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Appendix A

CEQA FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS

Regarding the Final Environmental Impact Report for the Power Santa Clara Valley Project

State Clearinghouse No. 2024090200

Application No. 24-04-017

CEQA Findings and Statement of Overriding Considerations Regarding the Final Environmental Impact Report for the Power Santa Clara Valley Project Approval of the Environmentally Superior Alternative

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1. CEQA FINDINGS

1.1 Project Description Summary

LS Power Grid California, LLC (LSPGC), in its California Public Utilities Commission (CPUC) application (A.24-04-017) filed on April 29, 2024, requested a certificate of public convenience and necessity (CPCN) for the proposed Power Santa Clara Valley Project (Project) within the city of San José and unincorporated Santa Clara County.

The Project includes components that would be constructed and operated by LSPGC. These components consist of two new high-voltage direct current (HVDC) terminals, a transmission line connecting the HVDC terminals, a transmission line connecting one of the HVDC terminals to the existing Pacific Gas and Electric Company (PG&E) Metcalf Substation, and an overhead transmission tie line connecting the other terminal to the existing PG&E San Jose B Substation. Connecting the HVDC terminals to the existing PG&E Metcalf and San Jose B substations requires PG&E to modify the existing PG&E Metcalf Substation and expand and upgrade PG&E's existing San Jose B Substation. The Project, for the purpose of the California Environmental Quality Act (CEQA) analysis, includes both LSPGC's Power Santa Clara Valley Project and the expansion and modifications to the PG&E substations.

1.2 Project Objectives

The purpose of the Project is to ensure the reliability of the area's CAISO-controlled grid by strengthening the electrical grid in the San Francisco Bay Area. Project objectives as identified by LSPGC are as follows:

- Meet CAISO's reliability-driven need by addressing multiple near-, mid-, and long-term reliability issues in the existing San José area 115-kilovolt (kV) system.
- Meet the technical specifications set forth by CAISO for a voltage source converter HVDC link in the San José area located near or adjacent to the existing PG&E San Jose B Substation and PG&E Metcalf Substation. Adjacency to the existing PG&E San Jose B and Metcalf substations would reduce the length of the interconnection transmission lines, thereby reducing right-of-way (ROW) requirements and the potential for significant environmental impacts.
- Improve and maintain the reliability of the transmission grid by providing dynamic reactive power support and increase the deliverability of renewable power, by building and operating a facility that would help keep transmission voltages within specified parameters, reduce transmission losses, increase reactive margin for the system bus, increase transmission capacity, provide a higher transient stability limit, increase damping of minor disturbances, and provide greater voltage control and stability.

- Facilitate deliverability of energy from existing and proposed renewable generation projects to the Greater San Francisco Bay Area (Greater Bay Area) and corresponding progress toward achievement of California's Renewables Portfolio Standard goals in a timely and cost-effective manner by California utilities.
- Comply with and assist CAISO in meeting applicable Reliability Standards and Criteria developed by the North American Electric Reliability Corporation, Western Electricity Coordinating Council, and CAISO.

The following additional objective is identified as influenced by CAISO's decision to update its 2021-2022 transmission plan, which included a modified version of the Project.

- Provide a suitable foundation for future grid upgrades expected to be needed to serve the long-term forecasted electricity load in the San José area, as identified by CAISO.

1.3 Procedural Compliance with CEQA

The CPUC published a Draft Environmental Impact Report (EIR) on July 10, 2025, and a Final EIR on December 18, 2025, in compliance with CEQA requirements. The Final EIR has been prepared for the CPUC in accordance with CEQA and the CEQA Guidelines, as amended. As allowed for in CEQA Guidelines § 15084(d)(2), the CPUC retained a consultant to assist with the preparation of the environmental documents. The CPUC, acting as State Lead Agency, has directed, reviewed, and edited as necessary all material prepared by the consultant, and such material reflects the CPUC's independent judgment. The key milestones associated with the preparation of the EIR are summarized below. In addition, an extensive public involvement and agency notification effort was conducted to solicit input on the scope and content of the EIR and to solicit comment on the results of the environmental analysis presented in the Draft EIR. In general, the preparation of the EIR included the following key steps and public notification efforts:

1.3.1 Public Scoping Process – Draft EIR

The Draft EIR scoping process consisted of the following elements:

1. Publication of a Notice of Preparation (NOP) of an EIR, which included a CPUC Notice of Public Scoping Meeting seeking comments from the public and affected public agencies, as required by CEQA (September 6, 2024)
2. Public Scoping Meeting (September 18, 2024)
3. Summary of scoping comments in a comprehensive Scoping Report (November 2024)
4. Agency Consultation

5. Tribal Consultation

1.3.2 Public Review – Draft EIR

The Draft EIR was released for a 45-day public review and comment period on July 10, 2025. The public review and comment period ended on August 25, 2025. The Draft EIR was made available via the Internet and was also distributed to responsible agencies and interested parties who requested to be included on the mailing list during and after the public scoping period. A hybrid (virtual and in-person) public information meeting on the Draft EIR was held on August 5, 2025. The CPUC reviewed all comments and made changes to the EIR, as appropriate. The Final EIR was released on December 18, 2025. The Final EIR documents and responds to all written and oral comments made on the Draft EIR, as required by CEQA.

1.4 Environmental Impacts and Findings

Public Resources Code 21081 states that no public agency shall approve or carry out a project for which an EIR has been completed which identifies one or more significant effects on the environment unless the public agency makes one or more of the following findings for each of those significant effects:

1. Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.
2. Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.
3. Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.

Pursuant to Public Resources Code 21081 and CEQA Guidelines 15091, the Commission has made one or more of these specific written findings regarding significant impacts associated with the project. These findings are based on the information contained in the Draft EIR and the Final EIR for the project, as well as information provided by the applicant and gathered through the public involvement process contained in the administrative record. Such findings are provided in sections 1.5.1, 1.5.2, and 1.5.3 below.

The Commission, as lead agency under CEQA, has prepared and considered the Final EIR for the Power Santa Clara Valley Project (Project),[1] including analysis of the Proposed Project and project alternatives, including Alternative Combination 1 (AC-1). The "project" selected for certification is Alternative

[1] References to the Project in this document are synonymous with AC-1. The Project as initially proposed is not the project being carried forward for consideration, but rather the alternative combination designated as AC-1.

Combination 1 (AC-1), or the environmentally superior alternative that meets the project objectives. Therefore, these findings focus strictly on the impacts of AC-1.

The Final EIR evaluation included a detailed analysis of impacts in 20 environmental disciplines, analyzing the Project and 13 alternatives, 4 of which were carried forward for detailed consideration, including the No Project Alternative. The EIR discloses the environmental impacts expected to result from the construction and operation of the Project. Where possible, mitigation measures were identified to avoid or minimize significant environmental effects. In addition, the Applicant committed to implementing measures to reduce the direct and indirect impacts that will result from Project activities. These measures, referred to as Applicant Proposed Measures (APMs), were identified by LSPGC in its CPCN Application to the CPUC. Chapter 2 of the Final EIR provides a detailed list of the LPSGC APMs and PG&E-proposed best management practices (BMPs) and Field Protocols (FPs). The analysis in the Final EIR assumed the LSPGC APMs and PG&E-proposed BMPs and FPs to be part of the Project. The mitigation measures identified in the Final EIR are measures proposed by the CPUC as lead agency, responsible or trustee agencies or other persons that were not included in the Project but could reasonably be expected to reduce adverse impacts if required as conditions of approving the Project, as required by CEQA Guidelines § 15126.4(a)(1)(A).

