Decision **PROPOSED DECISION OF THE ALJ DIVISION**
(Mailed January 30, 2007)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Edison Company (U 338-E) for a Certificate of Public Convenience and Necessity Concerning the Antelope-Pardee Project as Required by Decision 04-06-010 and as Modified by Subsequent Assigned Commissioner Ruling.	Application 04-12-007 (Filed December 9, 2004)

OPINION GRANTING A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

(See Attachment C – Service List – for List of Appearances)

Title **Pages**

I. Summary

This decision grants a certificate of public convenience and necessity (CPCN) to Southern California Edison Company (SCE) to construct a transmission facility in the wind rich Tehachapi region of California. Pursuant to §§ 399.25 and 1001 of the Public Utilities Code,[1] this decision grants SCE the authority to construct the Antelope-Pardee transmission line project (Antelope-Pardee Transmission Project or Segment 1),[2] in order to ensure access to wind power development in the Tehachapi area and to prevent overloading of existing transmission facilities. Our finding of need for this Antelope-Pardee Transmission Project implements a series of earlier determinations made by this Commission regarding the need to construct transmission lines to the Tehachapi region to facilitate the Renewables Portfolio Standard (RPS) goals set forth in § 399.11, *et seq*.[3] Those Commission Decisions (D.) include D.03-07-033, D.04-06-010, and D.06-06-034.

Section 399.25 directs the Commission to deem necessary those transmission facilities identified in applications if the proposed facilities are necessary to facilitate achievement of the State's renewable power goals. Section 399.25 also provides a "backstop" cost mechanism allowing the utilities to recover through retail rates any costs of the above facilities that are not

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[1] Unless otherwise indicated, statutory references are to the Public Utilities Codes.

[2] The Antelope-Pardee Transmission Project has also been referred to as "Segment 1 of the Antelope Transmission Project" or "Phase 1 of the Tehachapi upgrades." Hereinafter, the "Antelope Transmission Project", which refers to all the upgrades in the region needed to bring Tehachapi wind to the electric grid, will be referred to as the "Tehachapi Renewable Transmission Plan" or "TRTP."

[3] No party to this proceeding disputes that the project is needed.

approved by the Federal Energy Regulatory Commission (FERC) for recovery through transmission rates.

In D.06-06-034 we, among other things, adopted principles for applying the backstop cost recovery mechanism created by § 399.25. Noting our determination in D.04-06-010 regarding the magnitude and concentration of the renewable resources located in the Tehachapi area and identified in the California Energy Commission's November 19, 2003 "*Renewable Resource Development Report,*" [4] we concluded that the costs associated with high-voltage, bulk-transfer, multi-user transmission facilities proposed to access known, concentrated renewable resource areas are eligible for cost recovery under § 399.25. D.06-06-034, *mimeo,* at p. 27.

The Commission made a preliminary finding of need for the project in D.04-06-010. Affirming both D.04-06-010 and D.06-06-034, this decision finds, among other things, that the Antelope-Pardee Transmission Project is such a high voltage, bulk-transfer, multi-user facility that is needed to access a concentrated renewable resource area. Consequently, the project is eligible for cost recovery through retail rates under § 399.25, to the extent such cost recovery is necessary.

Pursuant to § 1005.5(a), we adopt $92.5 million as a cost cap for the Antelope-Pardee Transmission Project. The project we approve today is not identical to the project for which SCE developed its cost estimate. SCE may thus apply for a higher maximum cost if it can provide adequate justification, and

[4] "Renewable Resource Development Report," CEC Publication Number 500-03-080F, November 2003.

must apply for a lower maximum if it appears that actual cost will be lower than the adopted estimated by at least 1%.

The Antelope-Pardee Transmission Project includes the construction of a new 25.6-mile, 500 kilovolt (kV) transmission line to connect SCE's existing Antelope Substation, located in Lancaster, with SCE's existing Pardee Substation, located in Santa Clarita. Initially, the transmission line will be energized at 220 kV. The project also includes an expansion of the Antelope substation and the relocation of several existing 66 kV transmission lines in the vicinity of the Antelope substation.

The Final Environmental Impact Report/Environmental Impact Statement (Final EIR/EIS) for the Antelope-Pardee Transmission Project, prepared jointly by the Commission pursuant to the California Environmental Quality Act (CEQA)[5] and the United States Forest Service (USFS) pursuant to the National Environmental Policy Act (NEPA), identifies an environmentally superior route that differs from the route proposed by SCE. The environmentally superior route is a combination of the proposed route and alternative route segments identified as Alternatives 2 and 4. We approve the environmentally superior route.

In addition, the Final EIR/EIS finds that the authorized project has several significant environmental impacts that cannot be mitigated. We adopt the mitigation measures recommended in the Final EIR/EIS, in order to reduce the environmental impacts to the extent feasible; however, some impacts will remain significant even after the implementation of mitigation. The approved mitigation

[5] Public Resources Code § 21000 *et seq.*

measures are contained in Attachment A to this decision. The Commission also adopts the mitigation monitoring plan proposed in the Final EIR/EIS. SCE must comply with the adopted mitigation measures and mitigation monitoring plan as a condition of accepting its CPCN. We certify that the Final EIR/EIS has been completed in compliance with CEQA. Our formal certification can be found in Section VIII below.

Upon balancing the substantial economic, operational, legal, technological, social and other benefits of the proposed Antelope-Pardee Transmission Project against the unavoidable environmental impacts, we find that the project should be approved, with the conditions contained in this decision. By this decision, we adopt the included statement of overriding considerations for the authorized Antelope-Pardee Transmission Project, as required by CEQA.

II. Background

A. Procedural History

SCE filed this application pursuant to Ordering Paragraph 8 of D.04-06-010, which required SCE to "file an application seeking a certificate authorizing construction of the first phase of Tehachapi transmission upgrades consistent with its 2002 conceptual study and the study group's recommendation within six months of the effective date of this order."[6] That order was premised on Finding of Fact 18 in D.04-06-010 which found that the magnitude and concentration of renewable resources identified in the CEC Report justified a

[6] By Ruling dated October 21, 2004, in Investigation (I.) 00-11-001, the assigned Commissioner directed SCE to file two separate CPCN applications for the Tehachapi upgrades: one CPCN application for Segment 1 and one CPCN application for Segments 2 and 3.

"first phase of Tehachapi transmission upgrades" to facilitate achievement of the renewable power goals established in § 399.11 *et seq.*

SCE states that based on its obligation under §§ 210 and 212 of the Federal Power Act (16 U.S.C. § 824(i) and (k)) and §§ 3.2 and 5.7 of the California Independent System Operator (ISO) Tariff, it has determined that the project is needed to interconnect and integrate the generation from a proposed 201 megawatt (MW) wind project located 8.5 miles northwest of the Antelope Substation because the existing transmission path from Antelope to Vincent is fully loaded. Segment 1 would increase the transfer capability south of the Antelope Substation and allow the 201 MWs to be safely transferred to serve system load. Segment 1 would also increase that transfer capability so as to accommodate more than 201 MWs in anticipation of additional generation north of Antelope.[7]

SCE states that its request for a CPCN for Segment 1 of the Tehachapi Renewable Transmission Project is conditioned on the establishment of clear cost recovery mechanisms in advance of construction. If FERC determines that the cost of Segment 1 of the Tehachapi Renewable Transmission Project is ineligible for recovery in transmission rates, SCE requests that the Commission find that the prudently incurred cost of Segment 1 of the Tehachapi Renewable Transmission Project qualifies for recovery in retail rates under § 399.25(b)(4).

SCE filed its application on December 9, 2004. On January 18, 2005, PPM Energy, Inc. submitted a timely response to A.04-12-007. SCE answered that response a week later. On April 7, 2005, the Division of Ratepayer Advocates

[7] SCE Proponent's Environmental Assessment (PEA), Volume 1, at page 2-2.

(DRA; at the time, it was called the Office of Ratepayer Advocates) filed motions for leave to late file protests to A.04-12-007 and A.04-12-008, with the protests attached. The Administrative Law Judge (ALJ) appropriately granted DRA's request.

In addition, the Commission received numerous letters and e-mails regarding the proposed projects that do not meet the formal filing requirements.

Finally, SCE filed a motion on January 15, 2007 to reopen the record to provide new information concerning SCE's contracts for wind power in the Tehachapi area, and additions to the ISO's interconnection queue in the region. No parties objected to the motion, which is hereby granted.[8]

B. Scope of the Proceeding

Consistent with the direction provided in D.04-06-010, we consider in this proceeding whether the proposed Antelope-Pardee Transmission Project is necessary to facilitate achievement of RPS goals based, in part, on the results of the RPS procurement process and the General Order (GO) 131-D considerations of alternatives to the proposed project. Pursuant to § 399.25(b)(1), we must determine whether the transmission project will provide benefits to the transmission network.

In this proceeding, we also address the requirements of §§ 1001, 1002 and CEQA. Section 1002 provides, in pertinent part, that the Commission, as a basis for granting any CPCN pursuant § 1001, shall give consideration to the following

[8] Anaverde LLC filed comments in response to the motion, but did not oppose the motion, except to the extent that the new evidence would be used to support a route other than the Proposed Route. As the new evidence does not impact the route of the project, and no party challenged the accuracy of the evidence, we hereby grant SCE's motion.

factors: (1) community values, (2) recreational and park areas, (3) historical and aesthetic values, and (4) influence on environment.

Pursuant to CEQA, the Final EIR/EIS that was prepared for the proposed project identifies the significant effects on the environment of the project, identifies alternatives to the project, and indicates the manner in which significant environmental effects can be mitigated or avoided. Under CEQA, the Commission cannot approve the proposed project or an alternative unless it mitigates or avoids any significant effects on the environment and makes specific written findings pursuant to Public Resources Code § 21081 (see Attachment B). Where the Commission finds that specific economic, legal, social, technological or other conditions make infeasible the mitigation measures or alternatives identified in the Final EIR/EIS, it may not approve the project or an alternative unless it finds that such effects are outweighed by the overriding economic, legal, social technological or other project benefits.

GO 131-D further prescribes that prior to issuing a CPCN, the Commission must find that the project is necessary to promote the safety, health, comfort, and convenience of the public. In addition, Section X of GO 131-D requires that the applicant describe the measures taken or proposed by the utility to reduce the potential exposure to electric and magnetic fields (EMFs) generated by the proposed facilities.

Issues surrounding general project cost-effectiveness, cost estimates and tradeoffs for alternative routes, right of way-acquisition costs, mitigation costs, and adoption of a cost cap are within the scope of this proceeding. In addition, SCE requests that the Commission issue a conclusion of law stating that, if FERC determines that the facilities are ineligible to be "recovered through general transmission rates," then the prudently incurred costs are eligible for recovery

under § 399.25(b)(4). Therefore, the ratemaking mechanisms and procedures that the Commission may use to implement § 399.25 are also within the scope of this proceeding.

The assigned Commissioner required SCE to serve additional testimony addressing whether the Antelope-Pardee Transmission Project is a reasonable investment for California's, and SCE's ratepayers. Although the CEC Report indicates that Kern County (Tehachapi) wind may alone satisfy much, if not all, of RPS demand, the study did not address the operational cost of integrating Tehachapi wind resources into the system, the cost-effectiveness of wind resources compared to other renewable resources, or the likelihood of wind projects succeeding in the utilities' RPS solicitations.

In order to grant a CPCN in the instant application, we must make an affirmative finding that the Antelope-Pardee Transmission Project is necessary to facilitate the achievement of the RPS goals. In order to make such a finding, we must, at a minimum, consider the results of the RPS process to date.

Furthermore, since the need for this project is based primarily on fulfilling the state's RPS goals, and is not limited to SCE's service area, the assigned commissioner appropriately required testimony from the ISO, San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E), as well as supplemental testimony from SCE. This testimony addressed the progress of the RPS Program, including the number of offers or bids submitted by Tehachapi area wind developers, the number and content of informal requests or proposals received by the utilities prior to or between competitive solicitations, and whether any of the Tehachapi wind projects were successful bidders in the RPS or interim solicitations.

III. Project Need Pursuant to § 399.25

A. Background

SCE seeks a CPCN pursuant to § 1001 and related sections. In order to award a certificate under §1001, the Commission must find that the present or future public necessity require or will require construction of the line. SCE argues that it needs the line to deliver power generated by wind turbines that will or may be built in the Tehachapi area.

SCE asks the Commission to find that the proposed facilities are necessary to facilitate the goals of § 399.11 *et seq.*, which establishes the California RPS program. Part of that statutory scheme is § 399.25 which, in part, states that the Commission must find that a project is needed when it finds that the project is "necessary to facilitate achievement of" the RPS goals. The question before us is whether the proposed project meets this test.

B. Project Need Based on the Record and SCE's Arguments

As SCE points out, no party to the proceeding disputes the need for the facilities. At the direction of the assigned ALJ and the assigned Commissioner, SCE, as well as PG&E and SDG&E, provided testimony to describe their respective prospects for purchasing wind power in the Tehachapi are. Only SCE has offered argument in support of a finding of need.

The Antelope-Pardee Transmission Project will assist the achievement of RPS goals by facilitating the connection of several potential alternative energy projects to SCE's electrical system. As stated above, SCE cites §§ 210 and 212 of the Federal Power Act (16 U.S.C. §§ 824(i) and (k)) and §§ 3.2 and 5.7 of the California ISO Tariff for the obligation to interconnect and integrate generation projects. Because the Antelope-Pardee Transmission Project will facilitate the

development of renewable energy resources in northern Los Angeles and Kern Counties, it will assist in meeting the RPS goals established by § 399.11 *et seq*.

SCE identified potential projects that have applied to the ISO for interconnection, have participated in a collaborative study process, or have identified themselves to the CEC. The Antelope-Pardee Transmission Project would be energized initially at 220 kV to interconnect and integrate the generation from a proposed 201 MW wind project located 8.5 miles northwest of the Antelope Substation. Although the transmission line would be operated initially at 220 kV, the ISO-approved interconnection using 500 kV design and construction standards would be one of the first among many upgrades that will eventually accommodate up to 4,400 MWs of potential wind generation located north of Antelope.

Making the line 500 kV capable would avoid the need to construct, tear down, and replace multiple 220 kV facilities with 500 kV facilities in the future. The ISO found that the Antelope-Pardee 220 kV line was necessary to interconnect the 201 MW wind project. It also determined that constructing the facility to 500 kV standards and energizing at 220 kV was necessary considering the potential magnitude of additional renewable resources that may develop in the Tehachapi area.

