

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of LS Power Grid
California, LLC (U247E) for a
Certificate of Public Convenience and
Necessity Authorizing Construction of
the Manning 500/230 kV Substation
Project.

Application 24-06-017

**DECISION GRANTING LS POWER GRID CALIFORNIA, LLC
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
AUTHORIZING THE MANNING 500/230 KILOVOLT SUBSTATION PROJECT**

TABLE OF CONTENTS

Title	Page
DECISION GRANTING LS POWER GRID CALIFORNIA, LLC A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING THE MANNING 500/230 KILOVOLT SUBSTATION PROJECT	1
Summary	2
1. Background	2
2. Issues Before the Commission	5
3. Discussion.....	6
3.1. Project Need	6
3.2. CEQA.....	8
3.2.1. Environmental Impacts of the Manning Project.....	9
3.2.2. Final IS/MND Compliance with CEQA.....	11
3.2.3. Adoption of the Final IS/MND.....	12
3.3. The Maximum Reasonable and Prudent Cost of the Manning Project.....	13
3.4. Community Values	16
3.5. Impacts on ESJ Communities.....	18
3.6. EMF.....	19
3.7. Requested Exemptions from Certain Affiliate Transaction Rules and Reporting Requirements.....	21
4. Minor Project Refinements.....	23
5. Summary of Public Comment	23
6. Procedural Matters.....	24
7. Comments on Proposed Decision.....	24
8. Assignment of Proceeding	24
Findings of Fact.....	24
Conclusions of Law	26
ORDER	29

Attachment 1 – Mitigation Monitoring, Compliance, and Reporting Program

**DECISION GRANTING LS POWER GRID CALIFORNIA, LLC
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
AUTHORIZING THE MANNING 500/230 KILOVOLT SUBSTATION PROJECT**

Summary

This decision grants LS Power Grid California, LLC's request for a certificate of public convenience and necessity authorizing the construction of the Manning 500/230 Kilovolt Substation Project subject to the mitigation measures identified in the Mitigation Monitoring, Compliance, and Reporting Program (Attachment 1). This decision finds and certifies that the Initial Study/Mitigated Negative Declaration for this project meets the requirements of the California Environmental Quality Act. This decision also grants LSPGC exemptions from certain California Public Utilities Commission affiliate transaction rules and reporting requirements.

This proceeding is closed.

1. Background

On June 28, 2024, LS Power Grid California, LLC (LSPGC) filed an Application (A.) 24-06-017 for a Certificate of Public Convenience and Necessity (CPCN) authorizing construction of the Manning 500/230 Kilovolt (kV) Substation Project (Manning Project or Proposed Project). The Manning Project includes the construction of two major components: (1) the approximately 11-acre 500/230 kV Manning Substation, and (2) an approximately 11.5-mile long, double-circuit, 230 kV transmission line from the proposed Manning Substation to Pacific Gas and Electric Company's (PG&E) existing Tranquillity Switching Station. Once constructed, it will be part of the transmission system controlled by the California Independent System Operator Corporation (CAISO).

The CAISO approved the Manning Project as a policy-driven upgrade in its 2021-2022 Transmission Plan on March 17, 2022, because it is needed to enable: (1) the full deliverability of renewable and energy storage portfolio resources in the Solano-Sacramento River area; (2) the deferral of the need for reconductoring the Borden-Storey 230 kV lines or other transmission upgrades in the area; and (3) the advancement of significant potential solar development renewable generation identified within the Westlands/San Joaquin area.

LSPGC will finance, develop, construct, own, operate, and maintain the Manning Project. The Manning Project's costs will be recovered solely through transmission rates as part of the CAISO's Regional Transmission Access Charge (TAC), subject to review and approval by the Federal Energy Regulatory Commission (FERC), which has jurisdiction over rates for interstate transmission service.

No party protested A.24-06-017. The assigned Commissioner issued an initial scoping memo on August 30, 2024, that determined the initial issues and categorization of the proceeding. Pursuant to Public Utilities Code Section 1701.5, the initial scoping memo set a resolution date of December 31, 2026, for the proceeding. Party status was granted to the Center for Energy Efficiency and Renewable Technologies (CEERT) on October 1, 2024, and the CAISO on April 18, 2025.

As provided by General Order (GO) 131-D,¹ the Proposed Project is subject to environmental review pursuant to the California Environmental Quality Act

¹ Although GO 131-E was adopted on January 30, 2025 by Decision (D.) 25-01-055, this application is subject to GO 131-D because it was filed prior to the adoption date of GO 131-E.

