNA: I think we can -- well, certainly, we would like to be able to do that, ourselves. I think that if the staff can do that, obviously I think that would be helpful. But we can discuss that some more.

PRESIDING MEMBER GEESMAN: Okay.

DR. TOOKER: I think one of the balancing factors that's been mentioned by others, and actually by SDG&E, as well, is minimizing costs. You know, an update of a transmission corridor that's been designated will require review of environmental information and will require outreach to local governments and their participation.

And according to the statute, the proponent, utility or otherwise, would be responsible for reimbursing those costs. So we think that needs to be considered in the timing of updates and the need for those updates.

MR. ACUNA: Right, right.

MS. ICHIEN: You referred to changes that occur.

MR. ACUNA: Yes.

MS. ICHIEN: Just keep in mind that a designated corridor, even the change to

designation has to be found consistent with the current strategic plan.

So presumably changes would still be relevant or relate to, you know, objectives that are in the strategic plan in effect at that time.

MR. ACUNA: Exactly. And that's, step one is identifying your routes in the strategic plan. Make sure that happens. And then when you go through to the designation process, are you consistent with what's shown on the plan. Of course, that's what we want.

One of the other issues is payment. And our concern is this. Let's suppose a utility goes through the process and is the applicant to designate a corridor. And two or three years later a municipality decides to take on its own power needs and needs a route, powerline route, and utilizes our designated corridor.

We would like to make sure that the utility that generated the original designation is reimbursed in some fashion for the loss of that in terms of cost. And we would like you folks to prioritize and consider the utility's needs before another utility or city were to utilize our corridor that we took the time to designate.

MS. ICHIEN: Again, staff is working on a provision clarifying the reimbursement process. And will certainly take your comments under consideration.

MR. ACUNA: Thank you, appreciate that. Now, I think recommendation 5 is kind of unique. And I think it would be very helpful. And let me explain this.

Basically what we're asking for is some sort of CEQA exemption to be added to the regulations. And the idea is this: If we have a low voltage transmission line right now, and we want to designated that corridor for future use, we don't think having to go through an EIR process is necessary.

The structures already exist. The roads exist; the pads exist. So what we're looking for here is that it can be designated and we can receive an exemption if there's one of three items available.

One is cultural resources; it's always an issue. If the utility can demonstrate that it has a program to handle cultural resources, then that would be one of the exemption criteria.

The second would be if a utility has its

own habitat conservation plan to mitigate for wildlife and habitat, then also that would meet part of the criteria of minimizing impacts to the environment.

The third, which is not here and I would add this, is that if a utility can participate in a local jurisdictional approved habitat conservation plan, then that would also be an "or"; either the utility has its own, or it could utilize or participate in the local jurisdiction habitat plan.

Because that plan, in theory, has gone through CEQA review, received all of the state and federal wildlife approvals. And by participating, a utility participating in that, in theory, the impacts caused could be mitigated by use of that plan.

So that's the fifth recommendation. And, Chris and Allen, would you like to add anything to that?

MR. TERZICH: Unless we have questions.

DR. TOOKER: I do have a question. Again, Chris Tooker. You had mentioned the existing poles. Would your expectation be that that exemption would be based on the assumption

you'd just be using existing infrastructure and stringing additional conductors? Or would you also be contemplating adding additional poles and related infrastructure within the corridor?

MR. ACUNA: Yes, good question. It would be minor. If we were going to take a line and upgrade it, there would need to be some room to add additional poles, insets potentially. We might have to modify existing structures. We might have to increase the height, say, 20 percent. I think that's -- 20 feet is what we said in our testimony here, written testimony.

DR. TOOKER: Thank you.

MS. ICHIEN: I have a question. Your reference to an HCP or a cultural resources protection plan, suggests that there could be the potential for impacts in the absence of those plans.

And so I'm having difficulty dealing with the concept of an exemption with respect to designation, as opposed to, for example, mitigated negative declaration, or a neg dec.

Do you see a mitigated neg dec or a neg dec being --

MR. ACUNA: Oh, I --

MS. ICHIEN: -- being a possible document --

MR. ACUNA: -- I think, yes, I think we all have to be very flexible. There are going to be times when an exemption will clearly work; and there are going to be times that a mitigated neg dec would possibly work.

I think, when I read the regulations it just seemed so strongly slanted in the direction we were going to have to do an EIR, period. So adding tools is what we're looking for.

MS. ICHIEN: Or adding the option of a neg dec or mitigated neg dec would go towards your concerns?

MR. ACUNA: Yes.

MS. ICHIEN: And also, based on your description of how a designated corridor might be considered for an exemption, it sounds like the designated corridor would also be restricted for a particular use or upgrade, to allow for that exemption or neg dec.

I mean do you contemplate such restrictions or parameters being placed on the designated corridor.

MR. ACUNA: Can you give me an example

of what you think would be a limit?

MS. ICHIEN: Well, frankly, to me an exemption seems more appropriate at the project's permitting stage, where you've got a specific project proposed; whether it's just stringing additional lines or whatever.

At that stage it seems appropriate, more appropriate to consider whether or not that proposed project's entitled to an exemption under CEQA.

But at the designation stage it sounds like there's potential, you know, without undue restriction of a designated corridor, there's a potential for a variety of projects to go into the designated corridor.

And so therefore I'm having difficult with the use of an exemption for a designated corridor. Without more restrictions than we initially contemplated for a designated corridor.

MR. ACUNA: Do you want to try to answer that, Chris?

MR. TERZICH: Yeah, I think I can. Chris Terzich, SDG&E. The intent would be, I think, that the corridor exempt status would be a category that could be applied as an overlay, for

lack of a better term.

So, in other words there might be certain corridors where we have existing facilities that this may not apply. I can see some of our 69 line corridors this probably would not apply, because any major upgrades would never meet these criteria. We may have the habitat conservation plan in place; we may have, you know, the cultural resources plan in place.

But, you know, the inter-sets or the structure replacements and all that would be such that, you know, the exemption just simply wouldn't apply.

There are other categories or other corridors that we've identified such as our existing facilities where we have multiple lines like 69, 138 and 230 lines, where it is possible that simple upgrades of facilities such as described here could be done and would be appropriate, and this overlay category would be applicable.

So we wouldn't want to have this as a blanket over every facility; only those where we felt that there was existing facilities that could meet this criteria. And that would be limited to

those, probably those circumstances that I just talked about.

DR. TOOKER: How does the current CPUC exemption process apply to those situations?

MR. TERZICH: It's very kind of hit-and-miss. And subject to interpretation, I think, in certain categories. I think this would basically probably obviously still result in us having to do an advice letter to the CPUC if we felt that it fit under the advice letter exemption category, as appropriate.

However, this might provide us with an impetus to basically have something else in our back pocket to tell the PUC, that, look, this fits under this certain category, this certain exemption.

And it would be basically up to us to determine what level of trigger is required in terms of that advice letter. Sometimes we file them, sometimes we don't.

So it just depends on the circumstances, I think.

DR. TOOKER: So you think in some circumstances there would be sufficient value to the utility to go through that voluntary exercise?

MR. TERZICH: I think so. I think so. Because then it would provide an overview and would provide the PUC with just another tool to say this has been looked at and thought about. And, you know, that the impacts are covered, and that the category is applicable and the exemption is applicable.

DR. TOOKER: Thank you.

MR. ACUNA: I would also like to add, one issue that we're facing in San Diego County, I'm sure other utilities are facing, the additional wildlife refuges preservation areas are occurring more and more in California. And its basically locking up lands where we have existing corridors currently pass through.

Let me give you an example. And where I'm going here is that the designation process, a designated corridor, gives utilities greater authority and more recognized need that those corridors need to be protected for existing and future uses.

The example that I'm going to give you is our Miguel Substation. It's a transmission substation located in the City of Chula Vista. And it is a transmission substation that brings in

power from Arizona and Mexico. And it's strategic to San Diego, significant parts of our power come from there, as well as the State of California.

The U.S. Fish and Wildlife is contemplating the acquisition of 15,000 acres; this 15,000 acres would basically surround our substation. And our powerlines also go through those areas.

We sat down with staff, this is Fish and Wildlife Staff, as they're creating their long-range plan. And we asked them the question: In the event that SDG&E needs to add an additional powerline through these areas, would you be able to grant us the rights-of-way that we need to meet energy demand. And the answer was no. It goes against their objectives, their goals of their plan, which is wildlife and habitat first.

So, if we can go through a process a the CEC where we can designate corridors, and this is recognized, then we may have additional support from Washington, the Department of Energy, for these land use plans, these stewards at the Fish and Wildlife, to incorporate our needs for potential expansions in the future.

So that's an important feature that the

designation process could provide to us.

Would you like to add something to that?

MR. TERZICH: Yeah. And, again, because we are focusing on existing corridors, that means that there's existing access roads, existing pads for facilities. This reduces environmental impact because we can limit the number of new access roads, shorten the spur road that come off of the existing roads, minimize the new pad areas.

So this has an effect of consolidating facilities and consolidating and minimizing environmental impacts on the ground.

So, you know, we're meeting a couple of different objectives.

MR. ACUNA: I think that concludes the recommendations that we're suggesting at this time. And we'd like to keep the door open to provide you folks more recommendations as we can think of them.

(Laughter.)

MR. ACUNA: This is a good time to do it. So, I'm sure the other utilities have things to say, too. So, thank you.

PRESIDING MEMBER GEESMAN: I certainly thank you for your input on that. I think that

your utility, probably moreso than the other two, have felt the acute landlock nature of population growth and economic growth in California.

And certainly my five years on the Commission have been bookended by the Valley Rainbow controversy, and now the Anza Borrego-related controversy on the Sunrise Power Link.

So we're quite aware at the Commission of the challenges that you face. And I certainly think your recommendations are constructive as a response to it. I thank you for doing that.

MR. ALAYWAN: My name is Ziad Alaywan. I'm here on behalf of Imperial District. And I --

DR. TOOKER: Imperial Irrigation?

MR. ALAYWAN: Imperial Irrigation District. Just a little bit -- I'm a new face at the CEC, so just maybe I can introduce myself.

I've been retained by the IID Board as an advisor to the IID Board on various matter, including transmission. And I'm also representing the IID Board on the negotiation with our partners, San Diego Gas and Electric, on the Sunrise, and also with the Los Angeles Department of Water and Power on the Greenpath North.

I'm delighted to be here, and thank you

for this workshop and an opportunity for IID to sort of communicate with the various entities what are our concern.

On way of background I'm an engineer; I started with Pacific Gas and Electric on the transmission/generation side for about ten years. And I spent about nine years at the California ISO as a Managing Director of the market operations. And I'm a consultant now, and one of my client is Imperial Irrigation District.

So at the board meeting yesterday in Imperial the board had asked I attend this meeting. And obviously, the board has taken some initiative in some of these PUC/CEC matters, especially in light of the many projects that the board is sort of trying to make decisions on a lot of important project, as the Greenpath North and Sunrise.

And also we have request from the Southwest Utilities to also build lines from Arizona into Imperial County. So, it's coming from all directions.

And excuse me a little bit for not getting to the point right away, because I want to set the context, you know, a little bit, and I

won't take more than a few minutes here.

But the Imperial Irrigation District has always on record encouraged renewable generation in the area. In 2005, as you know, some of you, the IID have submitted to the CEC the Imperial Valley Study Group result, which is basically on record the IID has committed to beef up the transmission system in the IID area.

And if you look at the report that was submitted to the CEC it talks about three phases of development of the transmission, and at a cost of about $250 million. Now, that's a lot of money for Imperial; it's a lot of money for anybody, but especially for Imperial Irrigation this is a lot of money.

Phase 1, 2 and 3, all together, amount to the 250 million approximately that I mentioned. Based on that report it also assumed a level of generation that will interconnect to that transmission. That level of generation is soon to be 2200 megawatt of renewable generation. This was in 2005 as a result of a regional planning exercise. There's a lot of parties including San Diego and the various utility in southern California and the southwest been engaged, too.

I think it was a very positive, very good dialogue.

Since then, IID have taken that very seriously. They have, since 2005 have spent millions of dollars in the following: They have acquired right-of-ways along the Palo Verde-Devers line, 110 miles of a new right-of-way.

They have acquired and performed engineering and environmental analysis on the routes around the Salton Sea for a new 230 kV line.

They have done engineering analysis and environmental on the southern area of the Imperial Valley around the Imperial Valley Substation. All in accordance with the IID study group.