The Segment 1 upgrades would prevent overloading of existing facilities and, as a network facility, the upgrades would increase the transfer capability south of Antelope Substation to accommodate not only the 201 MW generation resource near Antelope Substation, but also additional generation north of the substation. Even if the 201 MW wind resource is not developed, Segment 1 would nevertheless be required to accommodate new wind generation projects in the Antelope/Tehachapi region that are in the interconnection process. For

example, a second wind resource totaling 300 MWs is to be located 17 miles northwest of the Antelope Substation and interconnected to the existing Antelope-Magunden #2 220 kV line. This second wind project also provides justification for Segment 1, regardless of whether the first 201 MW wind project ever achieves commercial operations. Thus, the ultimate configuration of the proposed line addresses not only the current need for interconnection of specific resources, but also the future need to interconnect multiple facilities in the Tehachapi area. Thus, the line is consistent with our description in D.06-06-034 of "high-voltage, bulk-transfer, multi-user transmission facilities … proposed to access known, concentrated renewable resource areas…" (D.06-06-034, *mimeo,* at p. 27).

A threshold question as to the need for the proposed project is whether or not an Antelope to Pardee route, rather than an additional Antelope to Vincent route, is necessary to accommodate the new wind generation north of the Antelope Substation. To this end, SCE has explained that several important obstacles prevent the use of an additional 220 kV or 500 kV line from the Antelope Substation to SCE's Vincent Substation as an alternative to Segment 1. First, a new right-of-way would need to be acquired different from both the existing 220 kV line from Antelope to Vincent, the portion of the Antelope-Mesa 220 kV line between Antelope and Vincent, and the proposed Segment 2 of the Tehachapi Renewable Transmission Project (described in A.04-12-008). Expansion of the 220 kV or 500 kV Vincent substation would be required. Adding a new 220 kV position at Vincent Substation in addition to the position needed for Segment 2 would require significant land fill since the 220 kV switch rack is between the edge of the plateau and the Angeles Forest Highway. If the alternative line were to be operated at 500 kV, all of the substation equipment

would have to be installed and operated at that voltage, eliminating the phase voltage approach currently planned to match transmission with the phased development of resources. An alternative line operated at 500 kV may require additional transmission facilities to maintain adequate system reliability. The studies needed determine whether additional transmission facilities are needed to maintain system reliability have not been performed.

Moreover, there is no excess room on any of the Midway-Vincent corridors to accommodate a new 500 kV line. An additional 180 to 200 foot-wide right-of-way adjacent to the Midway-Vincent No. 1 and No. 2 corridor would have to be acquired. A portion of the proposed Segment 2 of the Tehachapi Renewable Transmission Project has been rerouted to this corridor to avoid the Ritter Ranch and Anaverde housing developments, as described in the Amended A.04-12-008 for Segments 2 and 3 submitted on September 30, 2005. Due to reliability concerns, the use of this corridor to accommodate yet another transmission line in addition to Segment 2 is not recommended.

On January 10, 2007, SCE offered an affidavit from its Renewable and Alternative Power Department Manager, Gary L. Allen, providing the following updated information regarding the need for Segments 1, 2, and 3 of the Tehachapi Renewable Transmission Project:

1. On November 15, 2006, SCE signed four energy procurement contracts, two contracts each with Caithness 251 Wind and Ridgetop Energy, totaling a minimum of 31.1 MWs to a maximum of 68.8 MWs of wind power that SCE will provide to its customers from the Tehachapi area.

2. On December 21, 2006, SCE entered into a wind energy contract with Alta Windpower Development L.L.C, a subsidiary of Allco Financial Group Inc. This contract

doubles SCE's wind portfolio, and will provide a minimum of 1,500 MWs to a maximum of 1,550 MWs of power for SCE customers.[9]

3. The Alta Windpower contract and the expansion of the four contracts signed on November 15, 2006, totaling between 1,537 and 1,587 MWs, would utilize the Antelope-Pardee [Transmission Project], and/or Segments 2 or 3.

4. Without Segments 1, 2, and 3, SCE can use none of this renewable generation to serve California load.

5. These projects are part of the ISO transmission queue. Furthermore, 11 other items in that queue would require transmission in the Antelope area. The new contracts and the other items in the queue relying on Antelope transmission capacity exceed 4,000 MWs.

C. The Standard

Normally, the Commission does not approve a new transmission line unless the present or future need is clear and certain. Section 399.25 recognizes that in order to achieve RPS goals, it may be necessary for the Commission to approve new transmission projects in anticipation of future renewable energy projects, and to provide unusual assurances of recovery of reasonable construction costs. These are extraordinary steps to take, and the Commission must use these tools with great care.

In order to demonstrate that a particular transmission line meets the standard in § 399.25, the Commission must find that it is "necessary to facilitate

[9] SCE may request Commission approval of these contracts. Nothing in today's decision prejudges those applications.

achievement" of the RPS goals. Merriam-Webster describes "necessary" as "inevitable," "inescapable," and "logically unavoidable."[10] It is hard to imagine any project that could pass such a test. Yet, the statute requires that the line be necessary to "facilitate" RPS compliance. To Merriam-Webster, that would mean "to make easier" or "to help bring about".[11] As long as a proposed line would connect the grid with an area capable of producing renewable power, it is hard to imagine that it would fail to clear such a low threshold.

Because § 399.25 exists in a broader statutory context – one that requires ambitious renewable portfolio development, reasonable rates, and environmental protection -- we must interpret this code section in a manner that strikes a reasonable balance. We faced a similar challenge in establishing the circumstances under which a project would be eligible for cost recovery through retail rates under § 399.25(b)(4). There we identified two types of transmission projects that could be needed to facilitate RPS compliance and were therefore eligible for cost recovery. Relevant here, those projects included "high-voltage, bulk-transfer, multi-user transmission facilities … proposed to access known, concentrated renewable resource areas…" (D.06-06-034, *mimeo,* at p. 27). However, we also noted that the degree of certainty required for a showing of RPS need "will depend on the magnitude of costs at stake," and that "in certain cases it will be necessary to consider the status of the RPS compliance to date…" (*Id.* at p. 28). In that case, we noted that the Commission had already approved some cost recovery for Tehachapi-related studies because of the certainty of

[10] Merriam-Webster's Collegiate Dictionary, 10th Edition (2001), p.774

[11] *Id*. at p.415.

development of RPS-eligible resources in that area, but clarified: "We are unwilling to open the ratepayers' pockets for transmission facilities in areas that do not rise to this level of certainty, since study and permitting costs for facilities in unexplored areas will be large." (*Id.* at p. 30).

Section 399.25 does not offer the only means of establishing project need. Historically, under § 1001, need for a transmission project could be established based upon a project's contribution to reliability or the ratepayer savings it would produce. However, in order to rely on § 399.25 to establish the need for a project, we find that a proponent must demonstrate: (1) that a project would bring to the grid renewable generation that would otherwise remain unavailable; (2) that the area within the line's reach would play a critical role in meeting the RPS goals; and (3) that the cost of the line is appropriately balanced against the certainty of the line's contribution to economically rational RPS compliance. A showing that a proposed project fits into one of the two categories identified in D.06-06-034 is the first step. As that decision recognized, a Commission finding of necessity in a CPCN proceeding must necessarily consider additional factors.

D. Discussion

As we have recognized in our prior decisions, transmission to the wind rich Tehachapi area is almost unique in its ability to qualify under the standard set forth above because of the size of the wind resource in this area, the constraints on the existing transmission system, and the level of interest on behalf of both utilities and merchant providers aspiring to develop projects there. Wind provides one of the most economical sources of renewable power, and the

Tehachapi area offers the largest wind resource in California.[12] It has the undeveloped potential of generating about 1400 gigawatt-hours per year, with about 4500 MWs of installed capacity.[13] To capture this potential, the lines must go where the wind blows – there is no other choice.

The project represents California's first effort, since adoption of the RPS, to build transmission to a concentrated renewable resource area. As D.06-06-034 explained, we adopted Resolution E-3969, allowing SCE to record and recover certain RPS-related study costs, "because studies had already demonstrated that Tehachapi is an especially rich resource area for renewables and development of that area is almost certainly necessary to meet the 20% RPS goal." (D.06-06-034, *mimeo,* at p. 30).

The record shows that without system improvements, SCE and others could not deliver growing amounts of wind power from the Tehachapi region. The Antelope-Pardee Transmission Project provides a portion of the infrastructure necessary to meet this need, and no one has proposed a meaningful alternative to the project. Meanwhile, industry commitment to develop the area for RPS purposes is significant; utilities have received winning bids from, and SCE has signed contracts with developers of wind projects, the output of which cannot be fully delivered without increased transmission

[12] *See, e.g.* CEC Report, D.04-06-010, and D.06-06-034.

[13] *See, e.g.* CEC Report.

capacity. In total, the wind projects in the current ISO queue for Tehachapi exceed 4,000 MWs in capacity.[14]

The Antelope-Pardee Transmission Project is the logical first step in a series of high-voltage, bulk transfer, transmission upgrades designed to serve multiple RPS-eligible wind projects in the Tehachapi region. It would accommodate output from an anticipated 201 MW wind facility west of the Antelope substation. It would increase the take-away capacity for power from Tehachapi through the Antelope substation and toward the load center in Southern California. Because the existing path from the Antelope substation to the Victor substation is fully subscribed, it is necessary to increase the capacity to the load center in order to receive the full benefits of the anticipated wind power development.

As set forth below, we establish a cost cap of $92.5 million for the project. We find that this cost is justified based upon our finding that the project is critically needed to ensure development of RPS resources in the Tehachapi area. However, we note that the record in the future CPCN proceedings for projects based on need pursuant to § 399.25 should more fully address the value of those projects to California ratepayers.

Based on the evidence in the record, we find that the project is necessary to facilitate achievement of the renewable power goals set forth in § 399.11, *et seq*.

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[14] Exhibit 31, p. 2. For additional context, the ISO reports that is has received a total of 36 interconnection study requests since mid 2002 from renewable resource developers, totaling 4,112 MWs. The Tehachapi requests represent 19 percent of the proposed projects and 32 percent of the potential installed capacity. In addition, see the Affidavit of Gary L. Allen submitted January 10, 2007.

Therefore, construction of the Antelope-Pardee Transmission Project is deemed necessary pursuant to § 399.25 and 1001.

IV. Alternatives to the Proposed Project and the No Project Alternative

Our evaluation of whether SCE should be granted a CPCN to construct the Antelope-Pardee Transmission Project would not be complete without consideration of alternatives to the proposed project. Additionally, in accordance with CEQA requirements, the Final EIR/EIS evaluates the No Project alternative. In essence, the No Project alternative examines impacts if the proposed project, or a variation thereof, is not approved and built.

A. Alternatives to the Antelope-Pardee Transmission Project

Transmission of wind power from the Tehachapi and Antelope Valley areas is currently restricted by limited capacity and reliability of the existing SCE transmission system. As discussed in Section ES.1.2 of the Final EIR/EIS, the existing Antelope-Mesa 220-kV transmission line is restrictive to wind power transmission due to limited capacity. This transmission line would overload with the addition of new power to the system, including that received from wind generation. Overloading of the Antelope-Mesa transmission line would cause widespread system instability and reliability issues. Furthermore, the existing transmission lines, which originate at SCE's Big Creek hydroelectric generation facilities and currently deliver power through Kern County and Magunden Substation to Antelope Substation, are also restrictive to wind power transmission due to reliability considerations.

Meanwhile, there is ongoing development of wind power generation projects in the Tehachapi region, north of Antelope Substation. Because SCE is obligated to allow connection of new wind projects to its system, upgrades must

be implemented to mitigate identified overload of the Antelope-Mesa transmission line in order to maintain system reliability as required by the National Electric Reliability Council (NERC) and the Western Electric Coordinating Council (WECC) planning standards as well as the ISO planning standards. As of February 2006, one active wind project, the PdV Wind Energy Project (PdV), was in the application review process with Kern County. PdV would connect up to 300 MWs of new power into SCE's system. SCE estimates that when the Antelope-Pardee Transmission Project is energized to 220 kV, it would allow for the connection of up to 350 MWs of new power without overloading the Antelope-Mesa 220-kV line. It would accomplish this by providing the capacity to transmit power from the Antelope Substation to the Pardee Substation rather than directing more power to the Antelope-Mesa line.

The PdV Project was the only active wind project with an application pending with Kern County at the time that the Antelope-Pardee Transmission Project application was filed. Based on information provided by SCE, there is not sufficient capacity in the current transmission grid to accommodate the full capacity of the renewable generation to be provided by the PdV Project once it is operational, while at the same time safeguarding the system from overload under increasing renewable power generation and loading. Moreover, as load grows due to increased electrical demand and power is received from other sources of generation, transmission overloading would occur in the vicinity of the proposed project. The Antelope-Mesa 220-kV transmission line could experience thermal overload if current power loads are increased, which is expected to occur as Southern California's population continues to grow at projected rates. The Antelope-Pardee Transmission Project would reduce loading on the Antelope-Mesa 220-kV transmission line to within the allowable

line conductor thermal limits. The proposed project would also increase transmission capability south of the Antelope Substation and allow power generated in the Antelope Valley and Tehachapi areas to be safely transferred, thus serving system load on the SCE grid.

The Antelope-Pardee Transmission Project would initially be operated at 220 kV in order to meet current transmission needs associated with ongoing wind development and energy needs in Southern California. However, the line would be built to 500 kV standards so that as renewable power generation increases and SCE customer demands increase, future overloading of transmission facilities would be avoided. The ISO, which manages transmission grid reliability for the State of California, has approved construction of the proposed Antelope-Pardee Transmission Project using a 500 kV transmission line. The ISO maintains that the use of 500 kV standards for the Antelope-Pardee Transmission Project will avoid the future need to construct and/or tear down and replace multiple 220 kV facilities with 500 kV facilities to meet growing power generation and transmission needs.

The proposed Antelope-Pardee project is needed now to accommodate wind generation projects that have applications pending before Kern County or Los Angeles County, or that may submit applications in the near future. However, due to the location of the PdV Project and other potential wind generation projects in the Tehachapi Wind Resource Area, it is reasonably foreseeable that multiple wind generation projects will need to interconnect to the Antelope Substation to allow power to be delivered to load. Furthermore, as discussed in Section A.2.1 of the FEIR/EIS, the ISO interconnection queue indicates that a total of 2,122 MWs of wind energy generation facilities are currently in the planning stages for the Tehachapi and Mojave areas of Kern

County.[15] Accordingly, the Antelope-Pardee Transmission Project is needed to meet the demands of electricity customers south of Antelope Substation by increasing the capacity of the SCE system to a level that would accommodate proposed or planned wind energy projects, and there is no feasible alternative to the Antelope-Pardee Transmission Project that can meet this need.