(CEQA).² CEQA requires the lead agency (the California Public Utilities Commission (Commission) in this case) to conduct a review to identify environmental impacts of the project and ways to avoid or lessen environmental impacts.³ Environmental review determined that the Proposed Project's proponent could revise the project plan to reduce all project-related environmental impacts to less-than-significant levels. Therefore, the Commission determined that an Initial Study/Mitigated Negative Declaration (IS/MND) was appropriate.⁴ The Commission released the Draft IS/MND for public review and comment on March 19, 2025. The public comment period closed on April 18, 2025. LSPGC, PG&E, the California Department of Fish and Wildlife (CDFW), the San Joaquin Valley Air Pollution Control District (SJVACPD), and the County of Fresno commented on the Draft IS/MND.

A prehearing conference was held on May 14, 2025, with LSPGC, CEERT and the CAISO in attendance. A First Amended Scoping Memo and Ruling was issued on June 10, 2025.

The Commission issued the Final IS/MND on June 21, 2025 and the Administrative Law Judge (ALJ) issued a ruling moving the Final IS/MND into the evidentiary record on June 23, 2025. The ALJ issued a ruling taking official notice of CAISO's 2021-2022 Transmission Plan. LSPGC filed an opening brief on June 26, 2025, and CEERT filed a reply brief on July 7, 2025. The ALJ issued a ruling granting LSPGC's motion for leave to file under seal on July 17, 2025.

² Cal. Pub. Res. Code §§ 21000, *et seq.*

³ See Cal. Code Regs., Tit. 14, § 15000, *et seq.* (CEQA Guidelines) § 15060.

⁴ CEQA Guidelines § 15063.

2. Issues Before the Commission

The issues to be determined in this proceeding are:

1. Does the Proposed Project serve a present or future public convenience and necessity?⁵
2. Is there any substantial evidence that, with the incorporation of mitigation measures identified in the Mitigation Monitoring, Compliance, and Reporting Program (MMCRP) included in the Final IS/MND, the Proposed Project will have a significant effect on the environment?
3. Was the Final IS/MND completed in compliance with CEQA?
4. Does the Final IS/MND reflect the Commission's independent judgment and analysis?
5. What is the maximum prudent and reasonable cost of the Proposed Project?⁶
6. What, if any, are the community values affected by the Proposed Project under Public Utilities Code Section 1002(a)(1)?
7. What are the impacts on environmental and social justice (ESJ) communities, including the extent to which the construction of the Proposed Project impacts the achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan?
8. Is the Proposed Project designed in compliance with the Commission's policies governing the mitigation of electromagnetic field (EMF) effects using low-cost and no-cost measures?

⁵ See Pub. Util. Code § 1001.

⁶ See Pub. Util. Code § 1005.5.

9. Should the Commission grant LSPGC exemptions from certain affiliate transaction rules and reporting requirements?

3. Discussion

3.1. Project Need

Public Utilities Code Section 1001 requires a utility seeking an authority to construct or extend its line, plant or system, to first obtain a certificate from the Commission that the present or future public convenience and necessity requires or will require such construction of the proposed project.

LSPGC asserts that the record in this proceeding demonstrates a present and future need for the Manning Project by advancing the state's renewable and clean energy goals.⁷ LSPGC cites to the CAISO's 2021-2022 Transmission Plan, which indicates that the Proposed Project will relieve transmission constraints that limit the development of renewable resources in the Westlands and San Joaquin areas that have significant least-conflict lands available for potential solar development. It also states that the development of these solar resources would help California meet its long-term greenhouse gas goals. The CAISO's 2021-2022 Transmission Plan also indicates that the Manning Project will defer the need for upgrades to transmission lines in the area, such as reconductoring the Borden-Storey 230 kV lines.⁸

Citing to Public Utilities Code Section 1001.1, LSPGC also argues that the need is also established by the CAISO's determination of need for the Manning

⁷ LSPGC Opening Brief at 8; *see* Senate Bill 100 (2018, DeLeon), which calls for 100 percent of retail electric sales to come from renewable and zero-carbon resources by 2045.

⁸ LSPGC Opening Brief at 8.

Project in its 2021-2022 Transmission Plan. Public Utilities Code Section 1001.1 requires that the Commission, in a proceeding evaluating the issuance of a CPCN for a proposed transmission project, establish a rebuttable presumption regarding need if the CAISO board approved the need for the proposed project and if four conditions are met. The four conditions are:

1. The CAISO governing board has made explicit findings regarding the need for the proposed transmission project and has determined that the proposed project is the most cost-effective transmission solution;
2. The CAISO is a party to the proceeding;
3. The CAISO governing board-approved need evaluation is submitted to the commission within sufficient time to be included within the scope of the proceeding;
4. There has been no substantial change to the scope, estimated cost, or timeline of the proposed project as approved by the CAISO governing board.