And so the record shows that this was not just a paper that was filed at the CEC. But actually money's been spent; actual right-of-way has been acquired; and moving ahead.

The issue that IID Board specifically is facing today, which is what we need to be involved in these form is if IID Board decided to spend that money. What guarantee that these facilities will be built that are going to be utilized, and will not be stranded facility.

For example, if IID comes in and move ahead with their plan and build a 230 line, one of the many projects -- this is about 15 projects outlined in the IID study group -- today, if you look at the generation queue, which is what the generators will usually submit their transmission interconnection request to the local utility, the level of the generation queue in the IID, to connect to IID system, is, as of last week, is around 600 megawatt of new geothermal plus solar basically.

Well, that's not even close to what IID needs to have in order to justify these projects.

But then if you look at the ISO generation queue, San Diego Gas and Electric have put in 6000 megawatt in the ISO generation queue, for solar, for wind to connect to Imperial Valley Substations, which is a joint substation, joint-owned substation.

So the ISO -- the IID Board looks at this and said, what do I do. I don't have enough generation requests to justify spending all these millions of dollars. I have done the environmental analysis; I have done the permitting; I'm ready to go to pour concrete here.

But they see that the policies maybe that we need more coordination; maybe we need to, you know, talk more about what IID is doing. And all we want is we don't want anybody to duplicate facilities. And I think that's something everybody will share.

So, my only comment here is what we submitted in writing is we need to take into account not just the ISO planning process, we need to take into account the WECC planning process. Because IID, with all these plans, they go to the WECC. And they tell WECC, this is what my plans are. And they also tell the ISO.

They also tell -- there's a lot of different planning forum, but we need to make sure that the staff and the Commissioners looks at what IID is doing, and not designate corridors that IID already have right-of-ways, or already have new right-of-ways you might not be aware of. We're happy to provide all the information to you, all what you need.

But, you know, we're very supportive of your action. We just want to make sure that IID is very concerned about duplication of facilities. We trying to resolve this with our partners, with

San Diego and ISO, in terms of what does it mean to have a 6000 megawatt of generation in the ISO queue, and 600 in the IID queue, and they both impact each other.

And does IID move ahead or not? And really the IID Board is really looking for help, to clarify the policies. And we'll be asking the PUC for the same thing. We already have a scheduled meeting with the ISO, so we're engaging in a multiparty discussion to just basically make sure that existing facilities that IID has does not get, you know, stranded, or new facilities.

IID have 1000 megawatt of existing capacity on their transmission system today in some part of their system around the Salton Sea. It's the 230 system, the collective system that was built in the '80s, which is 40 percent utilized. And there is capacity there that can be utilized. We want to use that first before we go and acquire new right-of-way or somebody else comes in and build, you know, transmission right next to an existing transmission.

So that coordination is really important to insure lowest cost to the ratepayer. Both the IID ratepayers and the IOUs' ratepayers.

Thank you.

MS. ICHIEN: I just want to add that both the statute and the regulations, as drafted, contemplate the process involving conferring with local governments for input into the strategic plan, as well as into a proposal for a designated corridor.

MR. ALAYWAN: Thank you, yes.

PRESIDING MEMBER GEESMAN: I also think the experience of the Commission power plant siting process has emphasized the importance or close coordination with the local land use authority. We've got 32 years of history of working quite closely with local governments on land use questions.

MR. GALATI: Scott Galati representing PG&E. I think PG&E is already on record, and thank you very much for inviting us so that we can participate in this regulatory workshop. PG&E, I think, is already on record on where they stand on most of the policy issues.

So, one of the things I'm going to address is whether or not the regulations, as drafted, actually produce something that we think is really useful, especially from the

environmental review.

I think our take is a little different than San Diego Gas and Electric's take. While we understand the concept of the programmatic level approach to looking at high-level impacts, we think in order for it to be of value it ought to be sufficiently detailed enough to allow tiering by the Public Utilities Commission.

So, for example, I look at this as something more than just a general plan designation. For example, as a local agency would draft it's general plan, and it would contemplate that a piece of ground would be used for manufacturing. But they don't know what kind of manufacturing. So their view is extremely high at a programmatic level.

Then there's another level that a land use agency would use, which would be more of a specific plan where they might designate in a particular commercial use that it will all be business and commercial retail in different sections. And they then look at a much more detailed look. But still not detailed enough to be a project level, because they don't have a project in front of them.

In my opinion I think that the designation, since all that can go in the designation in the corridor would be transmission lines, that the level of review should be more of a specific plan level and not the high-level program level as a general plan.

For example, if such a high level were conducted I'm not sure that there would be useful, for example, mitigation strategies that develop out of such a high-level look that would allow the PUC or an applicant to say I understand what I'm probably going to have to do in the portions of the corridor, for example, that may cross some biological habitat.

So, while we're not advocating in any way, shape or form that the Energy Commission evaluate specific projects such as the size and locations of structures, the size of conductors, all the typical ground disturbance that may occur, we certainly want something that is specific enough to be useful.

I'll give you an example. And I think that San Diego Gas and Electric raised really good examples that they already have in place. Habitat conservation plans, cultural resource mitigation

proposals and programs. The more detailed they can be, if an applicant has them, clearly that would be really good. And in my opinion, that's mitigation already incorporated into the project. You wouldn't necessarily need to develop new ones.

But in the case where an applicant did not have them, we certainly would want this review to come out with very clear strategies on what would need to occur within the corridor.

So that when we went to the PUC for a specific project we can incorporate that mitigation very specifically into the definition of the project; it had been publicly reviewed; there had been an agency who has several years of experience in permitting, including transmission lines. And that those mitigation proposals could be incorporated into our application.

We think only in that way would the CPUC's review be expedited. Would the CPUC have the ability to really functionally tier.

So, our comments, and when we get into more specifics, are going to be more of importing into these regulations the similar types of information and results that come from the siting regulations that you already have in place.

Again, I want to make it absolutely clear, we're not advocating that you site a line. But we are advocating that if there is a transmission corridor designated, that that transmission corridor very much streamline the next set of the process.

And I'm concerned about the term program level EIR. Not that it's the wrong term, but that it may imply too high of a look.

So there will be some specific comments that we can make on these issues, specifically in the findings and the detailed nature of the environmental review.

PRESIDING MEMBER GEESMAN: And you think you can bring that detail to an appropriate level of specificity so it's more than just expression of good intentions on the Commission's part?

MR. GALATI: I think so, and I think that it's going to be on a case-by-case basis. For example, as San Diego Gas and Electric just raised, if you were to designate a corridor that had existing lines in it, I think it's much easier for --

PRESIDING MEMBER GEESMAN: Right.

MR. GALATI: -- you to do, a much more

specific --

PRESIDING MEMBER GEESMAN: Right.

MR. GALATI: -- type of analysis. If you were looking at a brand new corridor with nothing really contemplated at the moment, but you know you need it, maybe you can't bore down to that level.

But you clearly -- and I certainly don't want to under or misrepresent the magnitude of potential environmental impacts, but when it comes to transmission lines we are dealing with a lot of the "ologies", and we're dealing with ground disturbance, land disturbance. And the detailed review often comes out with a set of mitigation strategies that are very similar between project to project.

We hope that this designation process would make that more clear, so that we wouldn't have to reinvent that wheel --

PRESIDING MEMBER GEESMAN: Right.

MR. GALATI: -- each time we went for a projected project.

DR. TOOKER: Scott, I have a followup question. So, as an example, you might be looking at a section of the corridor in which there's a

range of potential impacts depending on where the alignment is. You might have a water fowl area, you might have a scenic highway area. And what you're looking for is for us to identify a range of mitigation or avoidance strategies for those kinds of constraints that exist within the corridor without really knowing where the line is going to go, but assuming that it was going to impinge on those resource areas.

MR. GALATI: Yeah, and I would think that in -- I agree with that, Chris. And I think that if, as the regulations are currently proposed and certainly an EIR requires, you would be looking at alternatives to the corridor designation.

And if you found a, for example I think I used the word before, a pinchpoint, a point in the corridor where there were more potential environmental issues so that you would want to either restrict, avoid, mitigate in a certain way, have different types of structures in those areas, however you wanted to mitigate, provide a habitat conservation plan, mitigation strategy, you could even come up, in my opinion, with the actual acreage ratios, you certainly could come up with

some strategies for addressing that.

And I would think you would have to in order to defend your choice of that alternative versus some other alternative.

So I think that you're going to end up having to get there anyway when you wrote that document. And I would just like the regulations to reflect that. And I think that you have some good history and some specific regulations in some of the findings of the staff assessment, and what needs to be included in the Commission decision that you can import from the other parts of your regulations.

PRESIDING MEMBER GEESMAN: I think those are good points.

DR. TOOKER: Yes, Tom.

MR. ACUNA: Yes. I think you bring up some great points and I think we're thinking similarly. I think the point that we really need to focus on is how do we get the CPUC to recognize the efforts that we go through prior to that, so that we can be sure that we're going to meet their exemption criteria or their 131(d) criteria.

MR. GALATI: I agree with that, and, you know, we had talked about that. I can only speak

from siting experience that the Energy Commission has, in the past, entered into memorandums of understanding between agencies that I think has been extremely helpful.

And we're making comments on regulations that don't affect our main concern, which is how is this coordination going to occur. If the coordination did not occur the comments I just made we would probably not make.

We would prefer you do something very quickly and something without a lot of information if it's not going to be used. But if it is going to be used, let's make it as useful as we can. And we implore you to do whatever we can to insure that coordination.

PRESIDING MEMBER GEESMAN: Paul Clanon, the new Executive Director, I think the first week he was in that new role, came here to one of our hearings; emphasized the importance he attached to transmission corridor designation and his commitment to try and make the two agencies work more closely together.

And I think, from my perspective, there's certainly no desire there at the PUC to reinvent the wheel, or re-litigate stale issues.

I think that it's reasonable for all of you folks to expect a greater clarification as to how that coordination is going to take place downstream.

But we ought to strive to, as we found it productive among Commissioners, to think that let's assume there's one commission with ten members. It's all part of the same agency. How would the process look then.

And, you know, frankly it's not one agency, there are two agencies; they're separate legal jurisdictions and separate findings that need to be made, separate judicial review processes.

But I think if we approach it as if it were one agency, it gives us a pretty good starting point. And then we can navigate our way around some of the barriers that currently exist.

MR. GALATI: I think, Commissioner Geesman, I appreciate that very much. I did read the CPUC comment letter, and I was concerned that their general overall tone was you should deliver less information.

Now, I represent applicants, and you know, in the past, I would love to produce less information --

(Laughter.)

MR. GALATI: -- because it costs money for us to produce information. But as a realist, I realize the less amount of information we produce the less useful --

PRESIDING MEMBER GEESMAN: Right.

MR. GALATI: -- this process will be. And so I was concerned when I read that maybe there was less information necessary to do the designation when we think it probably needs the same or more information provided in an application to get to the end game.

PRESIDING MEMBER GEESMAN: And I think that's one of the things that motivated the staff towards a quasi-adjudicatory process, in order to establish an evidentiary record that the PUC will be prepared to rely upon.

And I think that commitment existed at the Commissioner level and at the upper management level, that we simply have to bring the two institutions into closer alignment.

MR. GALATI: Well, we appreciate that. And certainly when we get down to the nitty-gritty I have some comments on intervention and discovery and some of those things ont he process. And I'd

be more than happy to do that. And we will follow that up in writing with very specific recommendations after the discussion.

PRESIDING MEMBER GEESMAN: Good.

MR. COLLORD: Scott, are you recommending that the regulations be structured to have a two-tier process so if an applicant wants a higher level analysis for kind of like a programmatic EIR there is an option for doing that, as well as if they want something more specific, like a master EIR --

MR. GALATI: I really wasn't advocating that the regulations provide that. I think what I'm advocating is that you not limit yourself to something so high as a programmatic level EIR. And so some of the ideas would be in that initial scoping meeting to certainly develop the content of the document that you're using.

And like I said, for example, the corridor designation that San Diego Gas and Electric was talking about, in which they're contemplating a line replacement, that could be very very specific. And it could provide -- it could incorporate everything. It could be, in my opinion, a mitigated negative declaration if

that's what it was.

If there's a broader corridor where there aren't any lines, or a corridor where it's really an expansion that's being looked at, I think you should tailor the level of review to the application that is in front of you.

But in no case, in my opinion, should you do something like a general plan review. That won't be useful, I don't believe, at the PUC.

MS. ICHIEN: Scott, I think your points ar well taken, and I think they are consistent with what the staff intends in the way of an environmental review.