We accordingly conclude that, even with an increasing emphasis on energy efficiency and demand response, investments in transmission projects such as the proposed Antelope-Pardee Transmission Project will be needed both to enable California to meet RPS goals as well as to assure the continuing reliability and safety of the transmission grid in Southern California as renewable power generation and SCE customer demands increase. We further conclude that there is no alternative to the proposed Antelope-Pardee Transmission Project that can meet these needs better than the proposed Antelope-Pardee Project.[16]

B. The No Project Alternative

Under the No Project alternative considered in the Final EIR/EIS, the proposed Antelope-Pardee Transmission Project would not be built, and the existing transmission grid and power generating facilities would continue to operate. To serve the expected continued growth in electricity consumption and peak demand within California, additional electricity would need to be

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[15] More recent information publicly available from the ISO indicates that there are more than 4,350 MW of planned generating facilities, primarily wind energy facilities, in the Tehachapi/Mohave area that are in the interconnection queue. These facilities are awaiting study of the transmission system upgrades that will be necessary in order to allow these generating facilities to interconnect to the grid and serve load.

[16] The route alternatives to SCE's proposed project are discussed in detail in Section V below.

generated within California or imported into California by existing transmission facilities. In the No Project alternative, there could be supply-side actions, including accelerated development of conventional, renewable, and distributed generation, or other major transmission projects. Additional energy conservation or load management could also be pursued.

Under the No Project alternative, none of the associated project activities would occur and the environmental impacts associated with the proposed project, as described in Section C of the Final EIR/EIS would not occur, and the Antelope-Pardee Transmission Project's objectives, purpose, and need would remain unfulfilled.[17] For example, the 350 MWs of initial transmission capability when energized to 220 kV would not be added between the Antelope and Pardee Substations, and the improved system reliability and operating flexibility associated with the proposed project would not occur.

As discussed in Section A.3.1 of the Final EIR/EIS, in the absence of the proposed project, SCE would still be required to interconnect and integrate power generation facilities into its electric system, as required under §§ 210 and 212 of the Federal Power Act (16 U.S.C. §§ 824 [i] and [k]) and §§ 3.2 and 5.7 of the ISO's Tariff. Several wind generation projects either have applications pending before Kern County or are in the planning stage and expected to submit applications in the near future. Due to their locations, these upcoming wind

[17] SCE's objectives for the proposed project are set forth in detail in Section A.3.1 of the Final EIR/EIS. In brief summary, SCE's purpose and need for the proposed project are to prevent overloading of the existing Antelope-Mesa transmission line by adding capacity between Antelope Substation and Pardee Substation and to increase the reliability of SCE's transmission grid by providing a new pathway to deliver power to load south of the Antelope Substation from generating facilities north of that substation.

generation projects will need to interconnect to the SCE transmission system via Antelope Substation or some other new substation located in the vicinity to allow power to be delivered to load in the Los Angeles area. However, these wind generation projects cannot be interconnected to the SCE transmission system without an increase in transmission capacity south of Antelope Substation. Transmission of wind power from the Tehachapi and Antelope Valley areas is currently constrained by the existing Antelope-Mesa 220 kV transmission line, which would be overloaded by the addition of new wind generation. Therefore, without upgrades to the existing system, as new wind generation facilities are added to meet RPS Program requirements and Southern California's growing power needs, SCE's system would experience system-wide power flow and reliability problems due to overloading of the existing system, such as curtailed generation, thermal overload, and blackouts.

Under the No Project alternative, although connection to the transmission systems of other power utilities (such as PG&E or Los Angeles Department of Water and Power (LADWP)) is possible, this would not meet SCE's objectives for the Antelope-Pardee Transmission Project and would not satisfy the requirements of D.04-06-010.

Under the No Project alternative, the following scenarios related to the electric power system in Southern California can reasonably be expected to occur in the foreseeable future:

- Initial wind projects in the Antelope Valley and Tehachapi areas would be postponed or cancelled, as additional transmission capacity would not be available, or these proposed wind projects would have to find alternate means to connect to SCE's transmission system without compromising system reliability;
- The requirement of the RPS, which requires retail sellers of electricity such as SCE and PG&E to increase their sale of electricity produced by

renewable energy sources to 20 percent by 2010 may not be achieved as access to renewable energy from the Antelope Valley-Tehachapi region would either not be provided or would be delayed;

- Other renewable energy resources would need to be identified and transmission studies conducted to connect these newly identified sources to the transmission grid, which would likely further limit achievement of the RPS goal by the 2010 deadline;
- The conceptual plan recommended by the Tehachapi Collaborative Study Group (TCSG)[18] would not be fully implemented. This plan is intended to collect power from Tehachapi area wind projects, interconnect facilities into the State's backbone grid, and upgrade the network to reliably deliver that power to load centers. The conceptual plan, which would allow for the transmission of over 4,000 MWs of wind power, would not be fully achieved because the initial capacity that would have been provided by the proposed Antelope-Pardee Transmission Project would not be achieved; and
- Transmission providers such as SCE, PG&E, or LADWP would need to accommodate the power load by upgrading existing transmission infrastructure or building new transmission facilities along a different alignment or developers of wind generation facilities would build their own transmission facilities to connect to the transmission grid.

Finally, the Final EIR/EIS does not find that the No Project alternative would be environmentally preferable to the Environmentally Superior configuration of the proposed project. As we discuss above, because of the need both to enable California to meet the RPS as well as to assure the continuing reliability and safety of the transmission grid in Southern California as renewable power generation increases and SCE customer demands increase, the No Project scenario is not a desirable alternative to the proposed Project.

[18] The first TCSG Report was filed in I.00-11-001 on March 16, 2005 and a second TCSG Report was filed in the successor to I.00-11-001, I.05-09-005, on April 19, 2006.

V. Antelope-Pardee Transmission Project and Route Alternatives

As the Final EIR/EIS notes, an important aspect of the environmental review process is the identification and assessment of a reasonable range of alternatives. The State CEQA Guidelines, at § 15126.6(d), require the selection of a reasonable range of alternatives to the proposed Project, including a No Project alternative. At the same time, CEQA does not require an EIR to consider every conceivable alternative to a project. See, CEQA Guidelines § 15126.6(a).

In its application and PEA, SCE identified several alternative routes for portions of the Antelope-Pardee Transmission Project. During the EIR/EIS scoping process, the Commission and USFS environmental teams identified additional alternatives to the proposed project, including minor routing adjustments, entirely different transmission line routes, alternative energy technologies, and non-wires alternatives. The 15 suggested alternatives were then screened according to CEQA and NEPA guidelines to determine which alternatives to carry forward for analysis in the EIR/EIS. (The methodology used for screening these alternatives is described in detail at pages B-51 to B-53 of the Final EIR/EIS.) The environmental team rejected 10 alternatives that did not meet CEQA and NEPA criteria for analysis. (A detailed discussion of the results of this screening analysis and of the alternatives that were eliminated from further review is set forth at pages B-53 to B-66 of the Final EIR/EIS.) The Final EIR/EIS provides a detailed analysis of five alternatives to portions of the proposed Antelope-to-Pardee route of the proposed project.

Based on comparison of the environmental impacts of the proposed project and alternatives, the Final EIR/EIS identifies the environmentally superior alternatives as follows:

- The middle portion of the Antelope-Pardee [Transmission] Project would be built on the east mid-slope of Del Sur Ridge and closer to Bouquet Canyon (Alternative 2); and

- The proposed project would be re-routed between miles 17.5 and 20.3 around the Veluzat Motion Picture Ranch and the proposed meadow park development neat Santa Clarita (Alternative 4).

In the following subsections, we first address the various alternatives that were studied in detail in the Draft and Final EIR/EIS. We then describe several additional alternatives that were proposed by parties who commented on the Draft EIR/EIS.

A. Antelope-Pardee Transmission Project Proposed Route and Alternatives Reviewed in Final EIR/EIS

1. Description of Proposed Route

As proposed in SCE's application, the proposed Antelope-Pardee Transmission Project would involve the construction of a new 25.6-mile 500 kV transmission line between SCE's existing Antelope and Pardee Substations, partially traversing the Angeles National Forest (ANF). The Antelope Substation is located in the City of Lancaster and the Pardee Substation is located in the City of Santa Clarita, both of which are situated in northern Los Angeles County. The proposed project would consist of the following major components:

- Construction of a single-circuit 500 kV transmission line along an existing SCE 66-kV transmission line right-of-way (ROW) for 22.8 miles, where the existing ROW would be widened from 50 to 180 feet northeast of the ANF and from 100 feet to 160 feet within the ANF (12.6 miles on ANF lands);
- Establishment of a new 500-kV ROW for 2.8 miles southwest of ANF (entirely on non-ANF lands);

- Removal of existing 66-kV and 500-kV facilities (i.e., towers, conductors, and associated hardware) and relocation of 66-kV and 12-kV facilities;
- Installation of new double-circuit 500-kV towers in existing ROW for 5.3 miles northeast of the Pardee Substation and removal of existing single-circuit 500-kV towers;
- Modification and expansion of the Antelope Substation to increase its rating from 220 kV to 500 kV and installation of four additional 220-kV line positions to the south;
- Installation of two new 220-kV circuit breakers, four new 220-kV disconnect switches, and new protective relaying at the Pardee Substation; and
- Installation of associated telecommunication infrastructure.

The proposed project, related to USFS jurisdiction, would be to approve SCE's Special Use Application by issuing a 50-year term Special Use Easement to SCE authorizing the construction, maintenance, and use of approximately 12.6 miles of improvements (500 kV transmission line along with ancillary improvements) within a 160-foot-wide easement, on ANF lands. The proposed Project would also include issuing one or more temporary Special Use Permits for any ground disturbing activities on ANF lands that would occur during construction activities and would be located outside the proposed 160-foot ROW width. In addition, the proposed Project would require several amendments to the ANF Land Management Plan, including a modification to the Scenic Integrity Objectives along the proposed utility corridor.

The proposed Project would include the removal of a total of 17.5 miles of existing 66 kV transmission line (12.6 miles traversing ANF lands), including a total of 119 existing 66 kV towers (86 towers are located on ANF lands) between Mile 1.1 and Mile 18.6, and construction of a new 25.6-mile 500 kV transmission

line (12.6 miles on ANF lands) from the Antelope Substation in the City of Lancaster to the Pardee Substation in the City of Santa Clarita.

The proposed Project would also involve the modification of the existing Antelope and Pardee Substations, and the expansion of the Antelope Substation to permit its future upgrade to a 500kV substation. Along the proposed 500 kV transmission line route, the Project would add approximately 117 new transmission tower structures. For the first 0.1 miles (starting at the Antelope Substation), three double-circuit 220 kV tubular steel poles would be constructed. From Mile 0.1 to Mile 20.3, approximately 93 new single-circuit 500 kV lattice steel towers would be constructed (58 towers would be located on NFS lands). From Mile 20.3 to Mile 25.6, 21 new double-circuit 500 kV towers would be constructed, and existing single-circuit 500 kV towers would be removed.

A detailed discussion of the proposed facilities and modifications associated with the proposed project can be found at pages B-3 to B-23 of the Final EIR/EIS. Also see, Figures B.2-2a to B.2-2e in the Final EIR/EIS for a detailed graphic representation of the proposed route. Furthermore, a detailed description of project construction activities is set forth at pages B-23 to B-50 of the Final EIR/EIS.

2. Alternative 1: Partial Undergrounding of Proposed Antelope-Pardee Line

For Alternative 1, the proposed 500 kV transmission line would be constructed underground in two specific high-impact segments: along Del Sur Ridge in the ANF, and within the City of Santa Clarita. Underground construction was considered in the ANF to reduce visual impacts, conflicts with Forest Management activities (e.g., wildland fire suppression), and the potential for avian collision associated with overhead lines and related infrastructure. In

the City of Santa Clarita, underground construction was considered in response to the City's request to minimize visual impacts.

This alternative would generally follow the same route (and use similar proposed improvements and remove the existing 66 kV line) as the proposed Project, with the exception of the underground segment in Santa Clarita, which would occur within city streets. Underground construction along the Del Sur Ridge would begin just south of Mile 11.0 and continue until just south of Mile 15.0. (See, Figure B.4-1a in the Final EIR/EIS.) A transition station, approximately 80 feet high and with a footprint of approximately 2 to 3 acres, would be required at each end of the underground segment to transfer the 500 kV transmission lines from overhead to underground and vice versa. In Santa Clarita, underground construction would begin at Mile 22.7 and continue until Mile 25.6 (Pardee Substation). (See, Figure B.4-1b in the Final EIR/EIS.) Upon leaving the ANF, the transmission line would continue to follow the proposed Project route; however, at Mile 20.3, where the proposed Project enters the existing Pardee-Vincent ROW, new single-circuit 500kV towers would be placed in the vacant position of this existing ROW, rather than replacing the existing single-circuit 500 kV towers with double-circuit towers to keep the vacant position open. At Mile 22.7, the overhead transmission line would exit the existing Pardee-Vincent ROW and tie into a new transition station, which would be located west of the corridor on the east side of San Francisquito Canyon Road, near Copper Hill Drive. The transmission line would exit the transition station underground and travel south in a new ROW along San Francisquito Canyon Road for 0.3 miles, head west on Copper Hill Drive for 3.0 miles, where San Francisquito Creek would be crossed by installing casings directly on to an existing bridge (or an independent support structure, if it is

determined that the existing bridge would be structurally unsound with the additional infrastructure attached), then turn west on Newhall Ranch Road for 0.2 miles before connecting to the Pardee Substation (Mile 26.2). For the underground connection to Pardee Substation, the transition station would take the place of the substation "dead-end" structure required for overhead line terminations.

The technology that would be used for the underground portions of this alternative would consist of Solid Dielectric Cables (XLPE) installed in concrete-encased ductbanks. To date, only one 500 kV XLPE cable system of significant length (several consecutive miles) has been installed in the world. Therefore, this technology has little operating history that can serve as a basis for demonstrating reliability at 500 kV. However, XLPE cable has been successfully installed and operated for long lengths at lower voltages and has been shown to be technically feasible for a 500 kV installation since the fundamental technology is the same.

For Alternative 1, as for the proposed project, the USFS would issue a 50-year term Special Use Easement authorizing the construction, use, and maintenance of the long-term transmission line and infrastructure, 12.6 miles long, within a 160-foot-wide ROW, on ANF lands. Any ground-disturbing activities during construction on ANF lands and outside the proposed 160-foot-wide ROW easement would be authorized by one or more temporary Special Use Permits. Additional resource studies would be necessary to authorize the temporary Special Use Permit for work outside the proposed 160-foot-wide ROW (e.g., secondary marshalling yards, pulling and splicing set up sites, helicopter staging areas).

In addition, this alternative would require several amendments to the ANF Land Management Plan, including changing the Scenic Integrity Objectives along the proposed utility corridor (see, Table A.5-3 in the Final EIR/EIS); relocating approximately 1.9 miles of the 1,000-foot wide Saugus-Del Sur utility corridor to follow the Alternative 1 underground portion of the route on ANF lands (the underground cables would be placed at the centerline of the relocated utility corridor); and modifying the Forest Standard relating to the Pacific Crest Trail (S1) as regards this Project.