LSPGC argues that the record supports that all four conditions were met and therefore a rebuttable presumption of need is appropriate. The first condition was met when the CAISO Board made the required findings in its 2021-2022 Transmission Plan.⁹ The second condition was met when the Commission granted CAISO party status on April 18, 2025. The third condition was met because a link to the 2021-2022 CAISO Transmission Plan identifying the need for the Manning Project was included in the Application filed on June 28, 2024. The fourth condition was met because there have been no substantial changes to the scope of the Manning Project or the timeline indicated

⁹ LSPGC Opening Brief at 8 to 9.

in CAISO's 2021-2022 Transmission Plan. Therefore, LSPGC asserts that the Commission must presume that the Manning Project is needed because these four conditions have been met and no party has presented sufficient evidence to overcome the statutory presumption of need.¹⁰

We find that LSPGC has demonstrated a need for the Manning Project. There is substantial record evidence that the Manning Project is needed to advance California's renewable and clean energy goals by relieving transmission constraints that limit the development of renewable resources in the Westlands and San Joaquin areas. The development of these areas is advantageous due to the significant amount of least-conflict lands available for potential solar development. Furthermore, we find that the conditions of Public Utilities Code Section 1001.1 are met and that a statutory presumption of need applies to the Manning Project. No party has presented sufficient evidence to overcome this rebuttable presumption.

3.2. CEQA

To issue a CPCN pursuant to GO 131-D, the Commission must find that the Manning Project complies with CEQA. In evaluating whether to approve a proposed project, CEQA requires the lead agency¹¹ (the Commission in this case)

¹⁰ *Id.* at 9.

¹¹ The lead agency is the public agency which has the principal responsibility for carrying out or approving a project. CEQA Guidelines § 15367.

to conduct a review to identify the potential environmental impacts of a proposed project and ways to avoid or reduce environmental impacts.¹²

The Commission has the authority to mitigate the potential environmental impacts of a proposed project through the approval of mitigation measures within the Commission's jurisdiction, unless the changes or alterations are infeasible for specific economic, legal, social, technical and other considerations. The mitigation measures are intended to reduce the potential environmental impacts of the proposed project to less-than-significant levels.

3.2.1. Environmental Impacts of the Manning Project

As part of its review under CEQA, the lead agency conducts an IS to identify the environmental impacts of a proposed project and ways to avoid or reduce environmental damage. If the IS identifies potentially significant impacts, but identifies mitigation measures that, if agreed to by the applicant, will reduce those impacts to less-than-significant levels, then the lead agency must prepare an IS/MND, subject to public notice and the opportunity for public review and comment.¹³ These conditions applied to the Manning Project, therefore, the Commission prepared an IS/MND, which it circulated for comment.¹⁴

¹² CEQA defines a "project" as an activity that: (1) is a discretionary action by a governmental agency; and (2) will either have a direct or reasonably foreseeable indirect impact on the environment. (Cal. Pub. Res. Code § 21065.)

¹³ CEQA Guidelines §§ 15070 to 15075.

¹⁴ The Draft IS/MND was issued for public review on March 19, 2025, with public comment closing on April 18, 2025. Therefore, the 30-day public notice requirement of CEQA Guidelines Section 15105 is satisfied.

CEQA requires that, prior to approving a proposed project, the lead agency consider the MND along with any comments received during the public review process, and that the lead agency adopt the MND only if it finds on the basis of the whole record that there is no substantial evidence that the project will have a significant effect on the environment.¹⁵ If the lead agency adopts an MND, CEQA requires that it also adopt a program for monitoring or reporting on the changes or conditions required to mitigate or avoid significant environmental effects.¹⁶

LSPGC asserts that the Final IS/MND evaluated potentially significant environmental impacts across 20 categories of impacts and found that the Manning Project will have no impacts or less-than-significant impacts in most categories. LSPGC argues that although the Final IS/MND identifies potentially significant environmental impacts in the areas of Air Quality, Biological Resources, Cultural Resources, Noise, and Tribal Cultural Resources, the Final IS/MND concludes that the impacts would be less-than-significant with mitigation.¹⁷ It indicates that the MMCRP lists the applicant-proposed measures (APMs), construction measures (CMs) and mitigation measures that, when implemented, will reduce the Manning Project's environmental impacts to less-than-significant levels. LSPGC states its commitment to implementing all

¹⁵ CEQA Guidelines § 15074(a), (b). The Commission received comments on the Draft IS/MND from LSPGC, PG&E, CDFW, SJVACPD, and Fresno County.

¹⁶ CEQA Guidelines § 15074(d).

¹⁷ LSPGC Opening Brief at 10.

measures that mitigate the identified environmental effects of construction and operation of the Manning Project, as required by the MMCRP.¹⁸

We find there is no substantial evidence that the Manning Project will have a significant impact on the environment once the mitigation measures, APMs and CMs included in the Final IS/MND are incorporated. Although the Draft IS/MND identified potentially significant impacts during and after construction in some areas, implementation of the mitigation measures, APMs and CMs listed in the MMCRP will reduce these impacts to less-than-significant levels. LSPGC has committed to implementing all mitigation measures and APMs identified for the Manning Project. The CMs are applicable to PG&E. Although PG&E is not the applicant, it will construct interconnection facilities and other components that are necessary for the Manning Project. PG&E has committed to implementing all CMs identified for the Manning Project.¹⁹ Therefore, all project-related environmental impacts would be avoided or reduced to a less-than-significant level with the incorporation of feasible mitigation measures.