- The Final EIR was completed in compliance with CEQA and was presented to the Commission; the Commission has received, reviewed, and considered the information contained in the Final EIR. The Final EIR reflects the Commission's independent judgment and analysis.
- AC-1 incorporates most elements of the Proposed Project but relocates the proposed Grove HVDC Terminal to an alternative site, thereby avoiding or substantially reducing impacts associated with the originally proposed Grove HVDC Terminal site.
- The mitigation measures identified in the Final EIR that are applicable to AC-1 are feasible and shall be adopted as conditions of approval.
- The Mitigation Monitoring, Compliance, and Reporting Plan (MMCRP) identified in the Final EIR is designed to ensure compliance with the mitigation measures and shall be adopted.
- The Final EIR identifies that significant and unavoidable impacts would occur under AC-1 in the resource areas of Cultural Resources and Tribal Cultural Resources, even after adoption of feasible mitigation measures.
- The Commission has adopted all feasible mitigation measures and, by selecting AC-1, has adopted an alternative that avoids or substantially reduces impacts to the extent feasible.
- No additional feasible mitigation measures or feasible alternatives, beyond those adopted and/or incorporated into AC-1, have been identified that would avoid or reduce to a less-than-significant

level AC-1's significant and unavoidable impacts to Cultural Resources and Tribal Cultural Resources.

- The Project (AC-1) will provide benefits including improvements to electric system reliability and resiliency and support for state energy and climate policy objectives, and will avoid or substantially reduce impacts associated with the originally proposed Grove HVDC Terminal site.
- Significant and unavoidable environmental impacts will result from approval of AC-1; however, the Commission has adopted all feasible mitigation measures, selected the environmentally superior alternative, recognized all significant unavoidable impacts, and balanced the benefits of AC-1 against its significant and unavoidable impacts.
- The benefits of AC-1 outweigh and override its significant and unavoidable impacts to Cultural Resources and Tribal Cultural Resources, for the reasons set forth in the Statement of Overriding Considerations adopted herein (see Section 2).

1.4.1 Findings on Less than Significant Impacts

Based on the Final EIR, the Commission finds that the Project (AC-1) would result in no impact or less-than-significant (LTS) impacts in multiple resource areas and under multiple significance criteria. These effects are identified in Chapter 4 of the Final EIR.

- **Aesthetics:** Implementation of AC-1 could affect visual character and quality through construction of transmission facilities and new HVDC terminals. The Commission finds that certain impacts to aesthetics under AC-1 would be less than significant, specifically those related to effects on the existing visual character or quality of public views of the sites and its surroundings. AC-1 relocates the Grove HVDC Terminal to a site within the existing PG&E Metcalf Substation property, an area already characterized by large-scale electrical infrastructure and industrial land uses. Transmission facilities would be consistent with the existing visual context, and no scenic vistas or designated scenic resources would be substantially degraded. Because AC-1 avoids siting major new infrastructure in visually sensitive or undeveloped areas and relies largely on previously disturbed sites and established utility corridors, changes to visual character would be limited and would not result in a substantial adverse effect on scenic resources or visual quality. Impacts due to new sources of lightning would be less than significant with mitigation (Impacts 3.1-2 and C.3.1-2); see Section 1.5.2 for details.

Reference: Final EIR, Section 3.1, Aesthetics.

- **Agricultural and Forestry Resources:** Implementation of AC-1 could affect agricultural or forestry resources if project components resulted in conversion of agricultural land or forest land to non-agricultural uses. The Commission finds that AC-1 would have no impact on agricultural

or forestry resources. The Project would not convert Prime Farmland, Farmland of Statewide Importance, or Unique Farmland to non-agricultural uses, nor would it affect timberland or forestry resources. Project facilities are located in urbanized or industrial areas or within existing utility corridors, and no agricultural operations would be displaced.

Reference: Final EIR, Section 3.2, Agricultural and Forestry Resources.

- **Air Quality:** Project construction and operation could affect air quality. The Commission finds that certain impacts to air quality under AC-1 would be less than significant, specifically those related to other emissions resulting from odor-producing sources during Project construction and operation and maintenance. The Final EIR finds that the Project would not result in other emissions adversely affecting a substantial number of people. The Final EIR also concludes that AC-1 would limit sensitive receptor exposure to odors due to the location of the GTA-3 site and the reduced lengths of both the proposed transmission lines. Other air quality impacts analyzed for AC-1 (Impacts 3.3-1, 3.3-2, 3.3-3, C.3.3-1, C.3.3-1, and C.3.3-3) would be less than significant with mitigation; see Section 1.5.2 for details.

Reference: Final EIR, Section 3.3, Air Quality.

- **Biological Resources:** Project construction and operation could affect biological resources through ground disturbance, vegetation removal, or disturbance to wildlife. The Commission finds that certain impacts to biological resources under AC-1 would be less than significant, specifically those related to potential effects on federally protected wetlands and potential collision or electrocution risk for birds and bats. AC-1 avoids sensitive biological resources to the greatest extent feasible by utilizing previously disturbed areas and existing utility corridors. Other biological resources impacts analyzed for AC-1 (Impacts 3.4-1, 3.4-2, 3.4-4, 3.4-5, and 3.4-6) would be less than significant with mitigation; see Section 1.5.2 for details.

Reference: Final EIR, Section 3.4, Biological Resources.

- **Energy:** Implementation of AC-1 could result in increased energy demand during construction or operation. The Commission finds that impacts related to energy would be less than significant. Construction-related energy use would be temporary and minor relative to regional energy supplies, and operational energy demands would not result in wasteful, inefficient, or unnecessary consumption of energy. The Project would ultimately improve grid efficiency and reliability.

Reference: Final EIR, Section 3.6, Energy.

- **Geology and Soils:** Project components could be exposed to seismic hazards, soil erosion, or unstable soils. The Commission finds that impacts related to geology and soils under AC-1 would

be less than significant. Project design and construction would comply with applicable engineering standards and building codes. The Final EIR concludes that AC-1 would not expose people or structures to substantial risk from seismic hazards, landslides, or soil instability, nor would it result in substantial soil erosion or loss of topsoil.

Reference: Final EIR, Section 3.7, Geology and Soils.

- **Greenhouse Gas Emissions:** Construction and operation of AC-1 would generate greenhouse gas (GHG) emissions. The Commission finds that GHG emissions associated with AC-1 would be less than significant. The Final EIR concludes that Project-related GHG emissions would not exceed applicable thresholds and would not conflict with state or regional greenhouse gas reduction plans. The Project would support long-term GHG reduction goals by improving transmission capacity and enabling delivery of cleaner energy resources.

Reference: Final EIR, Section 3.8, Greenhouse Gas Emissions.

- **Hazards and Hazardous Materials:** Implementation of AC-1 could involve routine transport, storage, or use of hazardous materials during construction and operation. The Commission finds that impacts related to hazards and hazardous materials would be less than significant. The Project would comply with applicable federal, state, and local regulations governing hazardous materials. No schools or sensitive receptors would be exposed to substantial hazards, and the Project would not increase risks related to emergency response or hazardous materials releases.