And, as you point out, it is largely dependent on the level of information provided on what's being proposed.

And I think the use of the word program was not intended to limit the Commission's review. It's simply to refer to a stage in the planning/ permitting process that precedes the actual permitting of a project.

But, in any event, you know, depending upon the level of information provided, and I think appendix G indicates that the staff is looking forward to more than just a cursory level

of information regarding the proposed designation, that the environmental review would reflect that.

And I think it's incumbent on the agency to do as comprehensive of a review as the information supports.

MR. GALATI: And I think the way the tiering would work in that case would be the PUC would look and say, I've got an application in front us; I'm looking at the mitigation incorporated into the designation. What additional mitigation should I provide, which option should I select, and what specific do I know now because I know the height of the structures, or I know the footprint of the structures. Has anything change.

And so that becomes a focused project EIR. And hopefully, if we've done a good job at the designation stage, those issues will be extremely focused and they won't be what are the biological impacts of the entire line. We know what the biological impacts are going to be of development inside the corridor. Now, we're looking at refining the number or refining the avoided strategy.

I think that's the only way it makes

sense.

DR. TOOKER: Scott, I think your comments are very instructive, and especially when we're looking at updating a designation. We are assuming, in the original designation of a corridor that has a 15- to 20-year expected life, that at the five-year interval, once you get close to a more specific need, that there'll be more or less uncertainty regarding environmental issues. And any update we would do then would be able to be more specific to address those remaining critical issues that we know more about at that point.

So I think it'll be also important to apply that approach kind of in a chronological sense as the uncertainties are reduced and information is increased.

MR. GALATI: I think there's one other thing that the regulations don't address, and I haven't really thought about how I could make them address it, but I think it's very important for the Energy Commission Staff to defend the corridor against other land use encroachments.

And so other development proposals later that come from a location that may not understand

or incorporate what the corridor means. That's how transportation planning agencies do it. That's how other districts, irrigation districts do it. When they have plans in place, it's sort of incumbent upon them to participate in other CEQA processes, in other general plan updates, specific plans. And I think that's going to be a significant burden on the Commission that you should be planning for now.

I know that you're going to get everything from the clearinghouse, but somebody's got to read that and review it. And it's going to take some time.

DR. TOOKER: We have discussed that, the fact that we'd have to develop those strategies for following designations over time to assure that they get recognized by agencies, array of different agencies, in their decisionmaking, to maintain their viability.

Would you like to speak?

MS. MANNION: Thank you. Kathy Mannion with the Regional Council of Rural Counties. We were participating, of course, in the legislation and also look forward to participating in the formulation of the regulations.

I did want to make you aware that my local government colleagues and I are reaching out to our local agencies, our cities and counties, seeking feedback on the proposed regulations.

I do have, today, some minor comments which I'll submit in writing. And at this point in time, just want to let you know that we're there and certainly want to do what we can.

We're very please with, of course, the process that's laid out insofar as, you know, the coordination and working with local agencies. And I do feel at the end of the day that the cooperation between the CEC and the local governments will benefit everyone.

PRESIDING MEMBER GEESMAN: I appreciate that. And certainly enjoyed the level of joint cooperation that we were able to achieve in the legislation last year.

I might direct your particular attention to the seven southernmost counties in the state, which have been designated by the federal government for federal preemption over permitting. That's likely to be where these issues come to fruition first. By no means exclusively. But I think that's what's got our attention focused

right now.

DR. TOOKER: John, I'd just like to mention that just as RCRC is doing outreach, we've been working with League of Cities and with the California Association of Counties, and they're also doing an outreach to their members to try to solicit their interest and provide feedback.

MS. MANNION: And that's who I was referring to, of course.

MS. FERRY: I'm Lynn Ferry with Southern California Edison. Generally we concur with San Diego Gas and Electric's comments related to the programmatic environmental impact assessment process. That it should be at a higher level.

I think Edison looks at this as a long-term process that we should start setting aside land now for future transmission projects. And we don't necessarily believe this will lend itself to the projects that we have proposed at this point in time.

That it's much longer term in nature, and that obviously land use is a difficult issue in California. There are so many needs from it at different levels. And that to bank that land now is very important.

And I believe Commissioner Geesman, at one of the earlier meetings, brought up the point that we have five-year land-banking requirements now at the CPUC. And we hope that that issue does get visited at some point.

PRESIDING MEMBER GEESMAN: It's our intent to make a recommendation in this year's Integrated Energy Policy Report to extend that out to a 20-year horizon, which I think is consistent with a recommendation that your company made in one of our earlier hearings.

But both Commissioner Pfannenstiel and I intend to include that in the recommendations that we put in the Integrated Energy Policy Report.

MS. FERRY: Great, great. And I hope that carries over at some point to the CPUC. Obviously our hands are tied at that level. But that we really do need to look at this in the long-term basis.

So, perhaps a programmatic EIR is the best way to go about this, because obviously the environmental issues will change over time. And to do such a conclusive analysis at this point for a corridor that we may not use for five or maybe ten years down the road would likely not be very

fruitful.

So, we do want this process to lend itself to the CPUC process, however. So that it's streamlined, I mean that's fantastic. Obviously permitting and siting is a huge hurdle for transmission facilities.

And also we think it's important that these corridors are linked to the Federal Energy Policy Act section 368 corridors. We've brought that up before in our previous comments. But to the extent that these corridors are very lengthy and that there are not, you know, pieces missing, kind of a checkerboard effect, is very important.

And we hope that, you know, to the greatest extent possible that this process is coordinated with the CPUC. It sounds like from their initial comments that they really thought the programmatic EIR approach was the best. That they wanted to do the environmental analysis themselves. I don't know how willing they were to accept the real master EIR approach and then just to pick that up in their process and accept that.

And finally, I think, you know, we really don't want this to be project-specific. While it would be great to be able to do that at

this point, I think with the longer term nature of it, you know, we can't tell five, seven, ten years from now exactly which project would go into the corridor.

I think that's it. John, did you have anything to add?

MR. LEEPER: I think I also would like to express support for what we heard from Commissioner Geesman, that we'd like to see transmission planning done in the second or third inning of a baseball game, rather than coming in at the last moment.

And at that point it becomes a surprise to some entities who need, you know, have jurisdictional oversight. And it becomes more adversarial, and we'd like to see this more of a collaborative so that all the parties' needs and wants and wishes can be addressed and considered on a sort of a more relaxed basis without the pressures of an immediate need, say trying to serve a load growth issue.

So I think that is very important. And that's kind of why we see this process being more valuable, at least in our area, towards the longer term corridor designation. That then, as projects

evolve, those corridors then have been identified and a lot of the -- at least the preliminary issues have been address. That then makes the stepping stone towards the more detailed filing that we would be required to do with the CPUC.

So we see that as really a cornerstone. And I think we also share everybody's concern here that we don't particularly want to spend a significant amount of time and effort on a process that has little or no value going forward.

So we would like it to be fashioned in a manner that would provide at least a starting point for a future project.

And so that's, I think, pretty much where we are. We believe, you know, we're very hopeful and very positive in the direction this is going. And we see that, you know, this has a significant potential for addressing a lot of the state's needs.

ASSOCIATE MEMBER BYRON: John, would you identify yourself, please.

MR. LEEPER: Oh, I'm sorry. I'm John Leeper, Southern California Edison.

ASSOCIATE MEMBER BYRON: And will Southern California Edison be providing some

written comments?

MR. LEEPER: Yeah, I meant to say that. We did not provide -- we've had quite a bit of information on record in earlier proceedings. But we will have more detailed comments that we will provide after this meeting.

MS. ICHIEN: I was going to ask, do you think the regulations, as drafted, allow for the kind of review that you would expect if SCE were to petition for a designated corridor? Is there anything in the regulations that you think --

MS. FERRY: I think we had a number of concerns with regulations as drafted, like we went through in the call earlier this week.

But I think the initial read was that maybe they were too specific as far as the environmental regulations, or the proposed environmental review. I think the more programmatic level would be probably a better approach at this point in time. Just so that information doesn't become stale as it feed into the CPUC.

MR. LEEPER: Excuse me, Lynn. One of the things we had thought about, too, is we currently have an advice filing before the PUC to

do some renewable corridor resource assessment and transmission corridor planning. How we can get some of this renewable power into California.

And, you know, that's, here again, what appears to be a very good, in our mind anyway, a programmatic approach. Because we don't have a specific project that we're trying to route into California, but we have an identified need both from the state and from the corporate perspective, to integrate renewable resources for a significant portion of our new load growth.

So we see that maybe as a -- we could maybe link these two activities where we'll be looking on resource assessments for how to get renewable energy into California. And maybe run that through as maybe one of the examples to see how these regulations might work on a more programmatic level non-project-specific.

DR. TOOKER: John, one of the things I failed to mention earlier is that although we're trying to formulate an approach that we think best reflects the requirements of SB-1059, we also recognize there may be opportunities here, maybe a need for some statutory changes to supplement this process.

And would encourage you, if you have ideas where you think that could be helpful, to think about that. Because as we learn more and more going forward with developing and implementing this process, you know, we're finding out new things and new challenges, such as the ratebasing issue and how that can best be resolved.

MR. LEEPER: Yeah, I think that, at the moment, would be our most pressing our ability to acquire right-of-way in a designated corridor that would then give us some assurances that we would be able to put a powerline through there, transmission line, as the need arose, you know, in some reasonable period of time. So I think that's good.

Another area that we had thought, and it's not too different than my other colleagues here at both PG&E and San Diego that I've heard, is maybe there's some way that some of this environmental mitigation could be done in a more collaborative manner, to where the utilities would be able to participate in the habitat protection. Or in maybe mitigation strategies with existing agencies that would allow for some potential

offsetting mitigations when projects were actually built within that affected area.

So that, I don't believe, is really in the statutes right now. It almost would follow under the emissions banking concept. Right now you can bank emission offsets that then would be applied to a new generation project.

Possibly there could be some strategy to do environmental mitigation now where it's at a lower cost and maybe could be more effective in that, you know, species that maybe are being threatened, or biological resources could be somehow protected in today's dollars or today's date that would then have some carry-forward value to a specific project that could impact that species or --

DR. TOOKER: So you would do this within the context of an HCP where --

MR. LEEPER: Right. That would be just another thought that we'd like to at least have considered as possibly a more effective and lower cost alternative to mitigation going forward on a specific project.

MR. TERZICH: I just wanted to add a couple things. I think that between the three

investor-owned utilities here that I know the IEPR has been broken down to this latest one for identifying transmission line projects that go till like 2012. And then there was a category for 2012 and beyond.

I think that the middle ground here would be at the applicant's option maybe that the projects that are in the 2012 category possibly could have additional greater detail in the analysis going through the corridor designation process.

And then those projects that have 2012 and beyond possibly could have this more traditional programmatic environmental approach. That might be a way to look at it and meet, kind of have a middle ground.

The other thing is that the -- I think that the designations essentially, while the PUC, of course, would determine the ultimate need for the line, what I think this process could do is say, if there is -- if the PUC identifies and says that there is definitely a need to have transmission between point A and point B, it should go here.

And I think that would go a long way in

making this process work, you know, really well. Because a lot of it is, you know, now pushing it this way, pushing it that way, pushing it this way. If there's a recognition that it should go in this area if there is a need to go from point A to point B, the utility of this process could really go far, I think.

DR. TOOKER: I think you received some blue cards, is that correct?

PRESIDING MEMBER GEESMAN: I've gotten one from Andy Howe or maybe it's Andy Horne, County of Imperial. Wasn't clear if Andy wanted to speak or --

MR. HORNE: I'd like to if I can. It's Andy, it's Horne, by the way. My handwriting is -- I went to a rural public school --

(Laughter.)

MR. HORNE: -- down in Imperial County and didn't learn how to write very well.

Again, I would also like to thank the CEC for holding this workshop. The County of Imperial, of course, is very interested in especially the renewable energy field.

Just to read out of your own report, if I might, here: Imperial Valley is one of the

state's most promising sources of renewable generation." And I'm not sure that we're not probably the largest or one of the largest counties in the state in terms of renewable generation.

And I think this section of the report talks about geothermal potential. But as those of us who live down here, especially this time of year, we think solar generation has unlimited capabilities or potentials down there.

And so we look forward to working the CEC. Imperial County has provided written comments on the draft regulations. We especially would like to emphasize the fact that Imperial County, because of its experience over the last 30 years in building and transmitting electrical energy out of Imperial County, has created in its general plan an element that deals with transmission of electrical energy.