We note that since the circulation of the Draft IS/MND, there have been no “substantial revisions” to the IS/MND, as defined in CEQA Guidelines Section 15073.5.

3.2.2. Final IS/MND Compliance with CEQA

The Commission must determine whether the Final IS/MND was completed in compliance with CEQA.

¹⁸ *Id.* at 11.

¹⁹ *Ibid.*

LSPGC asserts that the Final IS/MND was completed in compliance with CEQA, noting that the Final IS/MND describes the CEQA process and the steps taken to comply with those requirements, including extensive public outreach and notice efforts.²⁰ LSPGC further contends that the Commission prepared a Final IS/MND for the Manning Project that “identifies all potentially significant environmental impacts and, in combination with the APMs proposed by LSPGC and the CMs, specifies additional mitigation measures to mitigate any potentially significant environmental impacts to less-than-significant levels.”²¹

We find that the Final IS/MND was completed in compliance with CEQA. The Commission’s preparation of the Final IS/MND complies with the applicable CEQA requirements. Additionally, the mitigation measures set forth in the MMCRP, including the APMs and CMs, are designed to reduce or eliminate the potentially significant environmental impacts of the Manning Project and meet the criteria set forth in CEQA Guidelines Section 15370.²²

3.2.3. Adoption of the Final IS/MND

The Commission must determine whether the Final IS/MND reflects the Commission’s independent judgment and analysis.

LSPGC asserts that the IS/MND reflects the Commission’s independent judgment and analysis, citing specifically to the Commission’s Energy Division, which oversaw the CEQA process and development of the Final IS/MND. LSPGC also contends that the Commission will exercise its independent

²⁰ *Id.* at 12 to 13.

²¹ *Id.* at 13.

²² *See* Final IS/MND at Chapter 5.

judgment and analysis when it reviews and considers the Final IS/MND and the proposed decision in this proceeding.²³

We find that the record shows that Final IS/MND reflects the Commission's independent judgment and analysis. The Commission's thorough and independent analysis shows that no significant environmental impacts from the Manning Project will remain after incorporation of LSPGC's proposed measures and the Commission's imposed mitigation measures.

3.3. The Maximum Reasonable and Prudent Cost of the Manning Project

Pursuant to Public Utilities Code Section 1005.5, when issuing a CPCN authorizing new construction, the Commission must specify a maximum reasonable and prudent cost for projects with costs of over \$50 million.

LSPGC currently estimates that the total capital cost of the Manning Project is \$232,393,400. LSPGC concedes that this value is somewhat higher than the \$211,373,000 value indicated in the Application filed in June 2024, but indicates the increase is due to costs for "additional engineering studies, design modifications, and evolving market conditions for labor, equipment, and materials" beyond LSPGC's control.²⁴ LSPGC requests that the Commission set the maximum reasonable and prudent capital cost of \$278,872,100, which consists of the sum of the revised estimated total capital cost of \$232,393,400 and a 20 percent contingency. The contingency is intended to account for "route or scope changes, final engineering design, final environmental mitigation

²³ LSPGC Opening Brief at 14.

²⁴ *Ibid.*

requirements, changes in laws or tariffs, and other factors beyond LSPGC's control that may impact the final cost."²⁵

LSPGC argues that the combination of a competitive solicitation process and its agreed to cost containment mechanism will ensure that ratepayers pay "only the reasonable costs of constructing and operating the Manning Project."²⁶ LSPGC argues that its selection as sponsor of the Manning Project in CAISO's "highly competitive" solicitation provides assurance that the estimated costs are reasonable because the demonstrated cost containment capability of LSPGC was a key selection factor.²⁷ LSPGC contends that the proposed cost-containment provisions, which are incorporated in the Approved Project Sponsor Agreement²⁸, ensure that ratepayers are protected from unexpected cost increases in the future.

LSPGC indicates that the cost-containment provisions specify that recovery of costs for the construction and operation of the Manning Project are subject to a levelized annual revenue requirement (ARR) cap of \$16,750,000 for each of the first 40 full calendar years of project operations. Any amounts over the levelized ARR cap will be tracked in a deferred recovery account that does not earn interest and can only be recovered in future years only if LSPGC's

²⁵ *Id.* at 16.

²⁶ *Ibid.*

²⁷ *Id.* at 14.