Reference: Final EIR, Section 3.9, Hazards and Hazardous Materials.

- **Hydrology and Water Quality:** Construction activities could affect surface water quality or drainage patterns. The Commission finds that impacts on hydrology and water quality under AC-1 would be less than significant. AC-1 would comply with applicable water quality regulations and would not substantially alter drainage patterns, increase flooding, or degrade water quality. No violation of water quality standards or waste discharge requirements would occur.

Reference: Final EIR, Section 3.10, Hydrology and Water Quality.

- **Land Use and Planning:** Project facilities could conflict with applicable land use plans or zoning. The Commission finds that land use and planning impacts under AC-1 would be less than significant. AC-1 is consistent with applicable general plans, zoning ordinances, and land use policies. The relocation of the Grove Terminal to the Metcalf Substation property further reduces land use conflicts by consolidating infrastructure within an established utility site.

Reference: Final EIR, Section 3.11, Land Use and Planning.

- **Noise and Vibration:** Implementation of AC-1 could generate noise and vibration from the HVDC terminals, transmission facilities, and associated electrical infrastructure, which could affect nearby sensitive receptors. The Commission finds that certain noise impacts under AC-1 would be less than significant, specifically those related to groundborne vibration noise levels from Project operation and the potential exposure of workers to excessive airport noise levels. The Final EIR concludes that although the operation of HVDC terminal equipment could generate limited groundborne vibration, the Project's operation and maintenance activities would not generate ground vibration levels greater than the significance criteria. Further, the Project would not expose people working in the Project area to excessive aircraft noise levels. Although the proposed HVDC terminal sites would be located within approximately 1 mile south of the San José Mineta Airport, the Project would not expose construction workers to excessive aircraft noise. Other noise impacts analyzed for AC-1 (Impacts 3.13-1, 3.13-3, and C.3.13-1) would be less than significant with mitigation; see Section 1.5.2 for details.

Reference. Final EIR, Section 3.13, Noise.

- **Population and Housing:** The Project could induce population growth or displace housing. The Commission finds that impacts to population and housing would be less than significant. AC-1 would not induce substantial population growth, displace existing housing, or require construction of new housing. Construction workers would utilize existing housing stock on a temporary basis.

Reference: Final EIR, Section 3.14, Population and Housing.

- **Recreation:** Construction activities could affect recreational resources. The Commission finds that recreation impacts under AC-1 would be less than significant. AC-1 would not substantially reduce access to recreational facilities or result in long-term degradation of recreational resources.

Reference: Final EIR, Section 3.16, Recreation.

- **Transportation:** Construction traffic could affect roadway operations. The Commission finds that certain transportation impacts under AC-1 would be less than significant, specifically those related to CEQA Guidelines Section 15064.3, Subdivision (b). Construction traffic would be temporary and would not substantially affect traffic operations, safety, or emergency access. The Project would not conflict with applicable transportation plans. Other transportation impacts analyzed for AC-1 (Impacts 3.17-1, 3.17-3, 3.17-4, 3.17-5, 3.17-6, 3.17-7, and C.3.17-3) would be less than significant with mitigation; see Section 1.5.2 for details.

Reference: Final EIR, Section 3.17, Transportation.

- **Utilities and Service Systems:** The Project could affect utilities or service systems. The Commission finds that certain impacts to utilities and service systems would be less than significant, specifically those related to the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities; sufficient water supplies available to serve the Project and reasonably foreseeable future development during normal, dry, and multiple dry years; adequate capacity to serve the Project's projected demand in addition to existing commitments; and the generation of solid waste in excess of the capacity of local infrastructure or the impairment of attaining solid waste reduction goalsAC-1 would not require expansion of wastewater treatment, solid waste facilities, or other utility infrastructure. The Project is itself intended to improve electric transmission reliability. One impact on utilities and service systems analyzed for AC-1 (Impact 3.19-5) would be less than significant with mitigation; see Section 1.5.2 for details.

Reference: Final EIR, Section 3.19, Utilities and Service Systems.

- **Wildfire:** The Project would not substantially impair an adopted emergency response plan or emergency evacuation plan. The Project would not be located within lands classified as Very High Fire Hazard Severity Zone (VHFHSZ), and the nearest VHFHSZ classification is approximately 2 miles east of the proposed Grove HVDC Terminal and proposed PG&E Metcalf Substation expansion area. Additionally, the implementation of **APM TRA-1: Traffic Control Plan**, would minimize traffic impacts, including those related to potential lane closures and lane modifications. The Project would be designed and constructed according to local jurisdictions' design and safety standards, which would include proper fire prevention and health and safety procedures, as well as applicable standards contained in the California Building ode and California Fire Code. Therefore, impacts would therefore be less than significant.

Reference: Final EIR, Section 3.20, Wildfire.

1.4.2 Findings on Significant Environmental Impacts That Can Be Reduced to a Less than Significant Level

The Final EIR identifies that implementation of the Project (AC-1) would result in certain potentially significant environmental impacts, but that these impacts can be reduced to a less-than-significant level through the implementation of feasible mitigation measures, applicant-proposed measures, best management practices, compliance with applicable regulatory requirements, and implementation of the adopted Mitigation Monitoring, Compliance, and Reporting Plan (MMCRP).

For each of the impacts identified below, the Commission finds, pursuant to Public Resources Code section 21081(a)(1) and CEQA Guidelines section 15091(a)(1), that changes or alterations have been

required in, or incorporated into, the Project that mitigate or avoid the significant effects on the environment:

Aesthetics:

Potential Effects. Construction of AC-1 would require temporary nighttime lighting and illuminated equipment, which could introduce a new source of substantial light or glare affecting nearby sensitive receptors.

Finding. The Commission finds that aesthetic impacts related to new light and glare sources during Project construction can be reduced to a less-than-significant level by ensuring that fugitive lightning is controlled, to the maximum extent feasible, at a level sufficient to provide site-specific safety and sensitive species protection requirements.

Mitigation Measures: LSPGC Mitigation Measure 3.1-2 – Minimize Fugitive Light from Temporary Sources Used for Construction.

Rationale for Finding. The Final EIR concludes that limiting the intensity, duration, and direction of construction lighting, and requiring shielding and proper orientation of light sources, would prevent substantial off-site light spillover. With implementation of MM 3.1-2, construction-related light and glare impacts would be reduced to a less-than-significant level.

Reference. Final EIR, Section 3.1, Aesthetics.

Air Quality:

Potential Effects. Construction activities associated with AC-1 could generate criteria air pollutant emissions and fugitive dust that could exceed applicable significance thresholds even with implementation of LSPGC APMs and PG&E Best Management Practices. Impacts associated with Project construction could be significant, if unmitigated.

Finding. The Commission finds that air quality impacts associated with AC-1 can be reduced to a less-than-significant level with implementation of construction fleet minimum requirements and tracking and fugitive dust emissions controls, as described below.

Mitigation Measures.

- LSPGC Mitigation Measure 3.3-2a – Construction Fleet Minimum Requirements and Tracking.
- PG&E Mitigation Measure 3.3-2b – Construction Fleet Minimum Requirements and Tracking.