And we think that there ought to be some recognition of that, recognizing, as you said, that the federal efforts may, in fact, supersede what we're doing here, at least in that section of the state. That we would continue to work with CEC and with the FERC or WECC or whoever it is

that's coordinating that effort.

And we would like to see that recognition, if not perhaps even an exemption, of state mandates or state overlays or state duplication of effort in designating those corridors.

Imperial County has been involved in discussions with IID and San Diego in regards to those elements, and DWP in regards to the transmission corridors being envisioned as part of the so-called Greenpath project. And we would like to see those efforts continue.

And we'd like to have continued discussions. This gentleman here talked about the additional capacity or excess capacity that IID has. In talking to some of the renewable generators down there, they're under the impression that there is no significant additional capacity for movement of electrons out of Imperial into other areas of the state.

So we need to perhaps -- the County feels so strongly, in fact, and wishes to facilitate this, that they've created a new natural resources development department which I represent. And so we need to further that

dialogue locally and also here at the state and at the federal level.

Thank you.

PRESIDING MEMBER GEESMAN: Thank you. And let me just kind of share the philosophical guidance that we picked up a bit from the federal government. And I think it derived from our experience with power plant siting.

And that is if we are able to do a good job of bringing some order to the decisionmaking process within California on these kinds of projects over a long period of years, the federal government's significantly less likely to preempt our authority as a state.

The same is true for local government. And I think that in our power plant siting experience the number of instances where the Commission has found it necessary to override a local judgment on a land use or other similar local requirement, extremely limited. And really a function of providing the opportunity for local initiative first.

So it's just precepts of good planning. Developers who want to get their projects approved generally achieve a very friendly relationship

with local government and conform to what local government would like them to do.

That's the model we're hoping to emulate in our developing relationship with the federal government, as well. Appreciate your comments, Andy.

ASSOCIATE MEMBER BYRON: However, Commissioner, I think that in the comments there's a recommendation to delegate power plant siting authority up to 100 megawatts locally. And I think that might require some legislative changes there.

PRESIDING MEMBER GEESMAN: Forty-one votes in one house; 21 votes in the other, and it's yours.

Where do we go next?

ASSOCIATE MEMBER BYRON: I believe Mr. Galati may have had some additional comments that he wanted to make. Is that true?

DR. TOOKER: If I might. I think we started this off by kind of taking a higher level view. And then we were going to dive into the actual regulatory language to take comments. I think we're kind of at that point, is that right?

PRESIDING MEMBER GEESMAN: The question

is do you want Jeff and I here for that? Would that be productive to the parties, or are we a bit of a distraction?

DR. TOOKER: I don't think you're a distraction. There may be some policy issues or concerns you need to be aware of as we talk about some of the regulatory language.

PRESIDING MEMBER GEESMAN: Okay, let's go then.

MS. ICHIEN: Shall we start then from the very beginning? Unless somebody suggests otherwise we could just go around in roundtable fashion, beginning with the first section, which sates the objectives of the designation process. And if there are no comments, we'll just move on to the next section.

MR. GALATI: I have one at 2401. Is the way (a) reads, is it your intention that any person can file an application? Or are we limiting, should we define what a person is?

MS. ICHIEN: Based on the statute, we're assuming that any person is allowed to file a petition or an application.

MR. GALATI: Okay.

MS. ICHIEN: Moving on, --

MR. ACUNA: Let me stop for a second and just look at my notes for a second.

MS. ICHIEN: Yes.

MR. ACUNA: The word I put here was designate over existing corridors, no EA will be required. The point, I think, is that this is focusing on proposed new corridors. And the feeling I got was that they didn't existing, existing rights-of-way.

And so more clarification in your goals here is that existing rights-of-way could be part of this designation process.

MS. ICHIEN: I think that's a good point. And this could stand clarification that an existing corridor could be the subject of a designation process.

MR. ACUNA: Yes, existing rights-of-way.

MS. ICHIEN: Existing rights-of-way.

MR. ACUNA: Yes.

PRESIDING MEMBER GEESMAN: I think, consistent with that, because it is such a heavy priority of the so-called Garamendi principles, that it might be well advised to try and articulate or republish those Garamendi principles in these regs to give them more force and effect.

MS. ICHIEN: I think that's a good idea. I'd note that those principles are referred to in the statute, itself. So it makes sense to also reincorporate them here.

DR. TOOKER: I think in San Diego's written comments, or at least in our discussion, our conference call, you were talking about not only referencing the Garamendi principles in the regulations but also the Energy Commission's loading order?

MR. TERZICH: Yes.

DR. TOOKER: Could you speak to that a little?

MR. TERZICH: I believe the loading order talks about, you know, just -- I think we are required to look at, you know, our portfolio in terms of, you know, first energy efficiency and then, you know, load management programs. And then transmission and then, you know, just generation, then transmission, so on and so forth.

I think it's four or five of those loading orders. And I can't remember the specific, you know, language there. But that was something that could be incorporated in there. Because a lot of times when the purpose and needs

are adjudicated, that comes up, why haven't you looked at this.

And so if the CEC kind of has it incorporated into their corridor designation process, it could further aid in having that kind of fleshed out so that --

PRESIDING MEMBER GEESMAN: That might be a good bridge to the PUC, as well, because they've embraced the same loading order.

DR. TOOKER: I'm just wondering if the term loading order is going to be appropriate in the regulations or there's some --

PRESIDING MEMBER GEESMAN: You may just restate it from the Energy Action Plan or something that the two Commissions have both adopted, which may provide a little more comfort to the PUC that our determinations in these corridor designations have, in fact, been consistent with the loading order.

DR. TOOKER: So we have a framework for what we call non-wires alternatives going forward and demonstrating a need, and being able to evaluate alternatives.

MR. TERZICH: Exactly, yes.

DR. TOOKER: Thank you.

MS. ICHIEN: And even if there isn't a specific reference to the loading order, like in this section of the regulations, nevertheless I think that's an appropriate topic to come up in the discussion of alternatives.

MR. TERZICH: Definitely.

MS. ICHIEN: Okay, moving to section 2402, information requirements.

DR. TOOKER: Do you want to discuss appendix G now or after we have gone through the other sections?

MS. ICHIEN: Why don't we leave it to -- unless somebody has a need to raise comments now about appendix G, just leave it till we finish these sections first. Is that all right?

Then section 2403, format and number of copies. Any comments? I know there was a question during one of our phone conferences about the appropriateness of the number of copies being requested. But hopefully we provided a reasonable explanation so there are no remaining concerns.

So, moving to section 2402 (sic) then, review and acceptance of application.

DR. TOOKER: 2404.

MS. ICHIEN: I'm sorry, 2404.

MR. GALATI: I have a comment on subsection (e).

MS. ICHIEN: Yes.

MR. GALATI: Subsection (e) says, while I support it very much and support the concept and wish we had this in the siting regulations, as well, the ability to have a committee prior to sort of the date of complete determination.

It looks, as written, that the Commission could decide never to assign a Committee to preside over the designation process. And we think that, once again, in order for this to be helpful, it should mirror the siting committee in the siting regulations, and we should have a committee.

MS. ICHIEN: I think that was the Commission's prerogative whether or not to assign a committee. I think that's the case in the siting case, as well.

And I think the expectation would be that the Commission would choose to have a committee oversee a proceeding.

MR. GALATI: I would strongly urge that the regulations require it. If we're going to have intervention and discovery and evidentiary

hearings, I think it's a foregone conclusion there will be a committee. And so the idea that it's possible we could have those things without a committee I think is inconsistent with how (e) is written.

PRESIDING MEMBER GEESMAN: Do you really think our siting regs have that discretion at the Commission level, whether to appoint a committee or not?

MS. ICHIEN: Well, I think, based on the statute, you know, it's the Commission's prerogative to assign --

PRESIDING MEMBER GEESMAN: Right.

MS. ICHIEN: -- a committee.

PRESIDING MEMBER GEESMAN: But don't the siting regs speak of the Commission shall assign a committee?

MS. ICHIEN: I don't --

PRESIDING MEMBER GEESMAN: I'm making an assumption. I'm not necessarily familiar with how that's addressed, but --

MS. ICHIEN: Let me get back to you on that.

PRESIDING MEMBER GEESMAN: Yeah.

MS. ICHIEN: Okay.

PRESIDING MEMBER GEESMAN: Because I certainly think Scott makes a good point. This ought to parallel our siting process as much as it can.

MS. ICHIEN: One departure from the siting process, and that is assuming that a committee is appointed in advance of an application being found complete, and that is an option specifically called out here, then the committee would be the one making the determination about the completeness of the application. You know, based on a supplemental filing. So that is a difference from the siting cases.

DR. TOOKER: Based on our phone conversations there was a concern raised about the arrangement of some of the sentences in this paragraph regarding the actions of the Executive Director, and clarifying that those would happen prior to the committee's action. And the committee would be the one to take final action on that determination if we're going to make that revision.

PRESIDING MEMBER GEESMAN: I'm comfortable with that.

MS. ICHIEN: Any comments on 2404?

MR. ACUNA: Right. I just wanted to point out at the bottom of page 5, item (b), the last four words: corridor must be consistent." I'd just point that out, could that be problematic to --

DR. TOOKER: You're talking about 2405 now?

MR. ACUNA: Did I jump ahead of you? I'm sorry, I'll save that. Thanks.

(Laughter.)

MS. ICHIEN: So, can we leave 2404? Then 2405.

MR. ACUNA: Okay.

(Laughter.)

MR. ACUNA: Shall I repeat it?

MS. ICHIEN: You're referring to --

MR. ACUNA: Note the word "must be consistent."

MS. ICHIEN: And that is consistent with the statute.

MR. ACUNA: Okay. I'm just pointing that out. It's just that, you know, when I see the word "must be" I always get a little concerned that at some point later, boy, I wish we had

worded that differently.

MS. ICHIEN: Um-hum.

MR. ACUNA: And I'm just pointing out. We can move on -- the point.

DR. TOOKER: You know, one thing I think that's instructive here, if you look at the statute actually it gives direction not only to this process, but also to the strategic plan process and requires certain things to be done with respect to the strategic plan, which is technically outside of this process.

And so I think, and staff believes that there needs to be a very very strong linkage between the strategic plan and any subsequent designations. Not only in terms of information, but also in terms of the analytical process and the participation of agencies, local governments, utilities, et cetera.

MR. ACUNA: Thank you.

MS. MANNION: I did have a comment. I don't know if this really belongs in the regulations, but maybe it should be as maybe a matter of policy.

In regards to the notification to the local government entities. In the instance of a

county, for example, we would suggest that notification be sent to the chairperson of the board of supervisors and to the planning department.

I think we need to talk to the cities and see what their preference would be, whether it be the mayor or the city manager and the planning department.

Again, that doesn't necessarily go in regulations, but it's something to --

PRESIDING MEMBER GEESMAN: I think realistically --

MS. MANNION: -- consider.

PRESIDING MEMBER GEESMAN: -- it probably should.

ASSOCIATE MEMBER BYRON: Yeah.

PRESIDING MEMBER GEESMAN: You know, don't rely on a pattern of practice here over a long period of time.

MS. MANNION: Well, then we would request that.

MS. ICHIEN: So, again, chairman of the board --

MS. MANNION: Chairman of the board of supervisors and to the planning department. And

then we'll need to check with the League as to their preference, you know, whether it's the mayor or along with their planning department. They might, in some instances, prefer someone else.

MS. ICHIEN: Okay, thank you.

Any further comments on public notification?

MS. FERRY: Arlene, we had that comment related to number 4, as far as publishing the application --

MS. ICHIEN: Oh, yes.

MS. FERRY: -- on the Commission internet website.

MS. ICHIEN: Um-hum.

MS. FERRY: We had a little bit of concern related to sensitive or confidential information. While I think we were willing to provide that in written format, we did have concern with all of the information being posted out on the internet so anybody could find that.

PRESIDING MEMBER GEESMAN: I think that's a good point. And we have previously refrained from publishing the types of information that you're talking about. I don't know if it's something that we need to clarify in the regs or

what. But I certainly agree with what you're saying.

MR. GALATI: Maybe just a --

MS. FERRY: And, again our --

MR. GALATI: I'm sorry. Maybe just a reference and a notification that information provided under this section can use all the confidential protections provided on the Commission's other use of providing information.

And so I think a good reference somewhere in here, just to make sure that this application be treated like any other application.