²⁸ A.24-06-017 at Appendix A.

calculated revenue requirement for the Manning Project is below the ARR cap for that year.²⁹

LSPGC states that if FERC does not approve the proposed levelized ARR cap, LSPGC will seek an alternative ARR cap for the Manning Project that will include the same costs as the proposed levelized ARR cap, but eliminate the deferred recovery account.³⁰ If the calculated revenue requirement for the Manning Project exceeds the alternative cap in any year, those excess costs will be forfeited unless related to costs specifically excluded from the cost cap. If the revenue requirement in any year is below the alternative ARR cap, the difference between the revenue requirement and the cap will be added to the cap in the following year, resulting in a revised cap.³¹

We find that the combination of the competitive solicitation process and the cost-containment mechanisms proposed to and agreed to by LSPGC support that ratepayers will pay only the reasonable costs of constructing and operating the Manning Project. Therefore, it is reasonable to establish a maximum cost cap of \$278,872,100, which includes a 20 percent contingency to address various factors beyond LSPGC's control that may impact the final cost.³²

This cost cap cannot be exceeded absent significant changes to the Proposed Project which cannot be anticipated at this time. Pursuant to Public

²⁹ LSPGC Opening Brief at 15.

³⁰ Under this alternative proposal, LSPGC's ARR cap for the Manning Project in Year One will be \$23,590,773 and will decline to \$4,548,832 in Year 40.

³¹ LSPGC Opening Brief at 16.

³² *Ibid.*

Utilities Code Section 1005.5(b), at any point during the construction of the Proposed Project, but prior to any expenditures in excess of the cost cap, LSPGC may file a formal Petition for Modification with the Commission for an increase in the reasonable and prudent maximum cost specified in this Decision. The Commission may authorize an increase in the cost cap if it finds and determines that the cost has in fact increased and that the present or future public convenience and necessity require construction of the project at the increased cost; otherwise, it shall deny the application. Further, it is expected that LSPGC shall not seek recovery of costs in rates that are in excess of the cost cap prior to the Commission's approval of the Petition for Modification.

3.4. Community Values

Since this proceeding is considering a request for a CPCN, the Commission must evaluate, pursuant to Public Utilities Code Section 1002(a)(1), what, if any, are the community values affected by the Manning Project. The concept of community values is not strictly defined in statute and is somewhat fluid.³³ As part of its evaluation of community values, the Commission considers the views of the community.

LSPGC asserts that the Manning Project will not negatively affect community values. First, LSPGC indicates that the Manning Project site is in a sparsely populated rural agricultural area, with the nearest communities being six to 12 miles away.³⁴ LSPGC maintains that it considered the community in

³³ D.21-08-007 at 17; D.10-12-025 at 8.

³⁴ LSPGC Opening Brief at 17.

designing the Manning Project, with the project designed “to avoid, minimize, or mitigate potential environmental impacts to the maximum extent practicable.”³⁵

LSPGC further indicates that it “has kept and will keep area residents and property owners, government officials, Native American tribes, and interested parties informed about the scope and construction status” of the Manning Project through various means.³⁶

LSPGC emphasizes that the record demonstrates community support for the project, including from local elected officials, with no stated opposition.³⁷ It asserts the Manning Project will benefit the local community via increased employment, tax revenues, and development.³⁸ Lastly, LSPGC also touts the benefit of the improved reliability of the electric grid, which benefits all California ratepayers and advances California’s policy goals.

We do not find that approval of the Manning Project will have a significant negative effect on community values. Although there may be disruption to the local rural community due to construction, this disruption will be limited in scope and short-term in nature. Moreover, the Manning Project will benefit the local and wider community due to increased employment, tax revenues, development and improved reliability of the electric grid.

³⁵ *Ibid.*

³⁶ *Ibid.*

³⁷ *Id.* at 18.

³⁸ *Ibid.*

3.5. Impacts on ESJ Communities

The Commission also considers the Manning Project's impact on ESJ communities, including the extent to which it furthers any of the nine goals of the Commission's ESJ Action Plan.

LSPGC asserts that the Manning Project will have minimal or no impact on ESJ communities and aligns with the Commission's ESJ goals. It emphasizes that the Final IS/MND finds that the Manning Project will not create any significant environmental impacts within any environmental justice community. While LSPGC acknowledges that two of the three census tracts within 10 miles of the Manning Project are designated as both disadvantaged communities and low-income communities, it states that at these locations the Final IS/MND indicates that "air emissions from the Manning Project would be below all applicable thresholds of concern, and noise levels would not exceed relevant standards."³⁹

LSPGC also contends that the impacts of the Manning Project will not be significant due to the low population density of the rural project area, and the presence of numerous transmission lines nearby.⁴⁰ It additionally states that "low-income and other members of disadvantaged communities may benefit from the short-term economic stimulus from construction activities and expenditures, short-term and longer-term increases in tax revenues, and added capacity and reduced congestion for electricity transmission."⁴¹

³⁹ A.24-06-017 at IX; LSPGC Opening Brief at 19.