- LSPGC Mitigation Measure 3.3-2c – Use Best Management Practices for Construction-Related Fugitive Dust Emissions.
- PG&E Mitigation Measure 3.3-2d – Use of Best Management Practices for Construction-Related Fugitive Dust Emissions.

Rationale for Finding. The Final EIR concludes that implementation of the above measures would substantially reduce criteria pollutant emissions and fugitive dust during Project construction and ensure consistency with applicable air quality plans. With these measures in place, construction-related air quality impacts would be reduced to a less-than-significant level.

Reference. Final EIR, Section 3.3, Air Quality.

Biological Resources:

Potential Effects. Construction of AC-1 could result in impacts to special-status plant and wildlife species, wildlife movement corridors, and biological resources protected by local policies or conservation plans, even with implementation of the LSPGC APMs and PG&E BMPs and Field Protocols (FPs) due to the lack proscriptive measures to address special-status species found on-site, lack of restoration measures following temporary construction, and permanent impacts on sensitive natural communities.

Finding. The Commission finds that biological resources impacts associated with implementation of AC-1 can be reduced to a less-than-significant level with implementation of mitigation measures that protect candidate, sensitive, or special status species that could be found during Project construction, as well as compensatory mitigation and habitat restoration and monitoring measures to address potential temporary and permanent effects on sensitive riparian habitat.

Mitigation Measures.

- LSPGC Mitigation Measure 3.4-1 – Avoid Impacts to Rare Plants
- LSPGC Mitigation Measure 3.4-2 – Protection of Special-status Wildlife
- LSPGC Mitigation Measure 3.4-3 – Compensatory Mitigation
- LSPGC Mitigation Measure 3.4-4 – Habitat Restoration and Monitoring
- LSPGC Mitigation Measure 3.4-5 – Compliance with Local Tree Ordinances
- LSPGC Mitigation Measure 3.13-1a – Nighttime Construction Noise Plan

Rationale for Finding. The Final EIR concludes that implementation of preconstruction surveys, biological monitoring, avoidance buffers, and compliance with local biological resource protection policies would avoid or substantially lessen impacts to sensitive species and habitats. With these

measures implemented, biological resource impacts under AC-1 would be reduced to a less-than-significant level.

Reference. Final EIR, Section 3.4, Biological Resources.

Cultural Resources (applicable to Impact 3.5.2 only)**:**

Potential Effects. Ground-disturbing activities associated with AC-1 may result in the discovery of human remains, including those interred outside of formal cemeteries. Even with implementation of LSPGC's APMs and PG&E's BMPs, human remains could be inadvertently disturbed or damaged due to lack of more specific actions to be implemented in coordination with Native American tribes.

Finding. The Commission finds that certain cultural resource impacts can be reduced to a less-than-significant level, with implementation of mitigation measures that reduce the potential impact related to the discovery of human remains.

Mitigation Measures.

- LSPGC Mitigation Measure 3.5-1 – Cultural Resources Management Plan (CRMP)
- PG&E Mitigation Measure 3.5-1 – Cultural Resources Treatment Plan (CRTP)

Rationale for Finding. The Final EIR concludes that implementation of archaeological monitoring and discovery protocols would allow for identification, evaluation, and appropriate treatment of cultural resources encountered during construction. These measures would reduce impacts to human remains to a less-than-significant level. Some cultural resource impacts remain significant and unavoidable due to inherent subsurface uncertainty. There are known significant archaeological resources that would be affected by the Project and such impacts cannot be mitigated to a less-than-significant level.

Reference. Final EIR, Section 3.5, Cultural Resources.

Noise:

Potential Effects. Construction activities associated with AC-1 could generate temporary increase in ambient noise levels and groundborne vibration noise levels that exceed local standards at nearby sensitive receptors, even with implementation of LSPGC's APMs and PG&E's BMPs.

Finding. The Commission finds that construction noise and vibration impacts can be reduced to a less-than-significant level with implementation of construction noise and vibration controls that reduce potential effects on sensitive receptors.

Mitigation Measures.

- LSPGC Mitigation Measure 3.13-1a – Nighttime Construction Noise Plan

- LSPGC Mitigation Measure 3.13-1b – Construction Noise Reduction and Logistics Plan
- LSPGC Mitigation Measure 3.13-3 – Vibration Monitoring for High Vibratory Equipment Contingency Plan

Rationale for Finding. The Final EIR concludes that limiting construction hours, using noise-reducing equipment, implementing scheduling controls, and providing advance notification would substantially reduce construction noise impacts. With implementation of these measures, noise impacts would be reduced to a less-than-significant level.

Reference. Final EIR, Section 3.13, Noise.

Public Services:

Potential Effects. Construction of AC-1 could result in temporary disruptions related to traffic congestion, noise, and access to public services, including judicial court facilities in the Project area.

Finding. The Commission finds that construction-related public services impacts can be reduced to a less-than-significant level with implementation of pre-construction coordination and notification procedures.

Mitigation Measures.

- LSPGC Mitigation Measure 3.17-1a – Implement Coordinated Traffic Control Plan

Rationale for Finding. The Final EIR concludes that implementation of a coordinated traffic control plan would minimize the Project's construction-related impacts on public services, including court facilities. With these measures, public services impacts would be reduced to a less-than-significant level.

Reference. Final EIR, Section 3.15, Public Services.

Transportation:

Potential Effects. Construction of AC-1 could result in temporary disruptions of the regional and local circulation system due to traffic disruptions, lane closures, or increased construction-related traffic. In addition, slower traffic and temporary lane closures during construction could result in inadequate or delayed emergency access and create potentially hazardous conditions for people walking, bicycling, or driving, or for public transit operations.

Finding. The Commission finds that construction-related transportation impacts can be reduced to a less-than-significant level with implementation of coordinated traffic control plans, detailed

repair reporting procedures, and pre-construction coordination with other local transportation-related entities.

Mitigation Measures.

- LSPGC Mitigation Measure 3.17-1a – Implement Coordinated Traffic Control Plan
- LSPGC Mitigation Measure 3.17-1b – Infrastructure Repair Reporting
- LSPGC Mitigation Measure 3.17-1c – Pre-construction Coordination

Rationale for Finding. The Final EIR concludes that implementation of traffic control plans, coordination with affected agencies, and scheduling of construction activities would prevent unsafe conditions and unacceptable congestion. With these measures, transportation impacts would be reduced to a less-than-significant level.

Reference. Final EIR, Section 3.17, Transportation.

Utilities and Service Systems:

Potential Effects. New transmission facilities could result in induced currents or corrosion effects on adjacent utility infrastructure.

Finding. The Commission finds that utilities and service systems impacts can be reduced to a less-than-significant level with implementation of measures to avoid or minimize effects on adjacent utility infrastructure.

Mitigation Measures.

- LSPGC Mitigation Measure 3.19-5 – Utility Coordination and Induction Study

Rationale for Finding. The Final EIR concludes that coordination with utility providers and implementation of protective measures identified through induction studies would prevent damage to existing utility infrastructure. With implementation of MM 3.19-5, impacts would be reduced to a less-than-significant level.

Reference. Final EIR, Section 3.19, Utilities and Service Systems.