A detailed discussion of the facilities needed to construct the project under Alternative 1 is set forth at pages B-67 to B-85 of the Final EIR/EIS.

3. Alternative 2: Antelope-Pardee East Mid-Slope

This alternative would follow the same route (and use similar proposed improvements and remove the existing 66 kV line) as the proposed project, except the proposed line would relocate most of the towers off the top of Del Sur Ridge in the ANF, roughly from proposed Project Mile 5.7 to Mile 17.5 (Alternative 2, Mile 18.6). (See, Figure B.4-9 in the Final EIR/EIS.) To reduce the visibility of the towers to distant viewers, as well as to reduce conflicts with forest management activities (e.g., wildland fire suppression), and the potential for avian collision and electrocution, the new alignment would place the towers on the eastern face of Del Sur Ridge, facing Bouquet Canyon, mid-slope between the ridge top and the canyon bottom. As such, the new towers would fall outside of the boundaries of the existing 1,000-foot-wide Saugus-Del Sur utility corridor (approximately 12.4 miles would be re-routed outside of the existing 1,000-foot utility corridor through a Forest Plan amendment).

The total length of Alternative 2 would be approximately 26.7 miles. This alternative would traverse ANF lands for 13.2 miles (14.0 miles through the ANF, where approximately 0.8 miles cross private land near Bouquet Reservoir), which is an additional 0.6 miles in comparison with the proposed project. On ANF lands, 12.2 miles of this alternative route would deviate from the existing 66 kV line (considered new ROW).

As with the proposed project, for Alternative 2, the USFS would issue a 50-year-term Special Use Easement authorizing the construction, use, and maintenance of the long-term transmission line and infrastructure, 13.2 miles long, within a 160-foot-wide ROW, on ANF lands. Any ground disturbing activities during construction on ANF lands and outside the proposed 160-foot-wide ROW easement would be authorized by one or more temporary Special Use Permits. Additional resource studies would be necessary to authorize the temporary Special Use Permit for work outside the proposed 160-foot-wide ROW (e.g., secondary marshalling yards, pulling and splicing set up sites, helicopter staging areas). In addition, this alternative would require several amendments to the ANF Land Management Plan, including changing the Scenic Integrity Objectives along the proposed utility corridor (see, Table A.5-3 in the Final EIR/EIS); relocating approximately 12.4 miles of the 1,000-foot-wide Saugus-Del Sur utility corridor to follow the Alternative 2 route on ANF lands (the towers would be placed at the upslope boundary of the relocated utility corridor); and modifying the Forest Standard relating to the Pacific Crest Trail (S1) as regards this Project.

A detailed discussion of the facilities needed to construct the project under Alternative 2 is set forth at pages B-86 to B-92 of the Final EIR/EIS.

4. Alternative 3: Single-Circuit Towers Between Haskell Canyon and the Pardee Substation

Alternative 3 is a minor variation of the proposed Project; between Mile 0.0 and Mile 20.3. From Mile 20.3 to Mile 25.6 (entirely on non-USFS lands), between Haskell Canyon and Pardee Substation, Alternative 3 includes the construction of 21 single-circuit 500 kV transmission towers, rather than removing the existing single-circuit 500 kV towers and replacing them with double-circuit 500 kV towers. The single-circuit towers would be built in the vacant position of the Pardee-Vincent 500-kV ROW, which is situated near the north edge of the ROW between Mile 20.3 and 22.3 (see, Figure B.4-10 in the Final EIR/EIS), and near the center of the ROW between Mile 22.3 and 25.6 (see, Figure B.4-11 in the Final EIR/EIS). Similar to the proposed project, the transmission line for Alternative 3 would traverse ANF lands for 12.6 miles, between Mile 5.7 and Mile 18.6 (this does not include the 0.3 miles of private in-holdings crossed at Bouquet Reservoir). This alternative would also include the removal of approximately 119 existing 66 kV towers (cut flush with the surface) from the Saugus-Del Sur utility corridor.

For Alternative 3, as with the proposed project, the USFS would issue a 50-year-term Special Use Easement authorizing the construction, use, and maintenance of the long-term transmission line and infrastructure, 12.6 miles long, within a 160-foot-wide ROW, on ANF lands. Any ground disturbing activities during construction on ANF lands and outside the proposed 160-foot-wide ROW easement would be authorized by one or more temporary Special Use Permits. Additional resource studies would be necessary to authorize the temporary Special Use Permit for work outside the proposed 160-foot-wide

ROW (e.g., secondary marshalling yards, pulling and splicing set up sites, helicopter staging areas).

In addition, this alternative would require several amendments to the ANF Land Management Plan, including changing the Scenic Integrity Objectives along the proposed utility corridor (see Table A.5-3 in the Final EIR/EIS); and modifying the Forest Standard relating to the Pacific Crest Trail (S1) as regards this Project.

A detailed discussion of the facilities needed to construct the proposed Project under Alternative 3 is set forth at pages B-93 to B-96 of the Final EIR/EIS.

5. Alternative 4: Re-Routing of New Right-of-Way Along Haskell Canyon

During the public scoping meeting held on July 14, 2005, it was requested that SCE find a new route for the proposed project that would avoid traversing through the Veluzat Motion Picture Ranch (Veluzat Ranch or ranch) and planned development in the Santa Clarita area. Specifically, the owners of Veluzat Ranch, which use the ranch for shooting television shows and motion pictures, expressed concerns regarding the proposed Project's effects on the ranch's operations. The development of Alternative 4 took into consideration the need to avoid possible conflicts with ranch operations, which could include interference of the transmission line with aerial filming and/or ground filming, as well as the possibility of disrupting filming due to maintenance activities, which would result in traffic and noise impacts to the ranch. Other concerns voiced by the owners of the Veluzat Ranch are that the transmission line may generate EMF and electronic interference that would disturb the electronic equipment used during filming.

Therefore, Alternative 4 circumvents Veluzat Ranch in order to address the concerns discussed above, thereby avoiding detrimental impacts to the economic viability of the ranch as a result of compromised operations. As shown in Figure B.4-12 in the Final EIR/EIS, Alternative 4 follows the same route as the proposed Project except for a 3.1-mile segment between Mile 17.5 and Mile 20.3 of the proposed Project. At Mile 17.5, north of Haskell Canyon Road, the transmission line for Alternative 4 would divert from the proposed project route and proceed in a southerly direction as the proposed project route shifts to the west-southwest. Traveling in a new ROW on ANF lands within the ANF, the transmission line would continue southwest for about 0.5 miles, then south for another 0.8 miles, crossing approximately 0.3 miles of private land in-holdings (non-ANF), before leaving the ANF. Once leaving the ANF, the transmission line would continue south another 0.7 miles before turning east for roughly 0.3 miles along the base of a hill. Just north of the City of Santa Clarita, the transmission line would make an abrupt turn to the south-southwest (about 90 degrees) and continue for about 0.2 miles before entering the existing Pardee-Vincent 500-kV ROW, where it would head west for approximately 0.6 miles and rejoin the proposed project route at approximately Mile 20.6 (proposed Project Mile 20.3).

Alternative 4 would require 2.5 miles of new ROW (in addition to the 1.1 miles of new ROW at the Antelope Substation), of which one mile is on lands in the ANF. The transmission line would terminate at the Pardee Substation. The total length of this alternative would be 25.9 miles.

For Alternative 4, as with the proposed Project, the USFS would issue a 50 year-term Special Use Easement authorizing the construction, use, and

maintenance of the long-term transmission line infrastructure, 12.5 miles long, within a 160-foot-wide ROW, on ANF lands. Any ground disturbing activities during construction on ANF lands and outside the proposed 160-foot-wide ROW, would be authorized by one or more temporary Special Use Permits. Additional resource studies would be necessary to authorize the temporary Special Use Permit for work outside the proposed 160-foot-wide ROW (e.g., secondary marshalling yards, pulling and splicing set up sites, helicopter staging areas).

In addition, this alternative would require several amendments to the ANF Land Management Plan, including changing the Scenic Integrity Objectives along the proposed utility corridor (see Table A.5-3 in the Final EIR/EIS); relocating approximately one mile of the 1,000-foot-wide Saugus-Del Sur utility corridor to follow the Alternative 4 route on ANF lands (the towers would be placed centerline of the relocated utility corridor); as well as modifying the Forest Standard relating to the Pacific Crest Trail (S1) as regards this project.

A detailed discussion of the facilities needed to construct the proposed project under Alternative 4 is set forth at pages B-98 to B-103 of the Final EIR/EIS.

6. Alternative 5: Sierra Pelona Re-Route

Alternative 5 was initially developed to completely circumvent ANF lands between Antelope Substation and Pardee Substation. This alternative was developed to respond to USFS and Forest Plan direction of denying a special use application if a reasonable alternative can be developed off Forest Service lands. A goal in selecting an alignment for Alternative 5 was to substantially avoid the

Forest, as well as minimize disruptions to existing land uses by routing the corridor across open land to the extent feasible.

Four major development projects (Ritter Ranch, City Ranch, Joshua Ranch, and Palmdale 1000), which are currently planned or are under construction, severely limit the ability to establish a new overhead line between the Antelope and Pardee Substations. Because of this goal, approximately 0.5 miles of line was routed onto lands in the ANF to avoid affecting residential homes in Leona Valley. Two additional ANF land properties located outside the USFS congressional boundary would also be crossed (1.0 miles) in Soledad Canyon (Mile 17.1 to Mile 17.4 and Mile 17.7 to Mile 18.4).

As shown in Figure B.4-13 in the Final EIR/EIS, this alternative would provide for a completely overhead 500-kV transmission line, routed south from Antelope Substation to the Pardee Substation via the existing Pardee-Vincent corridor. The overhead 500 kV transmission line would head south from the Antelope Substation for approximately 3.4 miles, over the California Aqueduct and the Portal Ridge mountain range. The transmission line would then veer southwest for 1.6 miles, and then south again for 0.6 miles. At this point, Alternative 5 would enter the ANF and continue south for approximately 0.5 miles, exiting the ANF. The route would continue southeast for approximately 2.3 miles, and then head in a southerly direction for the next 8.2 miles, traversing the western-most portion of the Ritter Ranch Specific Plan area, the Agua Dulce area, and crossing the Sierra Highway. At approximately Mile 16.6, the transmission line would head southeast for 1.4 miles, and then travel south for another 0.8 miles. This portion of the alignment would cross the Antelope Valley Freeway as well as two properties owned and managed by the

Forest (1.0 mile on ANF lands – Mile 17.1 to 17.4 and Mile 17.7 to18.4). At this point (Alternative 5, Mile 18.8), south of the Antelope Valley Freeway, the transmission line would enter the existing Pardee-Vincent corridor and head west for 13.1 miles, replacing the existing northernmost single-circuit 500 kV towers within the corridor with new double-circuit 500 kV towers. The transmission line would join the proposed project route at Alternative 5, Mile 31.9 (proposed Project Mile 20.3). The new double-circuit 500 kV towers would continue to replace the existing Pardee-Vincent single-circuit 500 kV towers between Mile 31.9 and Mile 33.9 (same as proposed Project Mile 20.3 to Mile 22.3 as shown in Figure B.2-11 in the Final EIR/EIS). Between Mile 33.9 and Mile 37.2, the new double-circuit 500-kV towers would be placed in the vacant position within the existing Pardee-Vincent corridor and the existing single-circuit 500-kV towers would be removed (same as proposed Project Mile 22.3 to Mile 25.6 as shown in Figure B.2-12 in the Final EIR/EIS). A total of approximately 73 single-circuit 500-kV towers would be removed from the Pardee-Vincent corridor.

The total length of Alternative 5 is approximately 37.2 miles, of which 18.8 miles would be in new ROW, where 1.5 miles would traverse ANF lands. This alternative is 11.6 miles (45 percent) longer than the proposed project. Improvements or expansion of Antelope and Pardee Substations would be required to connect the transmission line to these substations. These improvements would be similar to the proposed project.

For Alternative 5, the USFS would authorize the construction, use, and maintenance of long-term transmission line infrastructure totaling 1.5 miles long (includes the crossing of the ANF lands in the Soledad Canyon area), with a

160-foot-wide ROW, on ANF lands through a 50-year-term Special Use easement. Any ground disturbing activities during construction on ANF lands and outside the proposed 160-foot-wide ROW would be authorized by one or more temporary Special Use Permits. Additional resource studies would be necessary to authorize the temporary Special Use Permit for work outside the proposed 160-foot-wide ROW (e.g., secondary marshalling yards, pulling and splicing set up sites, helicopter staging areas).

In addition, this alternative would require several amendments to the 2005 ANF Land Management Plan, including changing the Scenic Integrity Objectives along the proposed utility corridor (see Table A.5-3 in the Final EIR/EIS); and designating a 1,000-foot-wide utility corridor to follow the new Alternative 5 route on 1.5 miles of ANF lands (the towers would be placed on the edge of the relocated utility corridor). The existing Saugus-Del Sur utility corridor would be removed (12.9 miles) as a designated utility corridor in the Forest Plan.

A detailed discussion of the facilities needed to construct the proposed Project under Alternative 5 is set forth at pages B-104 to B-111 of the Final EIR/EIS.

B. Alternatives Presented in Response to the Draft EIR/EIS

In response to the Draft EIR/EIS, three of the parties commenting on that document proposed new alternatives. However, none of these proposed alternatives required further study, either because they were not considerably different from the other alternatives analyzed in the Draft EIR/EIS or because the proposed alternative would not lessen the overall significant environmental

impacts of the proposed project, but, rather, would be likely to increase such environmental impacts.[19] The Final EIR/EIS specifically explained, in responses to comments, why further study of these proposed alternatives was not required. Detailed findings on these proposed alternatives are set forth in Attachment B, CEQA Findings of Fact.

1. City of Santa Clarita's Proposed Establishment of a New Transmission Line Right-of-Way and New Access

The City of Santa Clarita (City) proposed an alternative that would require the establishment of approximately 8.5 miles of new ROW within the Santa Clarita area for a 500 kV transmission line (with a minimum width of 180 feet) through undeveloped lands (assuming the alternative turns east to rejoin the proposed Project route at approximately Mile 18.6). The establishment of 8.5 miles of new ROW on undeveloped lands, as suggested by the City's proposed alternative, would increase visual impacts, as the natural-appearing landscape would be dominated by industrial structures.

Furthermore, the City's proposed alternative would result in a longer alignment (approximately 27.1 miles) than the proposed project (25.6 miles), Alternative 2 (26.7 miles), Alternative 3 (25.6 miles) and Alternative 4 (25.9 miles). A longer alignment along new ROW where access has not been previously established would result in increased air quality impacts compared to these alternatives due to the longer length of the alignment and the establishment of additional access roads.