PRESIDING MEMBER GEESMAN: She's talking, though, about information that's not necessarily confidential.

MS. ICHIEN: That's sensitive --

MS. FERRY: Sensitive.

MS. ICHIEN: -- and hasn't been designated formally as confidential. If we were to get a Public Records Act request we probably would have to provide that information. It depends.

But, anyway, that's a gray area. And with respect to that category of sensitive information our practice has been to withhold that

from the website

MR. GALATI: Until requested. Yeah. By a Public Records Act.

MS. ICHIEN: And so I would suggest not referring to that category, because to me that kind of raises a red flag and may draw attention to --

PRESIDING MEMBER GEESMAN: Trigger a request.

MS. ICHIEN: -- to a gray area here that we'd like to just treat discreetly. But I guess it's a matter of just understanding we do have a practice in place of being, you know, sensitive to certain kinds of information. And then keeping that off of the website.

DR. TOOKER: Arlene, do we currently have practices which allow us to share that information with local governments to the extent that they have responsibilities related to those kinds of issues?

MS. ICHIEN: I think that's reasonable to expect that kind of coordination. I mean --

MS. FERRY: I think we do, too. Just a concern that was out there for everybody to see, maybe maps or information about substations or

what-have-you.

MS. ICHIEN: Any further comment on public notification?

Then we can move to the next section, coordination with interested agencies --

DR. TOOKER: If I might, in the written comments, I believe there's a suggestion from Imperial County that we extend notification to property owners within a half a mile of the corridors. No, perhaps --

MS. ICHIEN: Half a mile of the corridor.

DR. TOOKER: Half a mile. And is that, what's the current language in the regs?

MS. ICHIEN: Five-hundred feet.

DR. TOOKER: So that is something we'll have to wrestle here.

MR. LEEPER: I think that's more back in appendix G.

DR. TOOKER: Okay.

MR. THOMPSON: So, next section then, 2406, coordination with agencies and the public. Yes.

MR. ACUNA: If you go to the middle of the page on 6, item (c), there's a sentence there

that "... may grant a petition to intervene filed after the deadline only upon showing good cause by the petitioner."

So, what I'm thinking here is that here we're a utility working very diligently to move ahead and then we get a surprise from someone who wants to intervene. And they have to show good cause. What is good cause? And maybe when the time's up, time's up. That's my thought.

MS. ICHIEN: This sentence is, in effect, granting discretion to the presiding member of the committee assigned, or the chairman, assuming a committee's assigned; the presiding member.

And a showing of good cause would probably be made through pleadings in which case, you know, other parties, including the applicant, would be allowed an opportunity to object. And oftentimes a hearing is held to receive input from the parties. So, --

MR. ACUNA: So you're saying this is a standard policy?

MS. ICHIEN: Well, it's similar to what's in the siting regulations. There's a deadline, but then for good cause shown,

intervention after that deadline may be granted. It's a discretionary act. But the encouragement is to file, you know, by the deadline to intervene.

MR. ACUNA: Right.

MS. ICHIEN: And I do know of at least one instance in a siting case where a petitioner was denied intervention status. So it has happened.

MR. GALATI: I would just recommend that you just replace this section with a reference to 1207, and then change the date by which it should be filed. Section 1207 of your regulations already provide exactly how petitions are handled. And more than that, it puts the petitioner on notice that they not only have all these rights, but they also have obligations as a party. And I think that's an important thing.

They have the right, for example, to present witnesses and subject themselves to cross-examination. And I think that it's important to let them know that the proceedings followed should be 1207. If they become a party then they're a party in all aspects, both some that would be seen positive and some that would be seen negative.

MS. ICHIEN: That's a suggestion that we'll consider seriously. The last sentence in subsection (c), do you see that last sentence as going to the point you were making about, you know, listing the rights and obligations of an intervenor?

MR. GALATI: Yeah, I see those only as the rights. I don't see it as an obligation. So, I think you should just stick with the language that you have in 1207. There's several things that have to happen, (a) through (e), including withdrawal and how that's all dealt with.

And then I think you should talk about this 15 days after the staff issues the final environmental report. I think that's too late. And I think that that will certainly result in a surprise.

If there's going to be any meaningful dialogue with an intervenor it needs to occur after the draft environmental impact report and prior to the final environmental impact report.

We've advocated that in siting cases. I understand the siting case allows you to do it in a prehearing conference. But I really believe that it's just going to surprise people after the

final EIR is done. That's pretty much staff's final testimony.

The only ability to have any dialogue is now in front of a Commissioner in a very formal evidentiary hearing. And so there isn't the ability, in my opinion, to roll up your sleeves, have a dialogue that maybe addresses somebody's issues. You have to do it formally in a legalistic adjudicatory manner. And often that requires the Committee to make decisions that smart people around the room can make if they'd had the opportunity to talk.

So I think that we should encourage intervention prior to the final EIR; I would say no later than 15 days after the draft environmental impact report, if one is prepared. And then only upon good cause later could someone intervene.

PRESIDING MEMBER GEESMAN: This is directive to parties. I mean, the reality, based on the Commission's track record, is we seem to let everybody in. But if we can provide direction to them to get in early, that's probably a constructive thing to do. And I think the closer we try to mimic the siting process, the better off

we are.

MR. GALATI: Because we don't have a prehearing conference in this sort of scenario, that's why I'm recommending after the draft EIR and prior to the final EIR.

MS. ICHIEN: There is a prehearing conference contemplated.

MR. GALATI: I didn't -- I apologize, one again, reading closely.

MS. FERRY: We also have a comment related to subsections (a) and (b). We had a little concern that there was not some kind of timing requirement for the CEC to get information back from the other governmental agencies.

And while you may not be able to require them to report back within a certain period of time, we would ask that, you know, the CEC maybe had requirements for moving forward, you know, within X number of days of public notification, the CEC shall, and then continue on.

We just don't want it to stall out --

PRESIDING MEMBER GEESMAN: I think that's a constructive suggestion, as well.

MS. MANNION: Excuse me, but you would want to make sure that there was an adequate

period of time.

PRESIDING MEMBER GEESMAN: Yes.

MS. MANNION: As you're aware, local agencies have a lot on their plate, so you need to have it realistic. So, what I'll do is I'll check with the folks and see if we can come up with a suggestion.

MS. ICHIEN: That would help, thank you.

Any further comments on coordination? Then moving to reimbursement, I had mentioned that the staff is working on clarifying or elaborating on the method of reimbursement here. So, with that, any suggestions?

MS. FERRY: We did have some concern that the utilities at least be allowed to review any bills that were submitted to the CEC by the other agencies. There are other processes in place in the state where we just have to pay for the bill, but we don't necessarily get a chance to look those over.

MS. ICHIEN: Um-hum.

PRESIDING MEMBER GEESMAN: I think that's a reasonable request.

MS. ICHIEN: Any other comments?

DR. TOOKER: So, Arlene, you were

expecting that we would contemplate putting in here also this question about compensation of original applicants for any subsequent use of the corridor by other utilities or persons.

MS. ICHIEN: Yes, we would think about whether or not to provide coverage of that.

2408, requests for information. This has to do with discovery, data requests. Any comments?

MR. GALATI: I think, again if we were -- I would mimic the siting regulations a little more. There's a couple of things here. There's the ability for staff to ask information from the applicant. And then there's ability for staff to ask information from any source.

And in the siting regulations there are some protections about what is reasonably necessary, what is reasonable available to the applicant, so that when things are outside your control there's the ability to say, I can't provide that information to you.

There's also sort of a restriction on staff in their ability to get things from third parties. Once again, only as reasonably necessary. And I'll point to those regulations in

our writing.

But, again, I would -- I think this is going to possibly avoid a lot of -- if we make this more specific it may avoid a lot of fighting with broad questions being asked, and then applicants having to object, or third parties having to object. And then having these motions to compel, which we've really gotten away from.

And I think it's because we have a specific window. The requests are reasonable. And especially since now we're going to have intervenors, who, I'm assuming, have the rights to ask questions, as well.

So I would again import from the discovery protections in the site certification section. I don't have those right in front of me, but I will put those in our writing, you know, written comments.

MS. ICHIEN: Well, certainly the wording "reasonably available" to the applicant or the source of information is --

MR. GALATI: Yeah.

MS. ICHIEN: -- is reasonable --

PRESIDING MEMBER GEESMAN: Yeah, I would go through the siting regs and try and replicate

as much as we can, because it really has improved our process with power plants.

MS. ICHIEN: Okay, any other comments on information requests?

Then informational hearing and scoping meeting.

MR. GALATI: I would also ask that there be a limit when discovery is done, so that this isn't other parties can continue to go through four, five, six, seven, eight, ten, god knows how many, rounds of data requests.

And so I would request that there be a point in which discovery closes, staff presents its information, and then we have a dialogue.

MS. ICHIEN: Thank you. Informational hearings, any comments?

MR. GALATI: Well, one of the comments on the informational hearing is we've had a lot of discussion here, and maybe some differing opinions on the scope of the environmental review, based on what's in front of the Commission, what's being proposed, what's the applicant asking for, or what is the Commission trying to do in designating corridor.

This is a good area, I think, to modify

(c)(2); again, to make it clear that the staff does not have to prepare an environmental impact report if there is a negative declaration opportunity or something like that.

In my mind it would be good to expand (c) to have a dialogue, even with the committee, as to what should be the scope of the review. And maybe that's where this dialogue happens.

As opposed to foreseeing that it always must be at program level, or it always must be something more of a master that could be tiered upon, maybe this is the point in time in which the proponent of the corridor can tell you what the proponent would like it to be.

MR. ACUNA: SDG&E would concur with that. I think this is a great location to identify there are more tools available than an EIR. So I don't know exactly where you would put that, but I'm sure with some wordsmithing this would be a good spot.

MS. ICHIEN: I think a negative dec or a mitigated neg dec should certainly be options. They would all, though, probably in initial study guide. So, in any event unless we just decide to go straight to an EIR, staff would probably do an

initial study. And then decide whether or not to recommend a neg dec.

MR. GALATI: Well, does it make --

MS. ICHIEN: -- discussion here, I think, is a good suggestion.

MR. GALATI: Since we're not following exactly the Energy Commission siting process, I mean does it make sense then to not have this hearing within 45 days? I mean shouldn't the committee have in front of it maybe the initial study or something upon which to help define what the scope is?

I'm just wondering how much value that would be if, I, as an applicant, would come and be advocating for a mitigated negative declaration and staff's response would be, we have to prepare an initial study before we can comment on that.

I'm not sure that this would be a useful hearing for me to convince a committee to agree to a negative declaration if staff's not supportive of that.

MS. ICHIEN: The 45-day period is based on statutory wording that has the Commission begin information -- or site visits and informational hearings within 45 days of receiving an

application. So we've modified that somewhat to mean 45 days after an application's complete.

But that's where the 45 days comes from. And this is an opportunity for an informational hearing for the public and interested agencies. We could also take comments as in an EIR process on the scope of review, and what agencies and other entities wish considered in the environmental review.

And then I would contemplate staff, you know, doing an initial study, unless it's clear that an EIR is appropriate. But do an initial study, and then have that be available for public review and comment, assuming it, you know, results in a neg dec or a mitigated neg dec.

MR. GALATI: I understand where staff's going and that makes sense to me. You work on these regulations like you work on a contract. You pull out the contract when you don't like each other anymore.

Okay, so I'm pretending that I have to pull out these regulations because I don't like what you said.

But there needs to be a forum with the committee to determine the scope. And so maybe

it's not at the informational site visit, but there ought to be a forum at the committee to determine the scope.

Because I can imagine -- I'll give you a perfect example. On the Blythe transmission line, which Commissioner Geesman did, we had a great roundtable discussion on the scope of that review. And we avoided a lot of issues that staff was of one mind, we were of another mind. With the committee's help we came to what -- we basically got an informal scoping order, this is what we're looking at.

While that sort of makes you fight early, it streamlines the process because you get a decision and an agreement, as opposed to waiting for the draft environmental impact report to come out. And now you have to comment on work that's already been done that's either too far, or not far enough. And it's really difficult to correct it at that point.

So, maybe there needs to be at least the ability --

MS. ICHIEN: Issues identification? Are you talking about issues identification?

MR. GALATI: Or maybe you could just

cite in these that the applicant has the right, under the informal hearing procedure or some other procedure, to have a scoping order.

I mean we could agree with staff and staff should make a recommendation at some point in time, I think a fixed point in time, of what level of review it believes needs to be done. And then there should be an opportunity to resolve the disagreement, from the Committee.