For each of these impact categories, the Commission finds, pursuant to Public Resources Code section 21081(a)(1) and CEQA Guidelines section 15091(a)(1), that:

1. Changes or alterations have been required in, or incorporated into, the Project (AC-1) that avoid or substantially lessen the identified significant environmental effects;
2. The mitigation measures identified in the Final EIR are feasible and are within the responsibility and jurisdiction of the Commission or other responsible agencies; and

3. Implementation of the mitigation measures will reduce the identified impacts to a less-than-significant level.

Accordingly, the Commission adopts all applicable mitigation measures for AC-1 as conditions of Project approval and adopts the Mitigation Monitoring, Compliance, and Reporting Plan to ensure those measures are fully implemented.

1.4.3 Findings on Significant Environmental Impacts That Cannot Be Avoided or Reduced to a Less than Significant Level

As identified in the Final EIR, implementation of the Project would result in significant and unavoidable environmental impacts in the following resource areas:

Cultural Resources:

Potential Effects. Construction of AC-1 would involve ground-disturbing activities associated with transmission line installation, terminal construction, foundation excavation, and related infrastructure. These activities could cause a substantial adverse change in the significance of archaeological resources, including buried cultural materials and human remains that cannot be fully identified or evaluated prior to construction. The LSPGC Project area includes areas with a high potential to contain buried archaeological deposits. In addition, based on the archaeological sensitivity analysis, the potential exists for unrecorded subsurface archaeological resources to be uncovered during proposed ground-disturbing activities.

Finding. The Commission finds that impacts on archaeological resources under AC-1 are significant and unavoidable and cannot be reduced to a less-than-significant level.

Mitigation Measures Considered. The Commission has adopted the following mitigation measures to reduce impacts to cultural resources:

- LSPGC Mitigation Measure 3.5-1 – Cultural Resources Management Plan
- PG&E Mitigation Measure 3.5-1 – Cultural Resources Treatment Plan

Rationale for Finding. The Final EIR concludes that, although the mitigation measures listed above would reduce impacts to cultural resources to the extent feasible, the presence, location, and significance of subsurface archaeological resources and human remains cannot be fully determined prior to construction. Ground disturbance may damage or destroy such resources before they can be identified, evaluated, or preserved.

The Commission further finds that no additional feasible mitigation measures or project alternatives beyond those incorporated into AC-1 have been identified that would avoid or further

reduce these impacts while still meeting the Project's fundamental objectives. Selection of AC-1 already represents the maximum feasible avoidance of cultural resource impacts, including relocation of the Grove HVDC Terminal to a previously disturbed utility site.

Accordingly, impacts to cultural resources remain significant and unavoidable.

Reference. Final EIR, Section 3.5, Cultural Resources; Final EIR, Chapter 5, Significant and Unavoidable Impacts.

Tribal Cultural Resources:

- **Potential Effects.** Ground-disturbing activities associated with AC-1 could result in a substantial adverse change in the significance of tribal cultural resources, as defined in Public Resources Code section 21074. These activities could result in damage or destruction of surficial or architectural resources and buried archaeological resources, including pre-contact and historic materials or human burials. Some tribal cultural resources may be associated with cultural landscapes or practices that are not detectable through standard archaeological methods.
- **Finding.** The Commission finds that impacts to tribal cultural resources under AC-1 are significant and unavoidable and cannot be reduced to a less-than-significant level.
- **Mitigation Measures Considered.** The Commission has adopted the following mitigation measures and consultation-based protections for tribal cultural resources:
    - LSPGC Mitigation Measure 3.5-1 – Cultural Resources Management Plan
    - PG&E Mitigation Measure 3.5-1 – Cultural Resources Treatment Plan

  Rationale for Finding. The Commission engaged in government-to-government consultation with California Native American tribes pursuant to Assembly Bill 52 and adopted mitigation measures developed through that consultation process. These measures would substantially reduce the risk and severity of impacts where feasible.

  However, the Final EIR concludes that some tribal cultural resources may be adversely affected despite implementation of all feasible mitigation measures, due to the inherent difficulty of identifying all tribal cultural resources prior to construction and the potential for ground disturbance to affect resources before their presence or significance can be fully evaluated.

  The Commission further finds that no additional feasible mitigation measures or alternatives beyond those adopted would avoid or further reduce these impacts while allowing the Project to meet its reliability, safety, and operational objectives. AC-1 represents the environmentally superior alternative and the maximum feasible avoidance of tribal cultural resource impacts.

Accordingly, impacts to tribal cultural resources remain significant and unavoidable.

Reference. Final EIR, Section 3.18, Tribal Cultural Resources; Final EIR, Chapter 5, Significant and Unavoidable Impacts.

The Commission finds that it has adopted all feasible mitigation measures applicable to these impacts and that no additional feasible mitigation measures or feasible alternatives beyond AC-1 have been identified that would avoid or reduce these impacts to a less-than-significant level.

Because these impacts remain significant and unavoidable, the Commission adopts a Statement of Overriding Considerations (see Section 2 of this Appendix).

1.5 Findings on Project Alternatives

1.5.1 Alternatives Considered in the EIR

The Final EIR evaluated a reasonable range of alternatives to the Proposed Project that could feasibly attain most of the basic Project objectives while avoiding or substantially reducing environmental impacts, consistent with CEQA Guidelines section 15126.6. The alternatives were developed based on input received during the Notice of Preparation scoping process, agency and tribal consultation, and technical feasibility considerations.

The following alternatives were evaluated in detail in the Final EIR:

- **No Project Alternative:** Under the No Project Alternative, the Power Santa Clara Valley Project would not be constructed, and existing electrical infrastructure would remain in place. This alternative was evaluated to provide a baseline against which the environmental effects of the Proposed Project and other alternatives could be compared. While the No Project Alternative would avoid construction-related environmental impacts, it would not meet the Project objectives, including addressing identified reliability deficiencies in the Santa Clara Valley transmission system, improving grid resiliency, or supporting delivery of renewable energy consistent with state policy.
- **Proposed Project:** The Proposed Project consists of construction and operation of two high-voltage direct current (HVDC) terminals, transmission lines connecting the terminals, and interconnections to the existing PG&E Metcalf Substation and San José B Substation, including necessary modifications to those substations. The Proposed Project serves as the primary project description evaluated in the EIR and forms the basis for comparison with other alternatives. The environmental analysis of the Proposed Project identifies impacts associated with the originally proposed Grove HVDC Terminal site and associated transmission components.