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[19] See, CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, § 15088.5.

Within the Santa Clarita area, the proposed project and Alternatives 2 through 4 would be placed within the existing Pardee-Vincent transmission corridor. The existing single-circuit towers would be replaced by double-circuit towers within this existing corridor. The long-term effect of the project within the City of Santa Clarita would be the visual difference in tower heights between single-circuit 500 kV towers, which range in height from 113 to 178 feet, and double-circuit 500-kV towers, which range in height from 175 to 220 feet.

However, with City's proposed alternative, new visual and biological impacts would result from placing the transmission towers along approximately 4.9 miles of relatively undisturbed natural habitat where no existing transmission line exist. Thus, the City's suggested alternative would have greater impacts to the natural environment than the proposed project because it would create new ROW, traverse more open land, and affect more areas of relatively undisturbed natural habitat.

The City's proposed alternative would avoid impacts to the Veluzat Motion Picture Ranch and the proposed Meadow Peak Project. However, these impacts have already been addressed by Alternative 4. Furthermore, the City's suggested route alternative would impact future development planned in the area around the new route, as well as existing development, including:

- Traversing the edges of the Tesoro del Valle Development Project;
- Bisecting the proposed Tapia Ranch 405-home residential development project site;
- Traversing the Castaic Creek Trail, which is a designated State trail in unincorporated Los Angeles County;
- Traversing both known (the Hondo Rancho and Wayside Canyon oil and gas fields) and potential oil and natural gas

extraction areas, as well as various producing, idle, and abandoned oil and natural gas wells just north of the City limits;

- Traversing the Castaic Conduit, a pipeline owned by the Castaic Lake Water Agency that is used to deliver water to purveyors; and
- Traversing the Los Angeles County property that is part of the Pitchess Detention Center.

Additionally, whereas the proposed project and all alternatives (except Alternative 1) presented in the Final EIR/EIS result in less-than-significant impacts to the Bouquet Canyon Stone Quarry, these impacts would not be avoided by the City's proposed alternative.

Although the City's suggested route alternative may reduce or avoid some of the project's and alternatives' impacts on the human environment such as construction noise and visual impacts (taller towers would be the only visual difference from existing conditions), the new route would create a number of new impacts, such that it would, overall, have greater adverse effects on the natural environment than the proposed project.

Specifically, the new alternative suggested by the City of Santa Clarita would result in greater adverse effects on the natural environment than the proposed Project, primarily because it would traverse a substantially greater amount of undisturbed natural habitat area, as well as natural streams and drainages. It would also have a greater impact on visual resources by introducing transmission infrastructure into natural areas where such infrastructure does not currently exist. From an environmental perspective, the permanent visual and biological impacts to the natural environment resulting from the City's proposed alternative are considered more significant than the

temporary impacts from construction on the human environment or the long-term visual difference in tower heights which would result from the proposed project or Alternatives 2 through 4. Because this alternative would not result in overall environmental benefits over the proposed project or the alternatives analyzed in the EIR/EIS, is not significantly distinguishable from the alternatives considered, and results in substantially similar consequences, further analysis of this alternative is not required. Neither NEPA nor CEQA requires a separate analysis of alternatives which are not significantly distinguishable from alternatives actually considered or which have substantially similar consequences.

A more detailed discussion of the new, potentially significant impacts associated with the City of Santa Clarita's proposed alternative can be found at pages Ap.8A-30 to Ap.8A-34 of the Final EIR/EIS.

2. Pacific Crest Trail Association Alternative

The Pacific Crest Trail Association (PCTA) suggested an alternative under which the proposed transmission line, leaving from the Antelope substation, would start on the same path as Alternative 5. Approximately 2 miles north of the Sierra highway, the line would intersect with an existing utility corridor that could be used to span the remaining distance to the Pardee substation. This alternative would avoid the possibility of a 500-kV transmission line paralleling the future route of the Pacific Coast Trail (PCT) under Alternative 5. More importantly, in the view of the PCTA, it would allow the PCT to cross the transmission line at a road crossing where urban impacts already exist.

The suggested alternative routing would avoid significant visual impacts to the PCT associated with Alternative 5. However, these same impacts are

already avoided by the proposed project and other alternatives (Alternatives 1 through 4). The proposed project and other alternatives (except Alternative 2) would cross the PCT in the ANF at the same location as the existing Antelope-Pole Switch 74 sub-transmission line. Alternative 2 would cross the PCT in the ANF a little further east of the existing Antelope-Pole Switch line. The proposed Project and Alternatives 1 through 4 would all avoid paralleling the PCT.

Furthermore, an existing utility corridor designated in the Forest Plan already traverses the ANF in the vicinity of the proposed project and Alternatives 1 through 4. Neither NEPA nor CEQA requires a separate analysis of alternatives which are not significantly distinguishable from alternatives actually considered or which have substantially similar consequences.

A discussion of the PCTA's proposed alternative can be found at pages Ap.8B-151 to Ap.8B-154 of the Final EIR/EIS.

3. Brunet Alternative

Carol and Lawrence Brunet, representing a number of West Lancaster homeowners and other concerned citizens, proposed a hybrid alternative that would cross Lancaster using Alternative 5, but then would tie back into the route proposed by SCE before reaching Leona Valley. This hybrid route would leave the Antelope substation heading due south along existing street corridors and utilizing existing street and utility ROWs until reaching the California Aqueduct. At this point, the transmission line would tie back into the route proposed by SCE before crossing Elizabeth Lake Road in Leona Valley. According to the Brunet group, this hybrid route would avoid and preserve the historic Cochems Ranch and prehistoric clusters located there. It would also avoid populated areas in West Lancaster, Leona Valley and Agua Dulce.

The Brunet alternative would require establishment of approximately 4.7 miles of completely new 180-foot ROW within the City of Lancaster, compared to the proposed project and Alternatives 1 through 4 which require the establishment of only 1.1 miles of new 180-foot ROW and approximately 3.2 miles of widened ROW (from 50 to 180 feet) for the same portion of the route. The suggested alternative routing would avoid a significant impact to a cultural resource site and reduce two significant visual impacts identified in the Draft EIR/EIS. However, mitigation measures have already been proposed in the Draft EIR/EIS to reduce these impacts, and these same impacts are also avoided by Alternative 5, which would not traverse the Cochems Ranch. Furthermore, due to the greater length of the route proposed by the Brunet group, certain impacts would be greater than those of the proposed project. For instance, there would be a greater amount of habitat disturbance, especially along the Portal Ridge. The suggested alignment across Portal Ridge would also place more towers in a sky-lined condition above the ridge top, thereby increasing its visibility from both sides of the ridge.

The Brunet group's proposed alternative route need not be further evaluated, because the impacts avoided by this alternative route have already been reduced to a less-than-significant level by Mitigation Measures proposed in the Draft EIR/EIS, and another alternative analyzed in the Draft EIR/EIS (i.e., Alternative 5) already addresses these impacts. Neither NEPA nor CEQA requires a separate analysis of alternatives which are not significantly distinguishable from alternatives actually considered or which have substantially similar consequences.

A discussion of the Brunet group's proposed alternative can be found at pages Ap.8B-30 to Ap.8B-33 of the Final EIR/EIS.

VI. EMF Issues

A. Background

The Commission first established EMF policies in D.93-11-013. In our recent review of EMF issues, the Commission stated in D.06-01-042 that, "at this time we are unable to determine whether there is a significant scientifically verifiable relationship between EMF exposure and negative health consequences." We affirmed in D.06-01-042 that the Commission's EMF policy is one of prudent avoidance, with application of low-cost/no-cost mitigation measures to reduce EMF exposure for new and upgraded utility transmission and substation projects. The Commission has adopted a benchmark of 4% of total project cost for low-cost EMF mitigation measures, with flexibility to allow expenditures above the 4% benchmark if justified by a project's unique circumstances. In D.06-01-042, the Commission stated that, as a guideline, low-cost EMF mitigation measures should reduce EMF levels by at least 15% at the utility right of way.

The Final EIR/EIS provides information regarding EMF associated with the proposed project. It does not consider magnetic fields[20] in the context of CEQA or NEPA and determination of environmental impact because there is no agreement among scientists that EMF creates a potential health risk, and there

[20] Because electric fields are shielded effectively by materials such as trees and walls, the emphasis in the Commission's consideration of EMF is on exposure to magnetic fields.

are no defined or adopted CEQA or NEPA standards for defining health risk from EMF.

B. EMF Management Plan for the Antelope-Pardee Transmission Project

Consistent with its obligations under G.O. 131-D, SCE included, with its application, an EMF Field Management Plan.[21] In this plan, SCE proposes to incorporate various no-cost mitigation measures to reduce field levels. It also identifies, but does not propose to adopt, certain low-cost mitigation measures. The proposed plan does not analyze potential impacts across each of the various alternative route alignments identified in the Draft EIR/EIS and carried forward in the FEIR.

As discussed elsewhere in this order, we authorize SCE to construct the Antelope-Pardee Transmission Project along an alignment that differs significantly from that originally proposed by the utility. With these modifications to the Antelope-Pardee Transmission Project, SCE should amend its EMF management plan as needed to apply its no-cost EMF management techniques to the approved project.

Consistent with D.06-01-042 and D.93-11-013, we also require that SCE undertake low-cost EMF mitigation. Where such design modifications are consistent with our low-cost policy, SCE should increase tower and conductor heights by 20 feet along any portions of the transmission corridor where there are residences within 50 feet of the side of the right of way closest to the new

[21] A.04-12-038, Appendix B.

500 kV transmission lines. SCE has established that this design modification would reduce magnetic fields by 15% at the edge of the right of way.

In its existing study, SCE rejects this option for unspecified environmental and engineering reasons. We do not believe that the potential conflict of this low-cost EMF mitigation measure with environmental mitigation efforts would be significant. Few of the areas where EMF mitigation will occur are completely flat, and the towers and conductors would be difficult to line up due to even small elevation changes between existing and new towers. With tower heights of 150 feet, a 20-foot height increase for towers and conductors is unlikely to be noticeable to most observers.

We require that SCE apply this low-cost EMF mitigation measure where there are existing residential properties and also where development of new residences is underway at the time that SCE undertakes final project design. Consistent with guidance in D.06-01-042, we do not require that SCE attempt to determine possible future uses of undeveloped land. If applicable, SCE would not be required to raise tower heights near any residential properties that will be acquired and converted from residential use in order to allow construction of the Antelope-Pardee Transmission Project.

The cost of the adopted EMF mitigation measure may be less than SCE estimated along its proposed route. In any event, it is likely that the cost will be much less than the Commission's 4% benchmark for low-cost EMF mitigation. As described in this order, SCE may seek an increase in the approved maximum cost of the Antelope-Pardee Transmission Project if the adopted low-cost EMF mitigation measure causes the cost cap to be exceeded.

VII. Environmental Impacts of the Antelope-Pardee Transmission Project and Route Alternatives

The Final EIR/EIS evaluated the environmental impacts of the proposed project and alternatives, classifying the impacts as Class I (significant and unavoidable or unmitigable), Class II (significant but mitigable to less than significant), Class III (adverse but less than significant), and Class IV (beneficial). The Final EIR/EIS found that the proposed project would have significant unmitigable impacts on visual resources, forest management activities, land use and public recreation, socioeconomics, noise levels, and air quality.

The conclusions in the Final EIR/EIS regarding environmental impacts of the proposed project and its alternatives assume that the impact-reduction measures proposed by SCE in the PEA, called Applicant Proposed Measures or APMs, together with the additional mitigation measures recommended in the Final EIR/EIS, will be implemented. The applicable APMs and Final EIR/EIS mitigation measures for the proposed Project are included as part of this Decision in Attachment A. We adopt the mitigation measures included in Attachment A, including the Applicant Proposed Measures, as if fully set forth herein. Implementation of all of the applicable APMs and all mitigation measures recommended in the Final EIR/EIS is a condition of our approval of this project.

A summary comparison of the project as proposed by SCE and the alternatives that were studied in detail in the Final EIR/EIS can be found at pages ES19 to ES-27 of the Final EIR/EIS. A detailed issue area by issue area comparison, running over seven hundred pages in length, can be found in Section C of the Final EIR/EIS.

In describing potential environmental impacts of the proposed project below, we focus on the significant unmitigable (Class I) impacts, since we expect that the adopted mitigation measures will eliminate other potentially adverse environmental impacts of Antelope-Pardee Transmission Project or allow them to be reduced to less-than-significant levels. Accordingly, the description below does not include any detailed discussion of those issue areas for which all identified significant or potentially significant environmental impacts can be mitigated to a level of insignificance by implementation of the mitigation measures set forth in Attachment A. A more detailed discussion of all identified significant or potentially significant environmental impacts of the proposed project and the alternative routes studied in the Final EIR/EIS is set forth in the CEQA Findings of Fact included in Attachment B.

A. Impacts on Visual Resources

The proposed Project would remove a portion of an existing 66 kV transmission line that was constructed in the 1930s, and would replace it with a new 500-kV transmission line in the same right-of-way from Mile 1.1 to 18.6. A new ROW would be established from Antelope Substation to the existing 66-kV line (Mile 0.0 to approximately 1.1), and also in Haskell Canyon from Mile 18.6 to Mile 20.3. Beyond Mile 18.6, the existing 66-kV transmission line would remain in its current location. The proposed project would expand the existing transmission corridor by an additional 60 feet for a total corridor width of 160 feet. The height of the new lattice steel towers would range between 38 feet to 118 feet taller than the existing towers (178 feet), and the tower arms would be approximately 80 feet wider than the existing tower arms. The towers would be prominent visual features of the landscape.

The Final EIR/EIS reports that the proposed project could have numerous unmitigable significant impacts on visual resources. Of all the issue areas studied in the Final EIR/EIS, visual resources is the topic with, by far, the largest number of potentially significant unmitigable impacts. The Final EIR/EIS, at pages C.15-1 through C.15-217, provides a detailed discussion of the potential effects the proposed project and alternatives could have on visual resources as well as numerous photographic visual simulations.

An extensive set of mitigation measures has been proposed to address the potentially significant and significant visual impacts of the proposed project and its alternatives. These include measures V-1a through V-1e, V-3a through V-3c, V-4a through V-4c, V-12, V-15a through V-15c, V-16a through V-16c, V-17a through V-17d, B-1a, B-1b and R-4 (see, pages A-23 and A-26 to A-28 of Attachment A).

Because of the complexity of the visual impacts of the proposed project and its alternatives, the discussion below begins with a discussion of construction impacts, which apply to all alternatives, and is followed by a discussion of the visual impacts of the project and each of its alternatives in turn.