PRESIDING MEMBER GEESMAN: I'd rather do it upfront, I mean as early in the process as we can. In my experience this has been productive. So I'd try and craft this informational hearing as one which may very well lead to a scoping order.

I'm willing to entertain the notion that there may be instances where the staff is not prepared at that point in time, and feels that an initial study needs to be done before the staff can respond.

But I think there are probably a number of instances where that wouldn't be necessary. And that it would probably be productive for the Committee to have the discretion at the informational hearing to issue a scoping order.

MS. ICHIEN: In a siting case the staff

usually is prepared with an issues identification report. And, you know, based on a review of the information available at that time the staff identifies all issues that could potentially be dealt with in the case.

PRESIDING MEMBER GEESMAN: Then I think the staff should be at that level of preparation here, I would think, 45 days after filing's been determined to be complete.

MS. ICHIEN: And I think there is reference to an issues identification report. Let's see. It's in the next section. "Staff may independently" -- it's may -- "independently prepare an initial report on the proposed corridor to identify potential issues for the information hearings."

DR. TOOKER: And you could modify that to say the potential issues and proposed scope.

MS. ICHIEN: Um-hum.

DR. TOOKER: In terms of whether it would be an EIR or a neg dec. Sounds like Commissioner Geesman was looking for staff to provide those recommendations potentially at the informational hearing.

PRESIDING MEMBER GEESMAN: Yeah, I think

that would be most productive. And I think if you expand the section, such as Scott's describing, to explicitly provide for a full cafeteria of potential options, it would also be helpful.

MS. ICHIEN: Okay. I think further clarification on the options available.

DR. TOOKER: Arlene, is there any expectation that there will be noticing requirements and public review of the initial study that we need to reflect in here, as per the clearinghouse or --

MS. ICHIEN: Probably, since we are going to specifically refer to the option of the neg dec, and under CEQA the initial study is circulated with the neg dec or mitigated neg dec for public review.

DR. TOOKER: That would be subsequent, then.

MS. ICHIEN: Yeah.

DR. TOOKER: Okay, thank you.

MS. ICHIEN: That's not to say we couldn't, you know, modify that, tailor it to our needs or purposes. And have advanced review of an initial study for purposes of identifying issues or the lack of issues.

PRESIDING MEMBER GEESMAN: Just as long as you meet the notice requirements under CEQA.

MS. ICHIEN: Yes.

DR. TOOKER: Right, that's my point.

MS. ICHIEN: But ultimately with a neg dec the initial study would be circulated with a neg dec for public review and comment.

Can we move on then to 2410. And this heading will have to change to be more inclusive of other options besides the EIR.

MR. TERZICH: We have a comment, SDG&E, Chris Terzich has a comment on item (d). Talks about the public workshops and gaining resolution. And we would like to maybe have a sentence or something added that gave the ability to move on if there is no resolution.

MS. ICHIEN: To move on --

MR. TERZICH: To move on to the process. So if, in other words, you go through these public workshops and nothing can be, you know, there's an impasse --

MS. ICHIEN: Loggerhead, um-hum.

MR. TERZICH: -- then we can have something to move on.

DR. TOOKER: Isn't that the purpose of

the scoping order? Isn't that a decision point, in fact?

MS. ICHIEN: The staff, you know, does have the responsibility to prepare the environmental document, even if there's an impasse among the parties. And there's a timeline kind of implicit in these regulations in the process that we would have to observe, with the thought of trying to complete a designation process in 12 months, you know, similar to a siting case.

MR. TERZICH: Okay. Just a suggestion to say if it was -- if there was something more specific or, you know, kind of clarifying, that that might be good. But then, you know, if it's implicit, then that might be okay.

MS. ICHIEN: Well, in the next section there is a timeline within 120 days of the final informational hearing the staff is to come out with a report. So that indicates that there is this timeline that we have to observe.

MR. TERZICH: Okay.

MS. ICHIEN: Is that sufficient?

MR. TERZICH: Sure.

MS. ICHIEN: Any other comments?

DR. TOOKER: I think didn't we, based on

input from OPR, agreed to change paragraph (b) of 2411 to 45 days?

MS. ICHIEN: Yes, subsection (b) in 2411, the public comment period will be expanded to 45 days. And that's based on a very helpful comment from OPR, and consistent with CEQA.

And we'll also have reference to providing reports to the clearinghouse, so notifying parties through the clearinghouse. Again, a suggestion from OPR that was helpful.

PRESIDING MEMBER GEESMAN: Forty-five days consistent with CEQA or compelled by CEQA? Or recommended by OPR?

DR. TOOKER: All the above.

MS. ICHIEN: It's --

PRESIDING MEMBER GEESMAN: Okay.

MS. ICHIEN: Yeah. There's an exception allowed under CEQA, but I don't think it's worth --

PRESIDING MEMBER GEESMAN: No, I understand. One of the virtues of a CEQA-equivalent certified process.

MS. ICHIEN: Okay, moving on then to -- yes?

MR. HILL: Ask a quick question?

MS. ICHIEN: Certainly.

MR. HILL: My name is Steve Hill; I'm with Modesto Irrigation District. I apologize, I have a fair amount of experience with building power plants and going through the siting process, but this process is somewhat new to me.

Maybe you could just give me a little instruction on one point. This is siting of transmission corridors, correct?

MS. ICHIEN: It's not siting.

MR. HILL: I'm sorry, the approval of just a corridor or a right-of-way, is that correct?

MS. ICHIEN: Just designating, it's like a --

MR. HILL: Just designating.

MS. ICHIEN: -- designation.

MR. HILL: Now, is it possible that you could actually link the designation of a corridor and the siting of a transmission line at the same point?

MS. ICHIEN: You mean at the same --

MR. HILL: At the same time.

MS. ICHIEN: -- concurrently?

MR. HILL: Um-hum.

MS. ICHIEN: It would require supreme coordination with the --

MR. HILL: I understand.

MS. ICHIEN: -- Public Utilities Commission or other permitting entity.

MR. HILL: I understand. So, am I to understand this is strictly to designate a corridor, and then there's another process or another hearing process to site it? They cannot be done in conjunction with one another, is that correct?

MS. ICHIEN: Based on how things are now, this is a sequential process --

MR. HILL: Right.

MS. ICHIEN: -- where the designation would occur in advance, probably far in advance of the permitting.

MR. HILL: That's right. What I'm wondering, is it possible to be able to do these things in parallel? I don't see that in this document. Because as I'm reading through this I'm seeing okay, you got to go through this process. When this is done then the clock may start on the siting process.

And I understand these things can take

much longer than building a power plant, but I was just curious if provisions can be made, because I don't see anything in here where that can be done in parallel.

DR. TOOKER: Well, it was our expectation that a utility or a person proposing this would be looking at 10, 15 years, and trying to assure that there was some commitment of the preservation of a reasonable way to get power from A to B.

And if they were looking at a very short-term planning process, as they do now with the Cal-ISO, I'm not sure that there would be any added value to a utility to have us go through a voluntary designation process at the same time that they get a permit from the PUC.

Just my initial response to that.

MR. HILL: Okay. I'm just trying -- I asked that, I'm just trying to understand the process, because as I've listened this morning I've heard some things versus programmatic versus project versus somewhere in between. I understand the term for long-term planning.

But as a power plant builder I understand how to get on with things, okay. And

so I'm just, as I've listening, I'm just trying to figure out with some of these things, how you marry them together. Because there is some transmission that's needed much sooner than 15 years down the road, although we need to plan for 15 and 20 years down the road.

So I'm just trying to understand how those things get married. And maybe this isn't the forum to discuss that. I was just trying to understand the full scope of what this is trying to accomplish.

DR. TOOKER: Well, I think this is the forum to discuss that marrying concept. And I think it's one that we share an interest in with you. But the question is the timing. And that'll depend on individual proposals by individual applicants.

MS. ICHIEN: But think of the designation process in the context of long-term planning. The intent is to designate a corridor for purposes of identifying it as a potential site for a future transmission line project that has yet to be defined fully.

And this is in the context of, you know, competing land use interests.

PRESIDING MEMBER GEESMAN: For a number of years the Energy Commission has observed that this is an area that would probably benefit by only having one state agency involved. The recommendation to consolidate the planning and permitting authority has been made several times to the Legislature.

The Legislature did not choose to go down that path. And instead came up with this corridor designation process as a way in which to address the land use interest and hopefully as many of the environmental issues as possible before the PUC is asked to make a decision on a certificate of public convenience and necessity.

So, if you think it looks like a camel, that's probably because it is a camel.

MR. HILL: Okay, thank you for the clarification.

MR. GALATI: Arlene, on --

MS. ICHIEN: Yes.

MR. GALATI: -- just a clarification on 2411(c). It does say within 30 days the staff's going to prepare a final environmental impact report. It just probably should say issue or release or publish instead of just prepare one.

Just to make it clear, like with the other regulations, that that's actually when it comes out.

MS. ICHIEN: Um-hum. You don't think we'd share it with you?

(Laughter.)

MR. GALATI: I think you would. Just, again, --

DR. TOOKER: So we can say prepare and publish so that --

MR. GALATI: Yes.

MS. ICHIEN: Any other comments on publication?

Then moving to section 2412, the prehearing conference and hearing order.

MR. LEEPER: John Leeper, Southern California Edison. Just a clarifying question on number (c). It says, the issue of conformity with strategic plan shall include a demonstration based on substantial evidence of the need for the proposed corridor." Okay.

And then, "The basic issue of need for a corridor shall first be considered in a proceeding on the strategic plan under" a certain section.

I guess the clarification I'd like is if

you do it on a nonspecific project, a future need, is that going to be -- is that in conflict with this or is that consistent with this language?

MS. ICHIEN: This language allows for that level of nonspecificity.

MR. LEEPER: Okay.

MS. ICHIEN: Yeah.

DR. TOOKER: Well, I think one thing we've discussed quite a lot and recognize is that the parameters you look at and the information you would have to determine the need for a project 20 years out is going to be considerably different than the need determination and factors you look at in a five-year window --

MR. LEEPER: Right.

DR. TOOKER: -- and an update. You know, we recognized that.

MR. LEEPER: Okay, and that would be -- okay, I thought so, but I was just reading and I wasn't sure if that was, you know, sort of defeating the purpose by forcing an identified need. Okay.

MS. ICHIEN: Any other comments on that section?

MR. GALATI: Yeah. On both in (a) and

(b) the term Commission or assigned committee keeps popping up. And I just would hate to have the full Commission have to do these things. So I think that we should --

MS. ICHIEN: Just strike --

MR. GALATI: -- call that assigned committee. Yeah.

PRESIDING MEMBER GEESMAN: Yeah, I think we need a global change to clean that up.

MS. ICHIEN: Moving then to section 2413, hearings and record. Any comments, suggested changes?

MR. GALATI: Yeah, on section (b), 2413(b), that provides the rules of evidence and cross-examination of witness. And then it says any person may ask questions.

Once again, I think that that should be a party. That, you know, the ability to stand up and ask questions and present evidence is, I think, limited to people who are granted party status, not just any person.

I would sure hate to have my client be standing up there and any member of the public can come up and cross-examine them, who has been part of the process. So I think that should be

reserved to party.

MS. ICHIEN: I understand. Some input from the Committee would be helpful here in terms of --

PRESIDING MEMBER GEESMAN: Track the siting process for power plants.

MS. ICHIEN: I think there is discretion given the presiding member of a committee.

PRESIDING MEMBER GEESMAN: We don't want it.

MS. ICHIEN: Okay.

PRESIDING MEMBER GEESMAN: Track the siting process.

MS. ICHIEN: Well, even in the siting case, not to cross-examine --

PRESIDING MEMBER GEESMAN: And we generally put those people into the public comment period if they're not parties.

MS. ICHIEN: Yes. And that would be specified in the procedural part of the order.

PRESIDING MEMBER GEESMAN: No greater discretion is needed than is currently afforded in our siting regs.

MS. ICHIEN: Okay. Any other comments?

Moving then to the proposed decision,

section 2414.

MS. FERRY: Arlene, we have a comment related to that.

MS. ICHIEN: Yes.

MS. FERRY: Subsection (a) there, we were hoping we could put some kind of quantification as to after the conclusion of hearings. And perhaps qualify that with no longer than say 90 days after the --

MS. ICHIEN: Yes.

MS. FERRY: -- conclusion of hearings the Commissioner shall -- just put some more parameters around the whole process.