- **Grove Terminal Alternative 3 (GTA-3):** Grove Terminal Alternative 3 (GTA-3) would construct the proposed Grove HVDC Terminal on the property of the existing PG&E Metcalf Substation directly northwest of the proposed Metcalf Substation modification area. This alternative was evaluated to reduce impacts associated with aesthetics, agricultural resources, air quality, noise, biological resources, geology, soils, paleontological resources, hazards and hazardous materials, hydrology and water quality, recreation, transportation, utilities, and wildfire. GTA-1 retains the remainder of the Proposed Project infrastructure, including the transmission line alignments and interconnections.
- **Downtown Alignment Alternative 1:** The Downtown Alignment Alternative 1 would begin just north of Interstate 280 (I-280) underpass for First Street and would then turn west onto West Reed Street for approximately 0.3 mile before turning north on Almaden Boulevard. The transmission line would continue north on Almaden Boulevard for approximately 1 mile, including a crossing underneath State Route 87 (SR-87). Then, the transmission line would cross Julian Street and enter the parking lot of a private property leased to Santa Clara County. The transmission line would traverse through the parking lot for approximately 0.2 mile before aligning with the proposed Grove to Skyline 320 kV Transmission Line for the last approximately 0.05 mile (see Final EIR Figure 4-5, *Downtown Alignment Alternatives*). This alternative was considered to avoid potential impacts associated with underground utilities and transportation facilities currently already serving downtown San José, but could result in potentially greater impacts to cultural resources and tribal cultural resources, as, based on the archaeological sensitivity analysis presented in Section 3.5, there is a high potential for unrecorded subsurface archaeological materials to be uncovered during the proposed ground-disturbing activities, particularly in areas that are undisturbed.
- **Downtown Alignment Alternative 2:** The Downtown Alignment Alternative 2 would begin just north of the I-280 underpass for First Street and would continue along First Street and Market Street, same as the proposed Grove to Skyline 320 kV Transmission Line for the approximate-first mile. The transmission line would then deviate from the proposed alignment of the Grove to Skyline 320 kV Transmission Line and turn west to follow West Saint James Street, which turns into Julian Street, for approximately 0.3 miles, and would then turn north to enter the parking lot of a private property leased to Santa Clara County. The transmission line would continue north through the parking lot for approximately 0.2 mile before joining the proposed Grove to Skyline 320 kV Transmission Line for the last approximately 0.05 mile (see Final EIR Figure 4-5). This alternative was considered for its potential to avoid potential impacts associated with underground utilities and transportation facilities currently already serving downtown San José, but could result in potentially greater impacts to cultural resources and tribal cultural resources, as, based on the archaeological sensitivity analysis presented in Section 3.5, there is a high potential for unrecorded subsurface archaeological materials to be uncovered during the proposed ground-disturbing activities, particularly in areas that are undisturbed.

The following Alternative Combinations, which combine various transmission line alignments with alternative Grove Terminal locations, were considered:

- **Alternative Combination 1 (AC-1):** This alternative combines installing the alignment of the Grove to Skyline 320 kV Transmission Line, as proposed, with the Grove HVDC Terminal Site located at the GTA-3 site (Alternative Combination 1, or AC-1). The potential impacts resulting from construction and operation of the Grove to Skyline 320 kV Transmission Line under this alternative would be similar as described in the Chapter 3 resource sections. However, the impacts associated with the construction of the Grove HVDC Terminal would be reduced. Specifically, this alternative would avoid or reduce impacts, as described in the Final EIR Section 4.6.2, to aesthetics, agricultural and forestry resources, air quality, biological resources, energy, geology, soils, and paleontological resources, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, noise, recreation, transportation, utilities, and wildfire.
- **Alternative Combination 1 (AC-2):** This alternative combines installing the downtown portion of the Grove to Skyline 320 kV Transmission Line along West Reed Street, then Almaden Boulevard, with the Grove HVDC Terminal at the proposed location for the Project (Alternative Combination 2, or AC-2). This alternative may be necessary in the event the proposed alignment (i.e., Proposed Alignment in Final EIR Figure 4-5) at downtown San José is determined to be infeasible, for example, due to the presence of underground utilities in the area through which the downtown portion of the proposed Grove to Skyline 320 kV Transmission Line passes. However, this alternative may result in increased impacts associated with potentially sensitive cultural resources along Almaden Boulevard (e.g., potential unrecorded subsurface archaeological materials). The impacts resulting from construction of the Grove HVDC Terminal would remain as described in the Chapter 3 resource sections.
- **Alternative Combination 3 (AC-3):** This alternative would install the downtown portion of the Grove to Skyline 320 kV Transmission Line along West Reed Street, then Almaden Boulevard, with the Grove HVDC Terminal constructed at the GTA-3 alternative site (Alternative Combination 3, or AC-3). This alternative may be necessary in the event the proposed alignment (i.e., Proposed Alignment in Final EIR Figure 4-5) at downtown San José is determined to be infeasible, for example, due to the presence of underground utilities in the area through which the downtown portion of the proposed Grove to Skyline 320 kV Transmission Line passes. The potential impacts resulting from construction and operation of the Grove to Skyline 320 kV Transmission Line would be primarily similar as those described in the Chapter 3 resource sections; however, the impacts associated with the construction of the Grove HVDC Terminal would be reduced.

- **Alternative Combination 4 (AC-4):** Combined with the proposed Grove HVDC Terminal site, this alternative would install the downtown portion of the Grove to Skyline 320 kV Transmission Line along Market Street, then Julian Street, and then through the parking lot of a private property leased to Santa Clara County (see Final EIR Section 4.6.4) (Alternative Combination 4, or AC-4). This alternative may be necessary in the event the proposed alignment (i.e., Proposed Alignment in Final EIR Figure 4-5) at downtown San José is determined to be infeasible, for example, due to the presence of underground utilities in the area through which the downtown portion of the proposed Grove to Skyline 320 kV Transmission Line passes. This alternative would have similar impacts for the construction of the proposed Grove HVDC Terminal as those described in the Chapter 3 resource sections; however, while impacts associated with utilities could be reduced, installation of the Grove to Skyline 320 kV Transmission Line under this alternative could increase impacts to cultural resources and tribal cultural as there could be potentially sensitive cultural resources along Julian Street (e.g., potential unrecorded subsurface archaeological materials).
- **Alternative Combination 5 (AC-5):** This alternative combines installing the Grove HVDC Terminal at the GTA-3 alternative site and the Grove to Skyline 320 kV Transmission Line along Market Street, then Julian Street, and then through the parking lot of a private property leased to Santa Clara County (see Final EIR Section 4.6.4) (Alternative Combination 5, or AC-5). This alternative may be necessary in the event the proposed alignment (i.e., Proposed Alignment in Final EIR Figure 4-5) at downtown San José is determined to be infeasible, for example, due to the presence of underground utilities in the area through which the downtown portion of the proposed Grove to Skyline 320 kV Transmission Line passes. Under this alternative, construction of the Grove HVDC Terminal would avoid or reduce impacts, to aesthetics, agricultural and forestry resources, air quality, biological resources, energy, geology, soils, and paleontological resources, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, noise, recreation, transportation, utilities, and wildfire. However, while impacts associated with utilities could be reduced, installation of the Grove to Skyline 320 kV Transmission Line under this alternative could increase impacts on cultural resources and tribal cultural as there could be potentially sensitive cultural resources along Market Julian Street (e.g., potential unrecorded subsurface archaeological materials).

The Final EIR includes a detailed comparison of the environmental impacts of these alternatives relative to the Proposed Project, including an alternatives comparison table that evaluates impacts across all resource areas analyzed in the EIR.

The Commission finds that the range of alternatives analyzed in the Final EIR reflects a good-faith effort to identify feasible alternatives that would reduce environmental impacts while meeting the Project's fundamental objectives.

1.5.2 Rationale for Selecting the Environmentally Superior Alternative

Based on its review of the Final EIR and the entire administrative record, the Commission finds that Alternative Combination 1 (AC-1) is the environmentally superior alternative.