⁴⁰ LSPGC Opening Brief at 20.

⁴¹ *Ibid.*

LSPGC further states that the Manning Project specifically meets the Commission's ESJ Action Plan goals by: (1) increasing climate resiliency by facilitating the transmission of renewable and low-carbon energy (Goal 4); (2) promoting economic opportunities by employing members of nearby communities during the construction (Goal 7) and (3) increasing investment in clean energy resources that benefit ESJ communities by improving local air quality and public health (Goal 2).⁴²

Based on the record, we find that the approval of the Manning Project is consistent with the goals of the Commission's ESJ Action Plan. It supports Goal 4 by enhancing climate resiliency, Goal 7 by creating high road careers for members of nearby communities and Goal 2 by improving local air quality and public health due to increased investment in clean energy resources.⁴³

3.6. EMF

The Commission must evaluate whether the Manning Project was designed in compliance with the Commission's policies governing the mitigation of EMF effects using low-cost and no-cost measures. Section X(A) of GO 131-D requires that applications for a CPCN include a description of the measures taken or proposed by the utility to reduce the potential exposure to EMF generated by the proposed project.⁴⁴ The Commission's EMF Design Guidelines for Electrical Facilities, dated July 21, 2006, provide a checklist for new

⁴² *Ibid.*

⁴³ ESJ Action Plan (April 2022) at 23 to 24.

⁴⁴ The Commission adopted GO 131-E, which superseded GO 131-D, in D.25-01-055. GO 131-E includes the EMF requirement in Section VII.A.2.h.

substations in excess of 50 kV. Additionally, D.06-01-042 determined that only no-cost EMF mitigation measures are required for projects located in agricultural or undeveloped areas.

In accordance with Commission requirements, LSPGC provided an EMF Management Plan with its application that included the specific no-cost and low-cost measures taken to reduce EMF exposure.⁴⁵ LSPGC asserts that the Manning Project only requires no-cost and low-cost measures because it is sited in an agricultural area, on land that was previously used for agriculture.⁴⁶ The measures LSPGC will implement include: (1) locating the transmission lines as close as possible to the centerline of the right of way; (2) phasing circuits to reduce the level of magnetic field at ground level; (3) increasing the tower structure height to reduce the level of magnetic field at ground level; and (4) reducing the spacing between conductors to reduce the level of magnetic field at ground level.⁴⁷

We find that LSPGC has complied with the Commission's policies governing the mitigation of EMF effects. The Manning Project is located in an agricultural area, therefore, LSPGC's inclusion of no-cost and low-cost measures is consistent with Commission requirements. Therefore, the measures included in the Field Management Plan satisfy the Commission's requirements.

⁴⁵ A.24-06-017, Attachment G.

⁴⁶ LSPGC Opening Brief at 21.

⁴⁷ *Ibid.*

3.7. Requested Exemptions from Certain Affiliate Transaction Rules and Reporting Requirements

LSPGC requests that the Commission grant LSPGC exemptions from certain Commission affiliate transaction rules and reporting requirements adopted by D.97-12-088 and amended by D.98-08-035 and D.98-12-075. LSPGC also requests that the Commission confirm the following exemptions for the Manning Project and future LSPGC projects.⁴⁸

1. LSPGC will be exempt from the requirements of Sections V.C., V.E., and V.G. of the affiliate transaction rules;
2. LSPGC can submit the audit report required by Section VI.C. every five years, rather than annually, with the first audit report due no later than May 1st of the year after the calendar year LSPGC becomes a Participating Transmission Owner pursuant to the CAISO tariff and shall include an audit for the previous calendar year, with subsequent audits and auditor's reports due every five years thereafter, on the condition that LSPGC makes its FERC Form 1 and Form 3-Q available to the Public Advocates Office at the California Public Utilities Commission's (Cal Advocates) on request;
3. LSPGC's report required by Public Utilities Code Section 587 will be limited to reporting on affiliates with which it shares resources, if LSPGC makes its FERC Form 1 and Form 3-Q available to Cal Advocates upon request; and
4. LSPGC may file FERC Form 1 and Form 3-Q as proxies for the reporting requirements of GO 65-A and GO 104-A, but

⁴⁸ *Id.* at 21 to 22.

LSPGC will comply with the reporting requirements of GO 77-M.