1. Construction Impacts on Visual Resources (All Alternatives)

Construction impacts on visual resources would result from the presence of equipment, materials, and work force at the substation sites, staging areas, and along the access roads and overhead transmission line route. Construction impacts on visual resources would also result from the temporary alteration of landforms and vegetation along the utility corridor. Vehicles, heavy equipment, helicopters, project components, and workers would be visible during site clearing, grading, substation expansion and construction, structure erection,

conductor stringing, cable placement, and site/ROW clean-up and restoration. Construction equipment and activities would be seen by various viewers in close proximity to the sites and utility corridor including adjacent and nearby residents, recreationists on trails and roads, motorists, and pedestrians.

Construction activities would be most visible for those elements of the proposed project through residential neighborhoods and adjacent to major travel corridors. However, project construction is a relatively short-duration (projected timeframe of 14 to 16 months) visual impact, as compared to the permanent structures that would be introduced into the landscape by the proposed project. However, short-term impacts on visual conditions during construction of the proposed project and all of its alternatives would be significant and unavoidable (Class I), even with proposed mitigation measures V-15a through V-15c (see, page A-28 of Attachment A), as there is no mitigation available to make vehicles, heavy equipment, helicopters, and other project components less visible.

Since project construction impacts are essentially similar for the proposed Project and all of the project alternatives, these impacts do not affect the choice of which alternative is environmentally preferable from the standpoint of visual resources.

2. Visual Impacts of the Proposed Project

Three of the 27 unmitigable potentially significant adverse visual impacts (Class I) discussed in the Final EIR/EIS apply equally to the proposed project and to Alternatives 1 through 4. These include: impacts to the physical, visual elements of the landscape, as seen from Lake Elizabeth Road both inside and outside the ANF (Impact V-3), impacts to the scenic integrity and character of the landscape that can be viewed from the PCT (Impact V-4), and impacts to the

scenic integrity and character of the landscape that can be seen from Bouquet Reservoir (Impact V-6).

In addition, there would be significant, unavoidable visual impacts (Class I) associated with the proposed Project (as well as with certain other alternatives) at the following locations: impacts to the scenic integrity and character of the landscape that can be seen from San Francisquito Canyon Road (Impact V-5); impacts to the scenic integrity and character of the landscape that can be seen from Bouquet Canyon Road (ImpactV-7); impacts to the scenic integrity and character of the landscape that can be seen from Vasquez Canyon Road (Impact V-8); impacts to the visual quality of landscape views as seen from the Veluzat Motion Picture Ranch (Impact V-9); impacts to the visual quality of landscape views as seen from the North High Ridge Drive (Impact V-10); impacts to the visual quality of landscape views as seen from the Mountain View Park (Impact V-11); impacts to the visual quality of landscape views as seen from the Rio Norte Junior High School (Impact V-12); impacts to the visual quality of landscape views as seen from the North Park Elementary School and Chesebrough Park (Impact V-13); and impacts to the visual quality of landscape views as seen from Copper Hill Road (Impact V-14).

Moreover, even with the implementation of mitigation measures V1a through V-1e, V-3a through V-3c, V-4a through V-4c, B-1a, B-1b and R-4 (see, pages A-2, A-3, A-23, and A-26 to A-28 of Attachment A), virtually all of these significant, unavoidable impacts would still remain.

3. Visual Impacts of Alternative 1

As noted above, unmitigable potentially significant adverse visual Impacts V-3, V-4 and V-6 (Class I) apply equally to the proposed project and to Alternatives 1 through 4.

In addition, there would be significant, unavoidable visual impacts (Class I) associated with Alternative 1 (as well as with certain other alternatives) at the following locations: impacts to the scenic integrity and character of the landscape that can be seen from San Francisquito Canyon Road (Impact V-5); impacts to the scenic integrity and character of the landscape that can be seen from Vasquez Canyon Road (Impact V-8); impacts to the visual quality of landscape views as seen from the Veluzat Motion Picture Ranch (Impact V-9); impacts to the visual quality of landscape views as seen from the North High Ridge Drive (Impact V-10); impacts to the visual quality of landscape views as seen from the Mountain View Park (Impact V-11); and impacts to the visual quality of landscape views as seen from the Rio Norte Junior High School (Impact V-12).

Moreover, even with the implementation of mitigation measures V1a through V-1e, V-3a through V-3c, V-4a through V-4c, B-1a, B-1b and R-4 (see, pages A-2, A-3, A-23, and A-26 to A-28 of Attachment A), virtually all of these significant, unavoidable impacts would still remain.

4. Visual Impacts of Alternative 2

As noted above, unmitigable potentially significant adverse visual Impacts V-3, V-4 and V-6 (Class I) apply equally to the proposed project and to Alternatives 1 through 4.

In addition, there would be significant, unavoidable visual impacts (Class I) associated with Alternative 2 (as well as with certain other alternatives) at the following locations: impacts to the scenic integrity and character of the landscape that can be seen from Bouquet Canyon Road (Impact V-7); impacts to the visual quality of landscape views as seen from the Veluzat Motion Picture Ranch (Impact V-9); impacts to the visual quality of landscape views as seen

from the North High Ridge Drive (Impact V-10); impacts to the visual quality of landscape views as seen from the Mountain View Park (Impact V-11); impacts to the visual quality of landscape views as seen from the Rio Norte Junior High School (Impact V-12); impacts to the visual quality of landscape views as seen from the North Park Elementary School and Chesebrough Park (Impact V-13); and impacts to the visual quality of landscape views as seen from Copper Hill Road (Impact V-14).

Moreover, even with the implementation of mitigation measures V1a through V-1e, V-3a through V-3c, V-4a through V-4c, B-1a, B-1b and R-4 (see, pages A-2, A-3, A-23, and A-26 to A-28 of Attachment A), virtually all of these significant, unavoidable impacts would still remain.

5. Visual Impacts of Alternative 3

As noted above, unmitigable potentially significant adverse visual Impacts V-3, V-4 and V-6 (Class I) apply equally to the proposed project and to Alternatives 1 through 4.

In addition, there would be significant, unavoidable visual impacts (Class I) associated with Alternative 3 (as well as with certain other alternatives) at the following locations: impacts to the scenic integrity and character of the landscape that can be seen from San Francisquito Canyon Road (Impact V-5); impacts to the scenic integrity and character of the landscape that can be seen from Bouquet Canyon Road (ImpactV-7), impacts to the scenic integrity and character of the landscape that can be seen from Vasquez Canyon Road (Impact V-8); and impacts to the visual quality of landscape views as seen from the Veluzat Motion Picture Ranch (Impact V-9).

Moreover, even with the implementation of mitigation measures V1a through V-1e, V-3a through V-3c, V-4a through V-4c, B-1a, B-1b and R-4 (see,

pages A-2, A-3, A-23, and A-26 to A-28 of Attachment A), virtually all of these significant, unavoidable impacts would still remain.

6. Visual Impacts of Alternative 4

As noted above, unmitigable potentially significant adverse visual Impacts V-3 through V-6 (Class I) apply equally to the proposed project and to Alternatives 1 through 4.

In addition, there would be significant, unavoidable visual impacts (Class I) associated with Alternative 4 (as well as with certain other alternatives) at the following locations: impacts to the scenic integrity and character of the landscape that can be seen from San Francisquito Canyon Road (Impact V-5); impacts to the scenic integrity and character of the landscape that can be seen from Bouquet Canyon Road (ImpactV-7), impacts to the scenic integrity and character of the landscape that can be seen from Vasquez Canyon Road (Impact V-8); impacts to the visual quality of landscape views as seen from the North Park Elementary School and Chesebrough Park (Impact V-13); impacts to the visual quality of landscape views as seen from Copper Hill Road (Impact V-14); and impacts to the visual quality of landscape views as seen from Copper Hill Road above Agajanian Drive (Impact V-18).

Moreover, even with the implementation of mitigation measures V1a through V-1e, V-3a through V-3c, V-4a through V-4c, B-1a, B-1b and R-4 (see, pages A-2, A-3, A-23, and A-26 to A-28 of Attachment A), virtually all of these significant, unavoidable impacts would still remain.

7. Visual Impacts of Alternative 5

Thirteen of the 27 unmitigable potentially significant adverse visual impacts (Class I) discussed in the Final EIR/EIS apply exclusively to Alternative 5. See, pages C.5-117 to C.5-134 of the Final EIR/EIS. The significant,

unavoidable visual impacts (Class I) associated exclusively with Alternative 5 would occur at the following locations: Avenue K (Impact V-19); Lake Elizabeth Road (Impact V-20); Leona Valley Road (Impact V-21); Lost Valley Ranch Road (Impact V-22); Upper Bouquet Canyon Road (Impact V-23); Sierra Highway at Anthony Road (Impact V-24); Vasquez Rocks County Park (Impact V-25); Escondido Canyon Road at Antelope Valley Freeway (Impact V-26); Pacific Crest National Scenic Trail (Impact V-27); Antelope Valley Freeway Eastbound (Impact V-28); Antelope Valley Freeway Westbound at Agua Dulce Interchange (Impact V-29); Lily of the Valley Mobile Home Village (Impact V-30); and Shadow Valley Lane (Impact V-31).

In addition, there would be significant, unavoidable visual impacts (Class I) associated with Alternative 5 (as well as with certain other alternatives) at the following locations: North High Ridge Drive (Impact V-10); Mountain View Park (Impact V-11); Rio Norte Junior High School (Impact V-12); North Park Elementary School and Chesebrough Park (Impact V-13); Copper Hill Road (Impact V-14); and impacts to the visual quality of landscape views as seen from Copper Hill Road above Agajanian Drive (Impact V-18).

Moreover, even with the implementation of mitigation measures V1a through V-1e, V-3a through V-3c, V-4a through V-4c, B-1a, B-1b and R-4 (see, pages A-23 and A-26 to A-28 of Attachment A), virtually all of these significant, unavoidable impacts would still remain.

8. Comparative Discussion

The Final EIR/EIS concludes that because it avoids most visual impacts on ANF lands, the alternative that is preferred from a visual resources perspective is Alternative 5. Alternative 5 would have the most beneficial effects on the visual environment of the ANF by removing the existing 66 kV transmission line

infrastructure and would create the least detrimental effects on ANF lands by crossing only three small, scattered tracts, totaling 1.5-miles in length. Moreover, Alternative 5 would cross the PCT in an environment where three large transmission lines already exist in an existing utility corridor, in a visually disturbed area, where viewer expectations for scenic integrity would be lower. This would lessen the overall visual impact to PCT users. Furthermore, Alternative 5 would avoid the Veluzat Motion Picture Ranch. However, Alternative 5 would create a large number of significant, unavoidable visual impacts to non-ANF lands along the route, including in the communities of Leona Valley and Agua Dulce.

The next best alternative from the standpoint of visual resources is Alternative 2, which would remove existing transmission line infrastructure from the top of Del Sur Ridge, thus improving the visual environment of ANF lands. However, Alternative 2 would still impact ANF lands from Mile 5.7 to 18.6.

Alternative 3 would have the generally same visual impacts as the proposed project in the Antelope Valley, ANF, and the Veluzat Motion Picture Ranch. It is preferred over the proposed project from a visual resource standpoint because it would avoid the taller, more visually obtrusive, lattice steel structures (double-circuit towers) in Santa Clarita, and instead would create an additional single-circuit transmission line with shorter towers in an existing utility corridor.

Alternative 4 would generally have the same visual impacts as the proposed project in the Antelope Valley, ANF, and Santa Clarita. It is preferred from a visual resource standpoint over the proposed project, because it avoids the Veluzat Motion Picture Ranch.

The proposed project would result in significant increases in visual contrasts, including increased structure prominence, increased skyline blockage, and increased scale dominance of industrial-character structures in the Antelope Valley, ANF, and Santa Clarita. The only alternative that has greater visual prominence and greater disturbance to the visual environment is Alternative 1, with its partial under-grounding on top of Del Sur Ridge and in Santa Clarita.

The underground section of Alternative 1 on ANF lands would create visually prominent, permanent landform and vegetation disturbances on Del Sur Ridge, and would result in visually unacceptable modifications to the National Forest landscape. Alternative 1 would have all the same visual impacts and disadvantages as the proposed project in the Antelope Valley, in the Veluzat Motion Picture Ranch, and in Santa Clarita.

B. Impacts on Forest Management

The Final EIR/EIS reports that the proposed project could have certain unmitigable significant impacts on forest management activities, in particular, on wildland fire suppression and fire prevention. The Final EIR/EIS, at pages C.7-1 through C.7 -34, provides a discussion of the potential effects the proposed project and alternatives could have on forest management activities. Impacts to these activities were key concerns brought up by the ANF and became a part of the ANF's objectives for the project. The Final EIR/EIS evaluates the proposed project's potential to cause wildland fires (thus impacting forest management activities), to increase safety risk to firefighters and adjacent communities, and to impact fire suppression and prevention activities with respect to both construction and operation activities of the project.

According to the ANF Fire Management Plan, the majority of the project area is within Fire Management Unit 2 – mid-elevation, non-wilderness where the fire regime associated with this vegetation type are:

- High intensity;
- Stand replacing in nature;
- Steep slopes and heavily bisected topography limiting control opportunities; and
- Mechanized equipment is restricted in many areas to the primary ridge systems.

Fires under typical weather patterns run to the ridge tops where changes in the alignment of the fire spread allow for successful suppression operations to be conducted. The density of the chaparral fuels, especially fuel beds older than 20 years, reduces the effectiveness of aerial suppression actions as retardant and water is less efficient at penetrating the canopy and affecting the surface fuels.

Four jurisdictions within the project area could be impacted by a wildland fire and affect forest management activities. A description of the fire history and characteristics of each jurisdiction is provided at page C.7-2 of the Final EIR/EIS.

1. Aerial Fire Suppression Activities

Operation of the proposed project could result in several long-term direct adverse impacts to fighting wildland fires aggressively. An important wildland fire suppression tactic is the use of aircraft such as air tankers and helicopters to suppress wildland fires. These aircraft are used for dropping water or other fire suppressants or retardant from the air. As noted in Section C.7.1.2 of the Final EIR/EIS, critical areas to make these drops are on ridge tops and fuel breaks. The proposed project would construct new towers two to three times taller (113-178 feet) than the existing 66-kV towers (60-73 feet). The proposed project route

follows the ridge top and Del Sur Ridge fuel break for approximately five miles. The increased height of the towers and conductors would increase the risk of firefighting aircraft or water buckets carried by helicopters colliding with the towers or transmission lines.