AC-1 incorporates most elements of the Proposed Project while relocating the proposed Grove HVDC Terminal to an alternative site (GTA-3) located on the existing PG&E Metcalf Substation property. This relocation avoids or substantially reduces a number of significant environmental impacts associated with the originally proposed Grove HVDC Terminal site, including impacts related to land use compatibility, aesthetics, biological resources, and other site-specific resource constraints.

In selecting AC-1, the Commission considered the following factors:

- AC-1 achieves the Project's fundamental objectives, including improving electric system reliability and resiliency in the Santa Clara Valley and supporting CAISO-identified transmission needs;
- AC-1 substantially reduces or avoids environmental impacts relative to the Proposed Project by relocating the Grove Terminal to a site with existing transmission infrastructure and previously disturbed conditions;
- AC-1 represents the maximum feasible avoidance of environmental impacts while remaining technically and economically feasible; and
- No other alternative evaluated in the Final EIR would reduce overall environmental impacts to a greater extent while still meeting the Project objectives.

Although AC-1 would still result in significant and unavoidable impacts to Cultural Resources and Tribal Cultural Resources, the Commission finds that AC-1 avoids or substantially reduces environmental impacts to the greatest extent feasible and therefore constitutes the environmentally superior alternative under CEQA.

1.6 Findings on Mitigation Measures and Alternatives Proposed in Comments

The Commission has reviewed and considered all comments received on the Draft EIR, including comments proposing additional mitigation measures, alternative project designs, and alternative siting or alignment options.

The Final EIR includes written responses to all substantive comments received on the Draft EIR, as required by CEQA Guidelines section 15088. The Commission finds that the responses to comments

provide good-faith, reasoned analysis and adequately explain why certain mitigation measures or alternatives proposed in comments were adopted, modified, or not adopted.

With respect to mitigation measures and alternatives proposed in comments, the Commission finds as follows:

- All feasible mitigation measures identified in the Final EIR that would avoid or substantially lessen significant environmental impacts of AC-1 have been adopted as conditions of Project approval.
- Certain mitigation measures or alternatives proposed in comments were not adopted because they were determined to be infeasible, already incorporated into the Project, beyond the Commission's jurisdiction, or would not further reduce impacts beyond the mitigation already adopted, as explained in the Final EIR responses to comments.
- Some comments concerned impacts to Cultural Resources and Tribal Cultural Resources. The Commission finds that it has adopted all feasible measures within its authority, but that additional avoidance is not feasible due to technical, operational, or safety constraints and the inherent uncertainty associated with subsurface resources.

The Commission further finds that the Final EIR's discussion of mitigation measures and alternatives, including those proposed in comments, demonstrates that the Commission has considered and adopted all feasible mitigation measures and alternatives and that no additional feasible measures or alternatives exist that would avoid or reduce the Project's remaining significant and unavoidable impacts.

1.7 Findings on Responses to Comments on the Draft EIR and Revisions to the Final EIR

The Commission has reviewed and considered all written and oral comments received on the Draft Environmental Impact Report (Draft EIR) for the Power Santa Clara Valley Project. The Final EIR includes written responses to all substantive comments received during the public review period, consistent with the requirements of CEQA Guidelines section 15088.

The Commission finds that the responses to comments contained in the Final EIR provide good-faith, reasoned analysis and adequately address the environmental issues raised by commenters. The responses either:

- explain why the Draft EIR's analysis and conclusions are adequate;
- clarify, correct, or amplify the information presented in the Draft EIR; or
- identify revisions or additions made to the Draft EIR to address comments received.

Where appropriate, the Draft EIR was revised in the Final EIR to incorporate clarifications, corrections, additional analysis, or updated information in response to comments. Such revisions include, but are not limited to, clarifications regarding Project description details, impact analyses, mitigation measures, and alternatives analysis.

The Commission finds that the revisions made to the Draft EIR do not constitute significant new information requiring recirculation of the EIR pursuant to CEQA Guidelines section 15088.5. The Final EIR does not identify new significant environmental impacts, does not substantially increase the severity of previously identified impacts, does not identify a feasible project alternative or mitigation measure that would clearly lessen environmental impacts that were not previously discussed, and does not deprive the public of a meaningful opportunity to comment.

The Commission further finds that the Final EIR reflects the Commission's independent judgment and analysis and that all responses to comments and revisions to the Draft EIR are supported by substantial evidence in the administrative record.

Accordingly, the Commission finds that the Final EIR satisfies the procedural and substantive requirements of CEQA with respect to responses to comments and revisions to the Draft EIR.

1.8 Custodian of Records

The documents and other materials that constitute the record of proceedings on which the Project findings are based are located at the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102. The custodian for these documents is the Energy Division. This information is provided in compliance with Public Resources Code §21081.6(a)(2) and CEQA Guidelines §15091(e).

2. STATEMENT OF OVERRIDING CONSIDERATIONS

CEQA requires all public agencies to balance the benefits of a proposed project against its unavoidable environmental effects in determining whether to approve the project or not. The CPUC proposes to approve the proposed Power Santa Clara Valley Project Alternative Combination 1 (the 'Project') despite the significant unavoidable adverse impacts identified in the EIR.

The Final EIR identifies and discusses unavoidable significant effects that will occur as a result of the proposed Project and its alternatives, in addition to addressing comments received on the Draft EIR. These impacts will result from construction activities required for the Project.

With the implementation of the MMCRP adopted by the CPUC, which includes changes to the Project to mitigate or avoid significant effects on the environment, most of the environmental impacts of the Project can be mitigated to less-than-significant levels. The Final EIR and Findings of Fact for the Project determined that the Project is expected to result in significant unavoidable impacts to cultural resources and tribal cultural resources.

2.1 Significant and Unavoidable Impacts

2.1.1 Cultural Resources and Tribal Cultural Resources

Substantial adverse change in the significance of a cultural resource.

The Project will cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5, both at the Project-level and cumulatively. To reduce potential impacts on archaeological resources, LSPGC will provide cultural resources awareness training as per APM CUL-1. In accordance with APM CUL-4, the temporary construction staging areas shall be surveyed prior to construction, and any identified cultural resources will be avoided by Project redesign, when feasible, or evaluated and treated. To reduce impacts on as-yet undocumented archaeological resources, LSPGC will also implement APM CUL-2, which requires archaeological and Native American monitoring for all Project-related ground disturbance within 100 feet of previously recorded resources. In the event of the discovery of cultural materials during surveys and Project implementation, LSPGC will implement APM CUL-3, which requires avoidance by Project redesign, when feasible, or evaluation and treatment of cultural resources. LSPGC will also implement LSPGC Mitigation Measure 3.5-1, which requires that a Cultural Resources Management Plan be prepared, reviewed and approved by the CPUC, and implemented by LSPGC that appropriately outlines data recovery of cultural materials for cultural constituents associated with significant cultural resources in the Project area. In addition, LSPGC Mitigation Measure 3.5-1 will include a monitoring plan that defines the intensity and frequency of archaeological and tribal monitoring. This will enhance the monitoring requirements in APM CUL-2,