MS. ICHIEN: I think that's a reasonable timeline. And so, within 90 days of proposed decision you'd be expected --

PRESIDING MEMBER GEESMAN: Fine by me. The risk that you have in putting what you think of as an outer parameter is that it becomes the target. And I'm not about to deny that sometimes these can be hard to assemble, but we do strive for a tighter timeframe in our siting decisions. It's not written anywhere, but --

MS. FERRY: Okay.

PRESIDING MEMBER GEESMAN: -- 90 days

would be a slow decision in our siting cases in terms of a PMPD.

MS. FERRY: I think no longer than, but why don't we make it ten?

(Laughter.)

MS. FERRY: And maybe it's not an issue then. If you usually, you know, render quick decisions and it might not be an issue. We were just --

PRESIDING MEMBER GEESMAN: I wouldn't call them quick. I was about to suggest 60 is more reasonable than 90. And I guess my question to the staff is you thought 90 was reasonable, do you think 60 would be reasonable?

MS. ICHIEN: I think 60 is reasonable.

PRESIDING MEMBER GEESMAN: Okay, then I would suggest we follow her recommendation but substitute 60 for 90.

MS. ICHIEN: I assume a hearing officer would be assigned to help with the proceeding.

PRESIDING MEMBER GEESMAN: Don't we have hearing officers in the audience to comment on that?

MS. ICHIEN: We should get the hearing officers --

PRESIDING MEMBER GEESMAN: You're certainly accurate that hearing --

MS. ICHIEN: -- input.

PRESIDING MEMBER GEESMAN: -- officers would be assigned. And I think we should put 60 in without waiting for comment from the hearing officers.

(Laughter.)

DR. TOOKER: Especially not at this moment in time.

PRESIDING MEMBER GEESMAN: Yeah.

MS. ICHIEN: Any other comments on the proposed decision?

Then moving to findings --

MR. ACUNA: One last one.

MS. ICHIEN: Yes.

MR. ACUNA: Item (c). Is it procedural that it's the full Commission who takes the vote?

MS. ICHIEN: On the --

MR. ACUNA: Item (c), proposed decision.

MS. ICHIEN: Oh, to receive --

DR. TOOKER: No, that's going to be --

MS. ICHIEN: -- we're going to get rid of "commission" --

DR. TOOKER: It's going to say assigned

committee.

MS. ICHIEN: -- wherever it's referred to with a an assigned committee.

Findings and conclusions. Any comments, Scott? Others?

MR. GALATI: What I was wondering, whether the language in (e) allows the decision to set forth mitigation strategies.

Again, I certainly don't want to usurp the CPUC's authority, but it would be very helpful if people knew in a particular designated corridor about what they would have to do.

PRESIDING MEMBER GEESMAN: I sure think that's right.

MR. GALATI: And I do recognize the CPUC will have to update it; it'll have to be based on new biological surveys. But I would be the person that would say, I only want to do my biological surveys where I access the corridor, where my footprints are going to be.

PRESIDING MEMBER GEESMAN: Right.

MR. GALATI: I don't want to do the whole darn thing again.

PRESIDING MEMBER GEESMAN: Right.

MR. GALATI: I don't want to do the

cultural surveys for the whole darn thing again. I'd be looking at disturbance areas. And if there were strategies already developed on how you avoid or mitigate.

So I don't know if we can come up with language in (e) that says, you know, recommended or, you know, --

MS. ICHIEN: To me feasible means of mitigating includes existing HCPs and other plants that are in place that could avoid, you know, identified potential impacts.

And then in the next section there is reference to, you know, the findings that a CEQA agency has to make in its final decision about mitigation, if there are potential impacts.

And so I would expect the Commission's decision to contain mitigation measures where there are identified significant impacts. Be that requirement to comply with an HCP or an existing cultural resources plan, or one that was proposed by the applicant during the case.

PRESIDING MEMBER GEESMAN: Do you allude to that at the top of page 12?

MS. ICHIEN: Yes.

PRESIDING MEMBER GEESMAN: Would it be

desirable to provide more detail in 2415 that, indeed, you're looking at not only whether there are feasible means of mitigation, but what they are?

MS. ICHIEN: Whether there are, and identification. Um-hum.

MR. GALATI: Yeah, because the final decision in hearing, that section 1, it basically says that the decision is going to have a requirement for that proposed designation. And so the proposed decision ought to so you can look at what the requirements might be and comment on them.

MS. ICHIEN: Um-hum.

DR. TOOKER: So you could just drop --

MR. GALATI: You can just take 1 and drop 1 into (e).

DR. TOOKER: Or in (e) you could just drop "whether there are" and it just says "feasible means of mitigating or avoiding."

MS. ICHIEN: Where there are, and if so the identification of feasible mitigation.

MR. GALATI: And this, again, brings up a point of, you know, we're going down the siting regulations avenue. So how do you see the

proposed decision coming out? Do you see the proposed decision coming out with a list of conditions that say, here's biology; we did all the environmental analysis and these are the conditions we would impose upon anyone who develops within the corridor?

MS. ICHIEN: Yes.

PRESIDING MEMBER GEESMAN: I think that's the best model.

MR. GALATI: Because certainly the EIR would be identifying mitigation measures. So you, I'm assuming, would be incorporating those mitigation measures right into the decision?

PRESIDING MEMBER GEESMAN: I think that's the best model.

MS. ICHIEN: I think the Energy Commission, as the lead agency, would have to take into account those recommended mitigation measures in its final decision.

MR. GALATI: Yeah, then incorporating the concepts of one into the decision, I think, are important.

MS. ICHIEN: Any other comments on that section?

Then moving to the final decision and

hearing.

DR. TOOKER: Oh, I just might point out that item (d) at the top of page 12, we're aware that its reference to subsection (b) should be to subsection (c). As a result of our phone conversations earlier.

MS. ICHIEN: Right.

DR. TOOKER: We're going to change that.

MS. ICHIEN: Did you have a comment?

MS. FERRY: Not at this point.

MS. ICHIEN: On 2416. Moving then to 2417. Notification. This is notification to local governments.

MS. MANNION: I would make the same comment --

MS. ICHIEN: About who to notify, being specific here, too.

MS. MANNION: Right.

MS. ICHIEN: Okay. And then section 2418. This was an attempt to get the Energy Commission's decision, as well as the environmental review, squarely before the Public Utilities Commission for its consideration and use in the permitting stage.

And then 2419, catalogue.

PRESIDING MEMBER GEESMAN: The catalogue is broader than simply EIRs, is it not? It would include negative decs and mitigated negative decs?

DR. TOOKER: Yes. Any environmental documents.

MR. TERZICH: Just for clarity, also -- Chris Terzich, SDG&E -- where it says permit to construct, could also be a CPCN?

MS. ICHIEN: Where are you?

MR. TERZICH: Sorry, on the 2419.

MS. ICHIEN: Yes.

MR. TERZICH: Where it say for a permit to construct a high-voltage transmission line, it could also be a certificate of public convenience?

MS. ICHIEN: Yes. I mean, that wasn't intended to be the artful term in the PUC's order, 131(d), but I can see where that could cause confusion.

DR. TOOKER: You mean that's in their language now?

MS. ICHIEN: A permit to construct is a category.

PRESIDING MEMBER GEESMAN: We need to be mindful of that to avoid confusion.

MS. ICHIEN: And then finally, the

review of designated corridors.

MR. LEEPER: Maybe I could -- this sort of comes to kind of a general question along the need for corridors.

Say in the event that we've a designated corridor and there is a significant change, say a large area of desert becomes a protected area, a national monument or a park or something.

Is there some way that there would be a grandfathering clause? Or would that be any way the CEC could be, or would it be up to the parties to intervene with that proceedings or something?

I'm just kind of curious because we are talking about going through areas that normally would be very sensitive. And maybe even preclude a transmission line.

But when you have sort of a pre-established identification of a need and a corridor, and then sort of comes in after the fact, how might that be handled? Would that be part of this review, or would it be some sort of grandfathering? Or would the CEC possibly be an advocate on behalf of that corridor designation?

DR. TOOKER: I think staff had contemplated the need for a very active ongoing

outreach with key agencies once a designation has occurred, just for the purposes of addressing those kinds of issues that would arise, to assure that we could participate in say, a park planning process, or other planning processes. And make sure that they recognize the need to consider the designation as a statement of state policy.

And then perhaps to update that designation to reflect changes made in that planning process. And hopefully in a positive way to maintain the viability of the corridor.

MR. LEEPER: Right. And it sort of follows along with what Tom had been talking about earlier in the, you know, how would you build through there, and the answer is you wouldn't.

And, you know, I mean that obviously, you know, we need to consider that as one alternative. But, if that is the only viable way, there should be some middle ground or some opportunity to at least come up with some mitigation strategy.

And like I said, the second thing is that we are designating a corridor in the future. And then, you know, something happens between the designation and the actual implementation of a

specific project, is there, you know, just some sort of way to address that potential outcome?

PRESIDING MEMBER GEESMAN: I think the Commission envisions a certain required vigilance on our part in preserving and protecting the corridor designations that we make. So, at least as the Commission's currently comprised, I think you could expect a pretty ongoing level of activity there in making certain that there aren't intrusions on a corridor once the designation's been made.

MR. LEEPER: Great.

MS. ICHIEN: And we hope to establish and maintain an ongoing relationship with local governments through whose jurisdiction a designated corridor may go, for purposes of encouraging them to reflect the designated corridor in their general and specific plans.

And I mean that's the best way to preserve the corridor, is to have it actually designated, reflected in a local plan.

MR. LEEPER: Okay.

DR. TOOKER: And we're working with OPR now to try to figure out an overall strategy as to how best to do that, and what tools are available

to have an ongoing coordination with local agencies. Not just cities and counties, but the water districts, park districts, fire districts, a lot of local governments that might have the need to construct projects or make decisions that could impact the viability of a corridor.

MR. LEEPER: Great.

MS. ICHIEN: Shall we move on to appendix G, information requirements.

MR. TRIAL: This is Allen Trial with SDG&E. On 2420, I might suggest that we add, after the word necessary, that there be a review for upon request.

MS. ICHIEN: Yes, okay.

DR. TOOKER: Yeah; one of the issues that's come up in some of our discussions was that that review upon request might not be just exclusively the proponents, but it could be local government or other entities that would request an update of our review.

MR. TRIAL: Correct.

MS. FERRY: Arlene, if I may?

MS. ICHIEN: Yes.

MS. FERRY: Can we go back to section 2410, subsection (c). I was just wondering if

those hearings under that subsection might be redundant to the hearings that you have under section 2409.

MS. ICHIEN: I notice there are two subsection (c)s, a typo.

MS. FERRY: The first one.

(Laughter.)

MS. ICHIEN: That's the evidentiary hearing. And you're asking if that's redundant of the hearing under section --

MS. FERRY: 2409, informational hearing and scoping.

MS. ICHIEN: It's not intended to be duplicative in that the informational hearing is like the introduction to the public of the proposed corridor.

And the later hearing is the more formal, evidentiary hearing, at which time testimony will be sponsored by witnesses for inclusion into the record upon which the Commission's would rest.

DR. TOOKER: I'd note there's a comment by staff about 2420 in terms of review upon request. Assuming that the Commission, in any event, would have the discretion as to how it

responded to such requests.

MS. ICHIEN: You mean whether to deny it or not?

DR. TOOKER: Right. Or to proceed with it. I mean it wouldn't be staff determination it would be the Commission's determination.

MS. ICHIEN: Oh, I see what you're saying. Yes. The request would go to the Commission.

MR. LEEPER: Right.

MS. ICHIEN: Not to the staff. You could request the staff -- but the request to initiate a formal update or review would be to the full Commission.

DR. TOOKER: I mean you would want to avoid arbitrary requests that weren't based on some level of justification. And the Commission should have the ability to -- the discretion to consider that.

MS. ICHIEN: The discretion to deny a request.

DR. TOOKER: Right.

MS. ICHIEN: Yes.

MR. HILL: But in the informational hearing that's still recorded, is it not?

MS. ICHIEN: Yes.

MR. HILL: And everything that's said by presenters is still considered testimony?

MS. ICHIEN: It wouldn't be considered formal testimony, but certainly public comment that would be, you know, available for consideration.

MR. HILL: Right, that would not. But I thought that any formal presentation during an informational hearing could be considered testimony.

MS. ICHIEN: The testimony, under oath and subject to cross, would be at the later evidentiary hearing.

MR. HILL: At the evidentiary, okay.