LSPGC argues that confirmation of the exemptions is appropriate for the Manning Project as well as future projects because the Commission has approved these same exemptions for LSPGC projects. In these decisions, the Commission approved settlements between LSPGC and Cal Advocates, determining that the exemptions in those settlements were reasonable in light of the whole record, consistent with the law, and in the public interest.⁴⁹ While LSPGC acknowledges that the approval of these settlements under Rule 12.5 of the Commission's Rules of Practice and Procedure (Rules) does not constitute precedent in any future proceeding unless the Commission expressly provides otherwise, it asserts that is reasonable for the Commission to provide that the exemptions granted to LSPGC in those approved settlements constitute precedent applicable in this proceeding and future LSPGC proceedings.⁵⁰

We find that it is appropriate to grant LSPGC exemptions to certain Commission affiliate transaction rules and reporting requirements consistent with our findings in D.24-01-011 and D.24-03-010. We specifically exempt the Manning Project from the certain rules and requirements identified above and in those decisions. We also find that this decision as well as those decisions constitute precedent with respect to this matter. We note that LSPGC remains subject to federal oversight that, when coupled with our requirements, ensures transparency.

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*

4. Minor Project Refinements

The Commission's Energy Division may approve requests by LSPGC for minor project refinements that may be necessary due to the final engineering of the Manning Project, so long as such minor project refinements are located within the geographic boundary of the study area of the Final IS/MND and do not: (1) result, without mitigation, in a new significant impact based on the criteria used in the Final IS/MND; (2) substantively conflict with any mitigation measure or applicable law or policy; or (3) trigger an additional discretionary permit requirement.

A minor project refinement should be strictly limited to a minor project change that will not trigger other discretionary permit requirements, that does not increase the severity of an impact or create a new impact, and that clearly and strictly complies with the intent of the mitigation measure. LSPGC shall seek any project changes that do not fit within these criteria by a petition to modify today's decision. A change to the approved project that has the potential for creating significant environmental effects will be evaluated to determine whether supplemental CEQA review is required.

Any proposed deviation from the approved project and adopted mitigation measures, APMs or CMs, including correction of such deviation, shall be reported immediately to the Commission and the mitigation monitor assigned to the construction for their review and Commission approval.

5. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online

Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. The Westlands Water District (District) submitted comments on July 29, 2024 requesting clarity regarding the Manning Project's potential impacts on the District's easements and height of the transmission lines.

6. Procedural Matters

All other motions not ruled on are deemed denied.

7. Comments on Proposed Decision

Pursuant to Rule 14.6(c)(2), if the Proposed Decision grants the relief requested in an uncontested matter, the public review and comment may be reduced or waived. Since this application is uncontested and this decision grants the Applicant's requested relief, the comment period for the Proposed Decision is waived.

8. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Marcelo Lins Poirier is the assigned ALJ in this proceeding.

Findings of Fact

1. The Manning Project originated in the CAISO's 2021-2022 Transmission Plan as a public policy-driven upgrade, and there have been no substantial changes to the scope of the Manning Project or the timeline indicated in CAISO's 2021-2022 Transmission Plan.

2. CAISO was granted party status on April 18, 2025, in this proceeding.

3. The CAISO governing board approved need evaluation was submitted to the Commission, as part of the instant Application, well within sufficient time to be included within the scope of the proceeding.

4. The Manning Project was identified as a public policy-driven upgrade by the CAISO because it is needed to enable: (1) the full deliverability of renewable and energy storage portfolio resources in the Solano-Sacramento River area; (2) the deferral of the need for reconductoring the Borden-Storey 230 kV lines or other transmission upgrades in the area; and (3) the advancement of significant potential solar development renewable generation identified within the Westlands/San Joaquin area.

5. The CAISO selected LSPGC as sponsor for the Manning Project through a competitive solicitation process.

6. All environmental impacts related to the Manning Project are less-than-significant or reduced to less-than-significant levels with implementation of feasible mitigation measures identified in the MMCRP.

7. The Commission has reviewed and considered the information contained in the Final IS/MND.

8. The Final IS/MND complies with CEQA.

9. LSPGC has agreed to cost-containment mechanisms to ensure that ratepayers pay only the reasonable costs of constructing and operating the Manning Project.

10. In accordance with Public Utilities Code Section 1002(a), the Commission has considered, as a basis for granting the CPCN, community values, recreational and park areas, historical and aesthetic values, and influence on the

environment, and confirms that the Manning Project will not have any significant adverse effects in these areas after mitigation.

11. The Manning Project is consistent with the goals of the Commission's ESJ Action Plan.

12. The Manning Project is designed in compliance with the Commission's policies governing the mitigation of EMF effects.

13. LSPGC became a public utility subject to the jurisdiction of the Commission upon the issuance of D.22-12-048.

14. LSPGC is subject to the Commission's affiliate transaction rules and requirements.

Conclusions of Law

1. The Manning Project serves a present and public convenience and necessity as a public policy-driven upgrade to the CAISO controlled transmission system.

2. There is a presumption of need for the Manning Project since the conditions of Public Utilities Code Section 1001.1 have been met.

3. No party has presented sufficient evidence to overcome this rebuttable presumption of need for the Manning Project.

4. LSPGC should be granted a CPCN to construct the Manning Project in conformance with the mitigation measures, APMs, and CMs included in the MMCRP.