Therefore, the proposed transmission line would add complexity to firefighting operations and would require a change of tactics when using the ridge top and fuel break. With these limitations, an incident commander might not be able to fight the fire as aggressively as similar areas where no transmission lines are located. In addition, if aerial drops must occur away from the ridge top and fuel break and into vegetation older than 20 years, it would be difficult to penetrate chaparral older than 20 years and water and retardant drops would be less effective. The outcome could include additional burned acres and suppression costs. This would be considered a significant impact.

Other than a relocation of the towers off the ridgeline, which would occur if Alternative 1, Alternative 2, or Alternative 5 is selected, there is no mitigation measure to decrease or avoid this significant adverse impact (Class I).

2. Community Safety

One of the strategies of the Forest Plan is to improve public safety. As noted above, because it would be more difficult to fight a fire aggressively both from the ground and air, the potential for a larger fire would be greater while the transmission line is energized. A wildfire in the area of the proposed project could expand into Green Valley and Bouquet Canyon where cabins, homes, and other facilities are located, risking community safety.

While this would be a significant impact, implementation of Mitigation Measures F-2, F-3, F-6, and F-8a (see, page A-18 of Attachment A) would reduce this potential impact, but the impact would remain significant (Class I).

C. Land Use and Public Recreation

The Final EIR/EIS reports that the proposed project could have certain unmitigable significant impacts on land use and public recreation. The Final EIR/EIS, at pages C.9-1 through C.9 -69, provides a discussion of the potential effects the proposed project and alternatives could have on existing and proposed land uses in addition to sensitive land uses that have the potential to be affected by the proposed project and alternatives.

Sensitive land uses include the following land use types: residences, schools, hospitals, daycare centers, retirement homes, and cemeteries. Recreational resources are also defined as sensitive land uses, as they are susceptible to disturbances (e.g., noise, traffic, dust, etc.) that could decrease or eliminate the value of the recreational experience. In general, recreational facilities (including parks, open space, playgrounds, play fields, etc.), recreational activities (bicycling, hiking, boating, etc.), and recreationists are considered to be sensitive receptors.

The extent of the area to be analyzed for land use impacts is considered the Land Use Study Area. While other issue areas in this EIR/EIS may identify a Study Area within a specific radius, the Land Use Study Area has been defined by the following:

- Land and recreation uses immediately adjacent to the proposed project and alternative ROWs;
- Land and recreation uses located near the construction equipment/materials transportation routes;

- Land and recreation uses affected by proposed project and alternative construction and operation activities; and
- Land and recreation uses that have national, regional, or local significance and are within one mile of the proposed and alternative transmission line routes.

1. Existing Residential Land Uses

In the northern part of the proposed project route, the project would expand the existing ROW from 50 to 180 feet, for which SCE would need to acquire an additional easement width of 130 feet along the corridor. The expanded easement would extend over three private residential properties and agricultural land. As the purpose of the expanded ROW would be to maintain radio frequency interference near the utility corridor to acceptable levels, the existing residential and agricultural use of the property over which the easement extends likely would not be precluded. However, future use of the extended easement would be restricted. For example, the affected property owners could not build any structures on lands that occur within the proposed expanded easement.

Some restriction of land uses would also occur within the existing ROW, as the proposed project would replace existing 66-kV structures with new lattice steel towers that would be larger in size and would occupy more land area. Existing towers range in height from 60 to 90 feet and are up to 21 feet wide. The proposed towers would be approximately 113 feet to 178 feet tall and 96 feet wide. In total, the proposed project would traverse 58 privately owned parcels, which would cause long-term impacts to existing land uses. The proposed project's restriction of current or future land uses on private property would be considered a significant and unavoidable impact (Class I).

No mitigation measures have been identified that would reduce this impact to a less-than-significant level.

2. Disruption of Existing Commercial Land Uses

From Mile 18.6 to Mile 20.3, the proposed project would create a new 180-foot ROW in Haskell Canyon that would traverse the Veluzat Motion Picture Ranch, which is actively used to film motion pictures, television shows, and music videos. The motion picture ranch conducts much of its filming on outdoor sets, for which the varied landscape of the ranch (i.e., desert, pine forests, an open area mesa, meadows, and a lake) provide a natural scenery that is essential to each of the sets. However, operation of the proposed project would hinder the current operations of the motion picture ranch.

As proposed by SCE, the project would construct new lattice steel towers immediately adjacent to the outdoor sets, which would be visible from the sets and would disrupt the current landscape of the ranch. This business depends on its visual characteristics and landscape quality. The motion picture ranch would be required to relocate its elaborate sets to avoid viewing the transmission line in the background of its films. In addition, the motion picture ranch often conducts its aerial filming with the use of helicopters. The erection of a new transmission line would interfere with established filming practices at the ranch. Overall, a new transmission line across the motion picture ranch would interfere with current filming practices and would preclude the ranch's current use of specific landscapes and sets that would be occupied by the proposed project. No additional businesses (e.g., Bouquet Canyon Stone Quarry) would be adversely affected from operation of the proposed project.

Accordingly, operation of the proposed project would cause long-term impacts to an existing commercial land use. The proposed project's long-term land use disturbance of the motion picture ranch would be considered a significant and unavoidable impact (Class I).

No mitigation measures have been identified that would reduce this impact to a less-than-significant level. However, a relocation of the route of the proposed project to Alternative 4 or Alternative 5 would eliminate this otherwise significant and unavoidable impact.

3. Degradation of Recreational Trails

The operation of Alternative 5 would contribute to the long-term loss or degradation of recreational trails. This alternative would introduce a new ROW across existing recreational resources, which includes the PCT, Los Angeles County trails, and other trails within Ritter Ranch. These recreation areas are characterized by open space, across which the alternative would introduce 500 kV transmission towers. The proposed towers are large structures, ranging from 113 to 178 feet in height. Given the substantial size of these towers and their industrial appearance, and the lack of any similar types of features within the affected landscape, the proposed towers would introduce prominent man-made features into the area. As it crosses the PCT, this alternative would be located approximately 0.2 miles north of the Pardee-Vincent utility corridor. As such, this portion of the PCT is already located in an area characterized by existing industrial uses. However, the Sierra Pelona Trail, the Los Angeles County trails, and other trails within Ritter Ranch are currently located in open space, areas that do not contain man-made features and are natural in appearance.

Consequently, if Alternative 5 is selected, the introduction of a new industrial land use across these recreational resources would alter their natural or scenic quality, creating significant, unavoidable impacts to recreational users within Ritter Ranch (Class I).

No mitigation measures have been identified that would reduce this impact to a less-than-significant level. However, a selection of any of the other the proposed alternatives would eliminate this otherwise significant and unavoidable impact.

4. Degradation of Off-Highway Vehicle (OHV) Routes

The proposed project would traverse areas within the ANF that have a Recreation Opportunity Spectrum designation of semi-primitive, motorized, which permits motorized use of local primitive or collector roads and includes trails suitable for motorbikes. As described in Section B.2.2.1 of the Final EIR/EIS, the proposed project would include clearing and grading of existing access and spur roads, some of which would be located along designated OHV routes. OHV roads within the Center Area of the proposed project have been designated Maintenance Level 2. The ANF has established maintenance prescription guidelines for each designated road maintenance level. Level 2 roads are maintained for high clearance vehicles, and traffic is limited to administrative, permitted, dispersed recreation, or other specialized uses.[22]

Roads that are improved from Level 2 to Level 3 would no longer allow OHV use. Designated Level 3 roads can accommodate standard passenger

[22] See, US Department of Agriculture, Forest Service Handbook, Section 7709-58 (1995).

vehicles, which would pose a safety hazard to OHV users. For road improvements to a Level 3, the ANF would require an engineering study to determine the road's suitability and safety for OHV use. As such, any improvements to existing OHV roads resulting from the construction or operation of the proposed project that are needed to meet the Level 3 maintenance prescription guidelines (or above) would serve to prohibit future OHV use along that route.

The construction and maintenance of Alternative 1 would require permanent upgrades to existing OHV routes, which would significantly impact future OHV use within the ANF. If Alternative 1 is selected, an all-weather access road would be constructed along three miles of Del Sur Ridge (not including the 4.0-mile underground segment that would also be upgraded as a result of underground construction), which would permanently upgrade the existing ANF roads along this portion of the project from a Maintenance Level 2 to a Level 3. Consequently, the improvements to ANF roads that would be required for Alternative 1 would permanently preclude OHV use along portions of Del Sur Ridge. Impacts to OHV users would be significant and unavoidable (Class I).

However, a selection of the proposed project or any of the other alternatives (i.e., Alternatives 2 through 5), would allow this otherwise significant and unavoidable impact to be mitigated to a level of insignificance.

D. Socio-Economics

The Final EIR/EIS reports that with the exception of Alterative 4, all of the project alternatives, including the project as proposed by SCE, would have unmitigable adverse socioeconomic impacts. The Final EIR/EIS, at pages C.12-1

through C.12 -24, describes the various adverse socioeconomic impacts of the project and alternatives.

1. Impacts on Veluzat Motion Picture Ranch

As described above, Mile 18.6 to 20.3 of the proposed project would create a new permanent ROW, which would traverse the Veluzat Motion Picture Ranch and preclude long-term use of the Ranch's outdoor landscapes and sets. The lattice steel towers and conductors built under the proposed project would visually interfere with film operations. Operation of the new 500 kV lines would also result in corona noise, which would also interfere with audio recording during outdoor filming activities. These operational impacts resulting from the proposed project would obstruct, restrict, and interfere with filming activities and associated Ranch operations. By interfering with the Motion Picture Ranch's filming operations, the operation of the proposed project would negatively affect revenues for the Motion Picture Ranch by limiting the facility's current business activities. As proposed, no mitigation is available that could reduce the permanent impacts of the proposed project to Motion Picture Ranch revenues to less-than-significant levels. Under Visual Resources (see above), certain mitigation measures are proposed to reduce these impacts; however, the proposed project would result in significant and unavoidable visual impacts (Class I) that could result in long-term business revenue impacts to the Motion Picture Ranch.

However, a relocation of the route to Alternative 4 or Alternative 5 would eliminate these otherwise significant and unavoidable socioeconomic impacts on the Motion Picture Ranch.

2. Removal of Housing in Leona Valley

Alternative 5 would travel adjacent to the community of Leona Valley through approximately 0.5 miles of ANF lands adjacent to several residences located south of Leona Avenue and east of 107th Street West. Traveling south of Leona Valley, the route would cross adjacent to a single-family residence and the Nessa Ranch located on Bouquet Canyon Road. Due to the corridor necessary for construction and operation of the 500-kV line, as well as restrictions on placement of the route, it is possible that residences within the planned corridor would need to be purchased and removed by SCE. Preliminary routing indicates that purchase and removal of homes may be needed; however, the current routing for Alternative 5 is preliminary and subject to change based on the outcome of detailed alignment studies, which would not be initiated unless this alternative is approved. Based on the potential for removal of homes with this alternative, the potential adverse socioeconomic impact of Alternative 5 is considered significant and unavoidable (Class I).

However, the selection of a project alternative other than Alternative 5 would eliminate these potentially significant and unavoidable socioeconomic impacts on homeowners in Leona Valley.

E. Noise Impacts

The Final EIR/EIS reports that noise associated with the construction of the proposed project would violate local noise standards and that the increased noise associated with operation of the proposed project could also violate local standards, could adversely impact operations at the Veluzat movie ranch and could disrupt recreational users within the ANF. The Final EIR/EIS, at pages

C.10-1 through C.10 -42, describes the various noise impacts of the proposed project and alternatives.

1. Construction Noise

SCE has identified its intended use, during project construction, of an air compressor, which is considered a stationary piece of construction equipment. Maximum stationary construction noise levels are defined by the County of Los Angeles as 60 dBA at single-family residences, 65 decibels (dBA) at multi-family residences, and 70 dBA at commercial uses. An air compressor can be expected to generate a noise level of approximately 81 dBA at 50 feet. Therefore, stationary construction equipment operations within 600 feet of single-family residences, 350 feet of multi-family residences, and approximately 200 feet of commercial uses may, depending on the equipment in use, generate noise levels in excess of the maximum levels defined by the County.

Accordingly, construction noise nuisances within these distances would result in a significant impact. Implementing Mitigation Measures N-1a, N-1b, and N-1c (see, pages A-23 to A-24 of Attachment A) would reduce the short-term noise impact associated with construction noise levels in violation of local standards to a level that is less than significant, except for mobile equipment, which would continue to violate local standards and therefore result in a significant unavoidable impact (Class I).

2. Noise Caused by Routine Inspection and Maintenance

Routine inspection and maintenance of the transmission line would be accomplished by either ground access or by helicopter, the use of which would increase as a result of Mitigation Measure V-4a (see, page A-27 of Attachment A),

and would occur on average once a year. This would cause short-term or intermittent increases in noise along the inspection route or place of maintenance that may, depending on the equipment in use, be in excess of established local standards and/or ordinances resulting in significant and unavoidable impacts (Class I).

No mitigation measures have been identified that would reduce this impact to a less-than-significant level.

3. Noise Impacts on Recreational Users Within the ANF

On lands within the ANF, potential sensitive receptors include recreational users along trails in the vicinity of the proposed transmission line, including along the Pacific Crest National Scenic Trail (PCT). Other sensitive receptors include seasonal residences within the ANF along Bouquet Canyon Road, although these residences would only be exposed to noise associated with construction traffic and helicopter use as they are located several thousand feet from the construction areas. Construction of the proposed project would result in substantial temporary increases in ambient noise levels in excess of the Los Angeles County noise ordinances.

Construction of the proposed project would result in temporary increases in ambient noise levels within the ANF that could disturb recreational users of the PCT. Mitigation Measures N-1b and R-1a (see, pages A-22 to A-23 of Attachment A) are intended to help reduce the impacts of project construction on such sensitive receptors. However, while these mitigation measures would help to inform the public of construction activities and require coordination of construction activities, the proposed project would continue to result in

significant temporary noise levels during construction that could disturb recreational users (Class I).

4. Noise Impacts on Veluzat Motion Picture Ranch

The closest sensitive noise receptor to the proposed project route is the Veluzat Motion Picture Ranch, which is immediately adjacent to the proposed transmission ROW in Haskell Canyon in unincorporated Los Angeles County. The operations of the Motion Picture Ranch would be impacted by the proposed project in several ways.

First, the operation of the proposed project would result in violations of local standards due to corona noise. The typical corona noise level that would be generated by the 500-kV line would be between 40 to 50 dBA at the edge of the transmission line ROW. The Los Angeles County Noise Ordinance presents a noise standard of 45 dBA for noise-sensitive areas such as the Motion Picture Ranch. Therefore, operational corona noise levels between 40 to 50 dBA at the Motion Picture Ranch would exceed Los Angeles County Ordinance Standards and would therefore result in a significant and unavoidable impact (Class I) to the operations of the Motion Picture Ranch.