which only requires monitoring within a 100 feet buffer of known or newly discovered resources. To further reduce potential impacts on known archaeological resources, implementation of PG&E Mitigation Measure 3.5-1 requires that a treatment plan be prepared and approved by the CPUC, outlining the procedures to follow in the event that cultural constituents of known significant archaeological resources are identified during PG&E Project construction at the PG&E Metcalf Substation. In addition, this mitigation measure includes a monitoring plan to support PG&E BMP CULT-2 that defines the intensity and frequency of archaeological and tribal monitoring. To reduce potential impacts on archaeological resources, PG&E is required to provide cultural resources awareness training as per PG&E BMP CULT-1. To reduce impacts on as-yet unknown archaeological resources, PG&E is also required to adhere to PG&E BMP CULT-2, which requires archaeological and Native American monitoring for all Project-related ground disturbance within and adjacent to the existing PG&E San Jose B Substation and existing PG&E Metcalf Substation. In the event of the discovery of cultural materials during surveys and Project implementation, PG&E will adhere to PG&E BMP CULT-3 and CULT-4, which require avoidance by Project redesign, when feasible, or evaluation and treatment of cultural resources. Additionally, LSPGC and PG&E will comply with Government Code Section 27460 et seq., which requires ground-disturbing activities to halt until the County Coroner can determine whether the remains are subject to the provisions of Section 27491 of the Government Code and any other related provisions of law concerning the investigation of the circumstances, manner, and cause of death, and the required recommendations concerning the treatment and disposition of the human remains have been made.

Implementation of LSPGC Mitigation Measure 3.5-1 and PG&E Mitigation Measure 3.5-1, in combination with the LSPGC APMs and PG&E BMPs outlined above, will help ensure impacts associated with the discovery of any cultural resources, if identified during Project construction, will be reduced. However, there are known significant archaeological resources that will be affected by the Project, and such impacts cannot be mitigated to a less-than-significant level. Therefore, impacts on archaeological resources remain significant and unavoidable, both at the Project-level and cumulatively.

Substantial adverse change in the significance of a tribal cultural resource.

The Project will cause a substantial adverse change in the significance of a tribal cultural resource, defined in PRC Section 21074 as either a site, feature, place, or cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American Tribe at the Project-level and cumulatively. To reduce potential impacts on as-of-yet unknown archaeological resources that could qualify as tribal cultural resources, LSPGC has proposed the implementation of APM TCR-1 and TCR-2. To address issues with APM TCR-2, and to reduce potential impacts on unknown tribal cultural resources, implementation of LSPGC Mitigation Measure 3.5-1 requires that a Cultural Resources Management Plan be prepared, reviewed and approved by the CPUC, and implemented by LSPGC that identifies areas of archaeological sensitivity and appropriately outlines

data recovery of cultural materials in the Project area. Mitigation Measure 3.5-1 will include a monitoring plan to support APM TCR-2 that defines the intensity and frequency of archaeological and tribal monitoring. This will enhance the monitoring requirements in APM TCR-2, which only requires monitoring within a 100 feet buffer of known or newly discovered resources. To address potential impacts to tribal cultural resources that are also archaeological resources within the PG&E component of the Project, PG&E Mitigation Measure CUL-3.5-1 requires that PG&E prepare and implement a cultural resources treatment plan that outlines the procedures in the event that contributing elements of known significant archaeological resources that are also tribal cultural resources are identified during PG&E Project construction at the Metcalf Substation. In addition, the mitigation measure includes a monitoring plan to support PG&E BMP CULT-2 that defines the intensity and frequency of archaeological and tribal monitoring on the components of the Project implemented by PG&E. LSPGC APMs CUL-1, CUL-2, CUL-3, CUL-4, CUL-5 and PG&E BMPs CULT-1, CULT-2, CULT-3, CULT-4, and CULT-5 are also required during Project implementation.

Implementation of LSPGC Mitigation Measure 3.5-1 and PG&E Mitigation Measure 3.5-1, and the previously referenced government sections regarding human remains, will help ensure impacts associated with the discovery of any tribal cultural resources, if identified during Project construction, will be reduced. However, complete mitigation is unattainable and impacts on tribal cultural resources remain significant and unavoidable at the Project-level and cumulatively.

2.2 Overriding Considerations

After adoption of mitigation, the Project will still have significant and unavoidable impacts related to cultural resources and tribal cultural resources. Mitigation for these effects has been adopted, and the extent of impacts will be substantially reduced, but the CPUC cannot assure that impacts will be reduced to less-than-significant levels. California Code of Regulations (CCR) Section 15093 allows approval of a project, even when significant impacts remain, subject to the following guidance:

(a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable."

(b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other

information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record. (CCR Section 15093)

The CPUC has determined that despite the significant and potentially unavoidable effects of the Project as it relates to cultural resources and tribal cultural resources, the economic, legal, social, technological and environmental benefits of implementing the Project outweigh and override these unavoidable adverse effects. The CPUC has determined that the benefits of the Project, when balanced against all adverse effects, cause those effects remaining after mitigation to be acceptable because of the following considerations.

- The Proposed Project, configured as AC-1, is the most cost-effective solution to address a CAISO-identified significant increase in the long-term load forecast in the San José area. Without the Proposed Project, configured as AC-1, the distribution system would experience increased system-wide power flow and reliability problems due to overloading the existing source transmission lines as new demand is added to the system, which could result in thermal overload and blackouts. (Final EIR at 1-4, 4-21; Amended Application at 9; CAISO Exhibit 01 at 3-4; LSPGC Exhibit 01 at Appendix B, p. 3, 10, 12.)
- The Proposed Project, configured as AC-1, will provide flexibility for future grid upgrades expected to be needed to serve the long-term forecasted electricity load in the San José area, as identified by CAISO. (Final EIR at 1-4; CAISO Exhibit 01 at Appendix C, p. 3, 5; LSPGC Exhibit 01 at Appendix A, p. G-26.)
- The Proposed Project, configured as AC-1, will facilitate deliverability of energy from existing and proposed renewable generation projects to the Greater San Francisco Bay Area and corresponding progress toward achievement of California's Renewables Portfolio Standard goals in a timely and cost-effective manner by California utilities. (Final EIR at 1-4; Amended Application at 10.)
- The Proposed Project, configured as AC-1, meets the technical specifications set forth by CAISO for a voltage source converter HVDC link in the San José area located near or adjacent to the existing PG&E San Jose B Substation and PG&E Metcalf Substation. Adjacency to the existing PG&E San Jose B and Metcalf substations would reduce the length of the interconnection transmission lines, thereby reducing right-of-way (ROW) requirements and the potential for significant environmental impacts. (Final EIR at 1-4; Amended Application at 10; LSPGC Exhibit 01 at Appendix A, p. G-27 to G-28 and Appendix B, A-4 to A-5.)
- The Proposed Project, configured as AC-1, will assist CAISO in meeting applicable Reliability Standards and Criteria developed by the North American Electric Reliability Corporation, Western Electricity Coordinating Council, and CAISO. (Final EIR at 1-4; Amended Application at 10; LSPGC Exhibit 01 at Appendix A, p. G-27 to G-28 and Appendix B, A-4 to A-5.)

Each of these considerations is sufficient to approve the Proposed Project, configured as AC-1. For each of the reasons stated above, the Proposed Project, configured as AC-1, should be implemented notwithstanding the significant unavoidable adverse impacts identified in the EIR.