5. With the implementation of the MMCRP, there is no substantial evidence that the Manning Project will have a significant impact on the environment.

6. The Final IS/MND reflects the Commission's independent judgment and analysis.

7. The Commission's preparation of an IS/MND was supported by substantial record evidence.

8. The Final IS/MND was completed in compliance with CEQA requirements.

9. The Commission should adopt the Final IS/MND in this decision.

10. The Commission's Energy Division should be authorized to approve requests by LSPGC for minor project refinements that may be necessary due to the final engineering of the project, so long as such minor project refinements are located within the geographic boundary of the study area of the Final IS/MND and do not: (1) result, without mitigation, in a new significant impact based on the criteria used in the Final IS/MND; (2) substantively conflict with any mitigation measure or applicable law or policy; or (3) trigger an additional discretionary permit requirement.

11. Pursuant to Public Utilities Code Section 1005, the Commission should adopt a maximum prudent and reasonable cost cap of \$278,872,100, which includes a 20 percent contingency.

12. This cost cap should not be exceeded absent significant changes to the Proposed Project which cannot be anticipated at this time.

13. Pursuant to Public Utilities Code Section 1005.5(b), at any point during the construction of the Proposed Project, but prior to any expenditures in excess of the cost cap, LSPGC should be authorized to file a formal Petition for Modification with the Commission for an increase in the reasonable and prudent

maximum cost specified in this Decision and show that: (a) the cost has in fact increased; and (b) the present or future public convenience and necessity require construction of the project at the increased cost. In the event of such petition being filed, LSPGC should be authorized to seek recovery of costs in rates that are in excess of the cost cap only after the Commission's approval of such petition for project cost increases.

14. LSPGC's requests for exemptions from certain of the Commission's affiliate transaction rules and reporting requirements and reporting requirements are reasonable.

15. LSPGC should be granted exemptions from Sections V.C., V.E., and V.G. of the affiliate transaction rules specified in D.97-12-088, D.98-08-035, and D.98-12-075.

16. LSPGC should be granted a limited exemption to Section VI.C. of the affiliate transaction rules to submit the audit report required every five years, rather than annually. The first audit report should be due no later than May 1st of the year after the calendar year LSPGC becomes a Participating Transmission Owner pursuant to the CAISO tariff and should include an audit for the previous calendar year, with subsequent audits and auditor's reports due every five years thereafter, on the condition that LSPGC makes its FERC Form 1 and Form 3-Q available to Cal Advocates on request.

17. LSPGC's should be allowed to submit a Public Utilities Code Section 587 report that is limited to reporting on affiliates with which it shares resources if it provides FERC Form 1 and Form 3-Q to Cal Advocates on request.

18. LSPGC should be granted an exemption to file FERC Form 1 and Form 3-Q as proxies for the reporting requirements in GOs 65-A and 104-A.

19. Any pending motions that are not expressly ruled upon by the assigned Commissioner or ALJ to date should be denied.

20. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. The Final Mitigated Negative Declaration for the Manning 500/230 Kilovolt Substation Project is adopted as having been completed in compliance with the California Environmental Quality Act, reviewed and considered by the California Public Utilities Commission (Commission) prior to approving the project, and reflective of the Commission's independent judgment.

2. The mitigation measures, applicant proposed measures and construction measures included as part of the Final Mitigated Negative Declaration and the Mitigation Monitoring, Compliance, and Reporting Program attached to this order as Attachment 1 are adopted.

3. The application of LS Power Grid California, LLC (LSPGC) for a certificate of public convenience and necessity to construct Manning 500/230 Kilovolt Substation Project is granted. LSPGC shall comply with the Mitigation Monitoring, Compliance, and Reporting Program, which is attached to this decision as Attachment 1.

4. The maximum cost cap for the Manning 500/230 Kilovolt Substation Project is \$278,872,100, which includes a 20 percent contingency. This cost cap

shall not be exceeded absent significant changes to the Proposed Project which cannot be anticipated at this time.

5. At any point during the construction of the Proposed Project, but prior to any expenditures in excess of the cost cap, LS Power Grid California, LLC (LSPGC) may file a formal Petition for Modification with the California Public Utilities Commission (Commission) for an increase in the reasonable and prudent maximum cost specified in this Decision and show that: (a) the cost has in fact increased; and (b) the present or future public convenience and necessity require construction of the project at the increased cost. In the event of such petition being filed, LSPGC may be authorized to seek recovery of costs in rates that are in excess of the cost cap only after the Commission's approval of such petition for project cost increases.

6. LS Power Grid California, LLC shall submit quarterly project status reports, including cost information, to both the California Environmental Quality Act and Federal Energy Regulatory Commission Electric Costs sections of the California Public Utilities Commission's Energy Division.

7. All outstanding motions filed in this proceeding that have not yet been ruled on, are denied.

8. Application 24-06-017 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT 1