MS. ICHIEN: The informational hearing wouldn't be conducted that way.

MR. GALATI: One of the questions that I have, from a legal perspective, is with the Energy Commission siting regulations being a CEQA-equivalent process, we never really have to think about this, but staff produces the final EIR; applicant submits testimony. Let's say there's disagreement on the way mitigation should be incorporated.

There is an evidentiary hearing and for some untold reason the Commission agrees with the applicant. And so now the mitigation measure that's incorporated into the decision, what does that do to the validity and certification of the final EIR?

Is the final EIR that is certified, since the Commission's not issuing a permit, how does that dovetail with the decision, such that there is a final? What would you take to the PUC if you wanted to make the argument that the impacts were all mitigated; our route for our project within this corridor has been designed in accordance with this; please do a mitigated negative dec, which is where we'd like to be someday, right?

What wuld you take to them?

MS. ICHIEN: To the PUC? The regulations would direct that the Commission's decision and the environmental report --

MR. GALATI: Okay, --

MS. ICHIEN: -- document be included in the application.

MR. GALATI: i'm just saying that the final environmental report, I'm assuming the

Commission would --

MS. ICHIEN: It could vary, it could differ from the decision.

MR. GALATI: Right. So, you know, in a typical land use permitting authority they certify the environmental report as the final EIR, and then they issue a permit. And they have conditions in the permit. I've never seen the conditions in the permit not incorporate all the conditions of the final EIR. Or they would send it back out for the final EIR to be revised.

And so my concern is how do we do that here with no permit.

MS. ICHIEN: The final decision of the agency can vary from what's recommended in an EIR so long as there's substantial evidence in the record. And there would be in that example you provided.

MR. GALATI: Okay.

MS. ICHIEN: On which to base the Commission's final conclusions.

MR. GALATI: Okay, so they might choose a different mitigation strategy?

MS. ICHIEN: They could disagree with staff and require mitigation that's based on

substantial evidence provided by party X or the applicant.

MR. GALATI: Okay. Then, never mind. Sorry.

PRESIDING MEMBER GEESMAN: Let's keep in mind Chris' suggestion that we think of any statutory clarifications that might be desirable.

MS. ICHIEN: So, are we ready to move to appendix G, informational requirements. Any comments on the executive summary or the project description?

MR. GALATI: In number (1) you ask for the transmission facilities anticipated to be within the corridor. I'm assuming a general description of the transmission facilities, I mean I'm not sure how I would write that if we're far out in advance. Just three lines, two lines, one line, 500 kV.

At some point in time when you start providing that specificity you are moving to a specific EIR. So I think that we need to be cognizant of the information that we request versus the level of review that we're doing.

In some cases I think that you could be identifying there's a possibility of, you know,

one line, but we need a corridor to have future expansion that may include up to eight lines or two lines or four lines. And that's why it needs to be this wide.

But I think we just need to make clear that you're not asking for if it's a lattice structure tower or monopoles or voltage or something.

MS. ICHIEN: Right. We're assuming that that level of detail has, in all likelihood, not been developed.

MR. GALATI: Yeah.

DR. TOOKER: I think there would be -- although we agree with you that it's especially for protecting, you know, 15 years out, that there's not a lot of specificity. To the extent that we would need to look at potential impacts it might be good to identify a range of potential structures or ways to accommodate that size of line in terms of towers or whatever, as exemplary or just samples to help guide us in looking at potential impacts.

MS. ICHIEN: And certainly what's reasonably foreseeable. To the extent there's information on what's reasonably foreseeable, we

would like information on that.

MR. GALATI: Yeah, and those are some of the words, I think, that we should clarify there.

MS. ICHIEN: Um-hum.

MR. GALATI: Use some of those things reasonably foreseeable when anticipate -- describe to the extent available or something like that.

MR. TERZICH: Or worst case.

MR. GALATI: Yeah.

MS. MANNION: And then we were going to suggest that you also add in here an identification of lands under Williamson Act contracts.

DR. TOOKER: Okay, that probably --

MS. ICHIEN: Yes.

DR. TOOKER: -- would be in the land use section.

MR. JOHNSON: Roger Johnson from the staff. I'd like to follow up on that question about not necessarily identifying the facilities that are going to go into the corridor.

We know that the corridor is going to be 200 kV or larger, so typically it's a 230 or a 500 kV transmission system. They are quite different in size and height.

And so some corridors might have height restrictions that a 500 kV -- so are you suggesting that we would just do a generic corridor and have to look at whether or not a 500 would fit in this particular corridor or only a 230?

MR. GALATI: No, I think that's a general description. But my point was that, as it's written, I think it could be subject to interpretation to ask for more level of detail than you would need.

For example, how many towers are anticipated or are you using a lattice structure or monopole or what is the color, things like that.

So I just wanted some clarification that we ought to have some to the, you know, reasonably foreseeable, to the extent available, some qualifier in the description of transmission facilities so that we don't get into sort of a do-loop of trying to go back and ask the engineers what they think ten years out really will look like.

But I agree with you that maybe the size of the conductor or maybe the, you know, general

height of poles, if it was available, might be appropriate.

DR. TOOKER: And also perhaps typical spacing strategies that are used. But without a commitment to, you know, actual placement.

MR. GALATI: And I think that's where there certainly is a disagreement among the group of maybe when, at what time a utility might ask for a corridor, someone might ask for a corridor because they're anticipating something relatively soon. And someone might ask for a corridor because they're anticipating something a long time from now.

So I just think you need to build into here the flexibility so that we don't get stuck into, this is what is required for data adequacy. And you can't move forward without that level of detail. That's what I was suggesting.

MS. ICHIEN: So to recognize that different applicants may have different levels of --

MR. GALATI: Correct.

MS. ICHIEN: -- depending on where they are in the planning stages.

MR. GALATI: That's correct.

MS. ICHIEN: Comments on project description. Conformity with the strategic plan and need.

MR. ACUNA: Just a note of interest. I looked at the national interest electric transmission corridor mapping that FERC put out, DOE, in San Diego. And they're very large. And here you're very specific, which is good; centerline, description. Are we trying to match what they're doing under 1221? Is there a conflict here? That's the point of discussion.

MS. ICHIEN: Well, we have in mind to try to match up with the section 368 corridors, federally designated corridors.

MR. ACUNA: They're more specific.

DR. TOOKER: I have a question. I hate to break in here but, Commissioner Geesman, you said that you and Commissioner Byron would be leaving at 1:00.

PRESIDING MEMBER GEESMAN: That's right.

DR. TOOKER: And I do think it's critical that we seek from the Committee at this point some expectations regarding filing of comments, and then our preparation of revised regulations and a subsequent workshop.

PRESIDING MEMBER GEESMAN: I think we ought to have a subsequent workshop. I think you ought to determine from the participants what would be a reasonable time to allow for them to file written comments.

You should work out before you leave today a rough schedule for when such a workshop would be held. And at least my hunch is one more workshop ought to be sufficient.

So we ought to aim for an additional workshop that will ultimately resolve the remaining ambiguities and other questions in regs before they can be recommended to the full Commission.

DR. TOOKER: Yeah, and I think as we have already, to offer the opportunity for conference calls and all the dialogue --

PRESIDING MEMBER GEESMAN: Yeah, I would strongly encourage that. I think it helped this workshop that you guys did that.

DR. TOOKER: Thank you.

PRESIDING MEMBER GEESMAN: Does that mean then that Jeff and I are excused?

(Laughter.)

MS. ICHIEN: Unless any of the parties

want to provide comment on any of the informational requirements before the Commissioners leave.

MR. SPEAKER: No.

MS. ICHIEN: Okay.

PRESIDING MEMBER GEESMAN: I want to thank you all very much. This has been, I think, quite productive. And I think if we can maintain that same kind of mutuality in objectives we can accomplish --

DR. TOOKER: I might just ask if there's anybody on the phone that wanted to provide comment that hasn't? Okay, there is nobody.

PRESIDING MEMBER GEESMAN: Okay, this will turn, then, into a staff workshop for the remaining --

DR. TOOKER: Is there a common interest in taking a five-minute break before we proceed?

MS. ICHIEN: Or lunch.

DR. TOOKER: Well, my other question is are we close enough to the end that we can proceed with going through appendix G in a timely manner here. Or should we break for lunch?

MR. GALATI: I can only speak from PG&E's perspective, I think our appendix G

comments are going to be very similar with our other comments about providing the flexibility in the specificity based on what is added.

I think that we can provide that in writing probably a little better than going through each one of the items. So I actually don't have a lot on appendix G.

DR. TOOKER: San Diego?

MR. TERZICH: Yeah, we concur.

DR. TOOKER: Edison?

MS. FERRY: Same.

MR. LEEPER: Yeah.

MS. ICHIEN: Anyway, your suggested --

DR. TOOKER: RCRC?

MS. MANNION: We also are going to submit comments, and as I said, we're reaching out. We'll have additional comments.

I did have a question. Are you looking at this additional workshop being after the revised regs come out?

MS. ICHIEN: Yes.

MS. MANNION: Okay, so that'll be excellent. Okay.

MS. ICHIEN: Anyway, so are the parties in agreement that we could just leave it at you

providing us with specific written suggestions as to the wording of this informational requirements. And we understand the flexibility that the requirements need to reflect, within reason.

MR. LEEPER: I guess I'd just like to offer a general comment. I would prefer that the regs, you know, not be more stringent or more onerous than what we're already subject to in some of our environmental and some of these land use permits.

So I think that we'd like to track, at least as the maximum, what we currently have, and possibly where feasible, to go to less detail so that we minimize the amount of time and effort that's required for it, especially in our case looking at, you know, future corridor planning, or designation.

DR. TOOKER: John, could you provide us with some examples of that?

MR. LEEPER: Yeah, we have some specifics. You want to --

MS. FERRY: Sure. It's in the appendix G, the land use, subsection -- or it's (i) and subsection (3). And one of those was the special status areas in the proposed corridor zone that we

notify within one mile, or identify within one mile.

I don't think the CPUC's requirements are near as onerous as --

DR. TOOKER: Okay, so these are similar to the things we discussed in our conversation --

MR. LEEPER: Yes.

MS. FERRY: Yes.

DR. TOOKER: I thought you were referring to giving -- I was asking for you to give us kind of an overview of what the data requirements are for the permit processes that you go through, but if you just have focused comments, then that's fine.

MR. LEEPER: Yeah, I'm not really that knowledgeable on the specifics. But I think that some of these do appear to be more onerous than we're currently required. And we don't mind going up to that level, especially if it would facilitate moving this process forward, you know, in a later hearing.

But we'd rather not have more requirements placed upon us as part of this corridor designation than we're already subject to.

That's just a general overview. And our comments will sort of reflect that. If we do see areas that we think could be more onerous than we're currently subject to, we would probably point that out in our written comments.

DR. TOOKER: Okay, thank you.

MR. ACUNA: When reviewing, or we're picking up a couple next points where are we going. And it sounds like written comments per Commissioner Geesman. And then we would have revised regs. And then we'd meet again together.

In keeping with PG&E I think what we can do is we can provide more detail in writing to you on appendix G. I think the things that we have all discussed today have been the main body of your rules.

MS. ICHIEN: Yes.

MR. ACUNA: So from our company's perspective we would provide you more comments on G. We need to set a date. We can do that. And then pick the date for the review or the public workshop of the final document.

MS. ICHIEN: Is one week a reasonable period of time to get comments back to us?

MR. ACUNA: It's a holiday. I'd say

everybody needs --

MS. ICHIEN: Oh, that's right.

MR. ACUNA: -- a couple of weeks at least.

MS. ICHIEN: Two weeks?

MR. GALATI: Yeah, I think a couple of weeks would be fine.

MS. ICHIEN: Okay.

DR. TOOKER: I assume that we'll proceed with incorporating changes based on what we've heard here today. Then be able to respond to any subsequent comments in writing.

MS. ICHIEN: July 13th, yes, day before Bastille Day.

DR. TOOKER: And in the meantime if you have any questions, please contact Gary Collord. Fortunately I'll be out on vacation all next week, so. But Gary's going to be available, as well as, I'm sure, Arlene if you have any questions of her.

MS. ICHIEN: Anyway, thank you all very very much for all of your time and reviewing these draft regs and your comments.

(Whereupon, at 12:51 p.m., the Committee workshop was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Committee Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said workshop, nor in any way interested in outcome of said workshop.

IN WITNESS WHEREOF, I have hereunto set my hand this 11h day of July, 2007.