Furthermore, the operations of the Motion Picture Ranch require very low ambient noise levels during outdoor filming. Ambient noise levels in the vicinity of the ranch are estimated to be approximately 40 dBA. Therefore, there is a potential for the operation of the proposed project to result in significant impacts to the operations of the Motion Picture Ranch (Class I).

Finally, temporary construction noise levels at the Motion Picture Ranch would be as high as 95 dBA. Such noise levels would make outdoor filming in

the vicinity of the active construction areas impossible and would severely disrupt the operations of the Motion Picture Ranch, thereby resulting in a significant unavoidable impact (Class I).

As described above, Mitigation Measures N-1a, N-1b and N-1c would help to reduce violations of local noise standards; however, the impacts from mobile construction equipment would continue to violate local standards. Moreover, these mitigation measures and the rules and standards for construction noise in unincorporated Los Angeles County do not appear to address day-time noise levels at noise sensitive areas such as the Motion Picture Ranch.

However, a relocation of the route of the proposed project to Alternative 4 or Alternative 5 would eliminate all of these otherwise significant and unavoidable impacts on the Motion Picture Ranch.

F. Air Quality Impacts

Assessment of air quality impacts requires that emissions for the entire Antelope-Pardee Transmission Project be evaluated within each of the affected jurisdictions and/or air basins. As a result, the Final EIR/EIS presents its air quality assessment by jurisdiction rather than by project segment.

The Final EIR/EIS reports that essentially all air quality impacts associated with the proposed project would occur during project construction. The Final EIR/EIS, at pages C.2-1 through C.2 -43, describes expected dust and exhaust emissions during construction of the proposed project. Construction is tentatively scheduled for March 2008 to April 2009. Temporary construction emissions would result from on-site activities, such as surface clearing, excavation, foundation construction, steel construction, etc.; and from off-site activities such as construction related haul trips and construction worker

commuting. Pollutant emissions would vary from day to day depending on the level of activity, the specific operations, and the prevailing weather.

Most of these identified impacts can be mitigated to a level of insignificance by the adoption and implementation of mitigation measures A-1a through A-1i. (See, pages A-1 to A-2 of Attachment A.)

However, even with all recommended mitigation measures, dust and exhaust emissions during construction would still exceed the regional emission thresholds of the South Coast Air Quality Management District (SCAQMD) and the Antelope Valley Air Quality Management District (AVAQMD). In addition, even with the implementation of all recommended mitigation measures during construction, proposed Alternative 1 would still expose sensitive receptors to substantial pollutant concentrations.

Accordingly, the Final EIR/EIS reports (at pages ES-32 and C.2-40) that, even with the recommended mitigation measures, the proposed project would cause significant and unavoidable (Class I) impacts in that construction emissions would exceed daily regional emission thresholds in the SCAQMD and AVAQMD, and that Alternative 1 would cause significant and unavoidable (Class I) impacts in that sensitive receptors would be exposed to substantial pollutant concentrations.

VIII. Project Authorization and Statement of Overriding Considerations

A. Adequacy and Certification of the Final EIR/EIS

The Final EIR/EIS must contain specific information according to the CEQA Guidelines, §§ 15120 through 15132.[23] The various elements of the Final EIR/EIS satisfy these CEQA requirements. The Final EIR/EIS consists of the draft EIR/EIS, with revisions in response to comments and other information received. Volume 2 of the Final EIR/EIS contains the comments received on the draft EIR/EIS and individual responses to these comments.[24]

The Commission must conclude that the Final EIR/EIS is in compliance with CEQA before approving SCE's request for a CPCN. The basic purpose of this determination is to ensure that the environmental document is a comprehensive, accurate, and unbiased tool to be used by the lead agency and other decision makers in addressing the merits of the proposed project. The document should embody "an interdisciplinary approach that will ensure the integrated use of the natural and social sciences and the consideration of qualitative as well as quantitative factors."[25] It must be prepared in a clear format and in plain language.[26] It must be analytical rather than encyclopedic, and emphasize alternatives over unnecessary description of the project.[27] Most

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[23] California Code of Regulations, Title 14, Chapter 3, §§ 15120 through 15132.

[24] *Id.*, § 15132.

[25] *Id.*, § 15142.

[26] *Id.*, §§ 15006(q) and (r), 15120, 15140.

[27] *Id.*, §§ 15006, 15141; Pub. Res. Code § 21003(c).

importantly, it must be "organized and written in such a manner that [it] will be meaningful and useful to decision makers and the public."[28]

In accordance with State CEQA Guidelines §15090, the CPUC, as California Lead Agency for the Project, certifies that:

(1) The Final EIR/EIS has been completed in compliance with the California Environmental Quality Act;

(2) The Final EIR/EIS was presented to the Commission, and the Commission has received, reviewed, and considered the information contained in the Final EIR/EIS and hearing documents prior to approving the project; and

(3) The Final EIR/EIS reflects the CPUC's independent judgment and analysis.

We find that the Final EIR/EIS is a comprehensive, detailed, and complete document that discusses clearly the advantages and disadvantages of the environmentally superior routes, SCE's proposed route, and various alternatives. We find that the Final EIR/EIS is a competent and comprehensive informational tool, as CEQA requires it to be. The quality of the information in the Final EIR/EIS is such that we are confident of its accuracy. We have considered the information in the Final EIR/EIS in approving the Antelope-Pardee Transmission Project as described in this Decision. Accordingly, the Commission should certify the Final EIR/EIS.

[28] Pub. Res. Code § 21003(b).

B. Environmentally Superior Alternative

In accordance with CEQA requirements, an "environmentally superior alternative" must be identified among the alternatives analyzed in the EIR/EIS. The environmentally superior alternative is the alternative found to have an overall environmental advantage compared to the other alternatives based on the impact analysis in the EIR/EIS.

If the environmentally superior alternative is the "no project" alternative, the EIR must identify an environmentally superior alternative among the other alternatives. As described in Section B.4.6 of the Final EIR/EIS, the locations and development schedules for construction and operation of new power plants and transmission infrastructure that would be constructed if the proposed project is not implemented cannot be predicted and, as such, it is impossible to identify the impacts that would occur from alternative energy projects under the No Project Alternative; therefore, the No Project Alternative was not considered as part of the environmentally superior alternative analysis in the EIR/EIS. Accordingly, the Final EIR/EIS for the proposed project provides a comparison of the proposed project and alternatives by environmental issue area, based on the detailed analyses contained in Sections C.2 to C.15 of the Final EIR/EIS. The detailed version of this comparison can be found in Section D of the Final EIR/EIS. A summary of the comparison can be found at pages ES-20 to ES-28 of the Final EIR/EIS. In that comparative analysis, noteworthy differences between the alternatives, and the alternative(s) which would have the least environmental impact, are identified on an issue-by-issue basis. That analysis is provided to support the recommendation for the environmentally superior alternative, which is provided at pages D-37 to D-42 and pages ES-28 to ES-30 of the Final EIR/EIS.

In order to make such a determination, the Final EIR/EIS focuses on those issue areas that have the greatest potential for resulting in long-term, significant impacts, which include visual resources, forest management activities, erosion, land use, public recreation, socioeconomics, and noise. Consideration was also given to community concerns, such as air quality, EMF, and corona noise, as well as public safety concerns, such as fire safety. Impacts associated with construction (i.e., temporary or short-term) or those that are easily mitigated to less-than-significant levels were given consideration, but were considered less important than permanent impacts.

To a large degree, the major differences among the alternatives studied in the Final EIR/EIS revolve around the fact that most alternative routes cut across ANF lands, while one alternative (Alternative 5) largely avoids ANF lands. This major routing difference creates substantial differences between Alternative 5 and the other alternative routes, including the proposed Project.

There are basically three alternative routes that traverse the ANF: the proposed Project, Alternative 1, and Alternative 2. Alternatives 3 and 4 are only substantially different from these other routes outside the ANF. It is clear that Alternative 1, which involves placing the transmission line underground on Del Sur Ridge, has substantially greater impacts than the proposed project and Alternative 2. Alternative 2 is preferable to the proposed project for reasons primarily dealing with visual resources and fire fighting. Therefore, the environmental advantages and disadvantages of an ANF versus a non-ANF route can best be determined by comparing Alternative 2 and Alternative 5.

Another route to consider is the combination of Alternatives 2 and 4. Unlike most of the other routing options, these two alternatives can be readily combined to form a hybrid alternative. The advantage of considering such a

hybrid alternative is that Alternative 4 avoids certain specific impacts associated with Alternative 2 alone and also avoids most of the non-ANF impacts associated with Alternative 5.

1. Alternative 2 Versus Alternative 5

Based on the comparisons of alternatives for each issue area presented in Section D of the Final EIR/EIS, Alternative 2 is superior to Alternative 5 in certain issue areas, whereas Alternative 5 is superior to Alternative 2 in other issue areas. Thus, these two alternatives both have advantages and disadvantages relative to each other. In determining the superiority of one alternative to the other, other considerations have to be taken into account, including long-term versus short-term advantages and the relative importance of some issues compared to others.

Many of the project's impacts are associated only with construction and, therefore, are short term in nature, ranging in duration from a few days to the entire period of construction (14 to 16 months). These are impacts associated primarily with air quality, biological resources, cultural resources, geology/soils, water quality, noise, and traffic/transportation. While many of the short-term construction impacts are significant, it is usually the long-term impacts that are considered more important in determining the superiority of an alternative, since such impacts have a lasting effect on the environment and will make an ongoing contribution to cumulative impacts. Many of the short-term impacts are a consequence of land disturbance associated with construction and have little lasting effect after the land surface has been restored after construction. Other short-term impacts are associated with temporary construction effects on human beings and the built environment, which cease when construction is completed.

In the case of the proposed project, significant long-term effects are primarily associated with forest management activities (fire fighting), noise (corona noise from conductors), socioeconomics, and visual resources. A comparison of the key long-term effects of Alternative 2 versus Alternative 5 is summarized below.

a) Visual Impacts

In reviewing the comparisons of the long-term effects for Alternatives 2 and 5 in Section D.4 of the Final EIR/EIS, Alternative 5 offers advantages in terms of visual resources on ANF lands. However, effects on visual resources are also important considerations on non-ANF lands, but these effects are considered more significant on ANF lands due the Scenic Integrity Objectives of the 2005 ANF Forest Management Plan (Forest Plan). Alternative 2 substantially mitigates the visual impact on ANF lands by placing the transmission line in a mid-slope location. Alternative 5 has very little conflict with the Forest Plan because it largely avoids ANF lands. While this may make Alternative 5 seem superior to Alternative 2 from a visual resources standpoint, Alternative 5 also has certain disadvantages compared to Alternative 2. Specifically, Alternative 5 would introduce a new transmission line into an 18.8-mile-long corridor where no transmission lines currently exist. This added visual element would not be welcomed by viewers along the route of Alternative 5, including adjacent homeowners, and it would be more visible to a greater number of residents and travelers than Alternative 2. Therefore, both alternatives would have substantial adverse visual impacts.

b) Fire Suppression

The existence of transmission lines can hinder fire suppression in wildland areas, especially aerial operations. Therefore, both Alternative 5 and Alternative

2 would constrain the ability to aggressively fight a wildland fire in the vicinity of either route. Ridge-top locations are considered especially important to fire suppression and Alternative 2 attempts to minimize any hindrance the transmission line may cause to fire suppression by placing the transmission line in a mid-slope location rather than along the ridge top. Alternative 5 presents little direct effect on fire fighting on the ANF because it largely avoids ANF lands, but a transmission line outside the ANF also presents a hindrance to aggressive fire fighting. The route for Alternative 5 would require transmission towers on Sierra Pelona ridge just outside the Forest boundary. Alternative 5 also traverses several inhabited rural and semi-rural areas not affected by Alternative 2, including portions of Leona Valley and Agua Dulce, where protection of homes and property would likely become a priority in the event of a wildland fire in that area. Therefore, fire fighting is problematic for both alternatives.

c) Noise

Long-term noise effects associated with the proposed transmission line are limited to corona noise and periodic noise that would be generated by maintenance activities. Noise associated with maintenance activities is generally minor and only occurs for a short time between long intervals and, therefore, is not significant. Corona noise is localized and only affects receptors in close proximity to the transmission line. Therefore, only adjacent noise-sensitive land uses have the potential to be adversely affected by corona noise. Alternative 5 has more adjacent land uses that would be exposed to corona noise for the first time, but Alternative 2 has one particularly sensitive adjacent land use – the Veluzat Motion Picture Ranch. If Alternative 2 is combined with Alternative 4,

then the combination of these alternatives would result in the least overall noise impacts because it also minimizes impacts to the Motion Picture Ranch.

d) Socio-economic Impacts

In considering land use and socioeconomic impacts, Alternatives 2 and 5 both have advantages and disadvantages. Alternative 5 would avoid adverse effects to the Veluzat Motion Picture Ranch. This advantage of Alternative 5 is offset by the fact that it would require the acquisition of substantially more private land than Alternative 2 and would place the new transmission line adjacent to more existing homes than Alternative 2. Alternative 5 is also expected to result in the loss of at least one existing home and the consequent displacement of the residents of any homes that need to be acquired. As a result, Alternative 5 has a greater magnitude of impact to existing land uses than Alternative 2. If Alternative 2 is combined with Alternative 4, then the combination of Alternative 2 and Alternative 4 would have the least impacts because it would avoid the effects to the Motion Picture Ranch as well as impacts of Alternative 5 on existing land uses in the Leona Valley and Agua Dulce.

2. A Combination of Alternative 2, Alternative 4 and the Proposed Project is Environmentally Preferred

As set forth above, Alternative 2 has certain advantages relating to noise and socioeconomics. From the standpoint of visual resources and fire fighting, both alternatives have significant adverse impacts, although these impacts are mitigated to a greater degree with Alternative 2. The combination of Alternative 2 and Alternative 4 is a substantial improvement over Alternative 2 alone. The combination of Alternatives 2 and 4 avoids or further reduces long-term effects related to noise, land use, and socioeconomics. From the standpoint of effects on ANF lands and compliance with Forest Plan policies, Alternative 2 or the

combination of Alternatives 2 and 4 clearly has greater impacts than Alternative 5. However, when considering the whole of action without placing added emphasis on forest impacts and issues, the combination of Alternatives 2 and 4 is superior to Alternative 5, and would result in the fewest significant unavoidable (Class I) impacts overall.

C. Project Authorization

Based on the foregoing considerations above, we authorize SCE to construct the proposed Project with the following routing conditions:

- The middle portion of the Project should be built on the east mid-slope of Del Sur Ridge and closer to Bouquet Canyon (Alternative 2); and
- The Project should be re-routed between miles 17.5 and 20.3 around the Veluzat Motion Picture Ranch and the proposed meadow park development neat Santa Clarita (Alternative 4).

The Final EIR/EIS has identified unavoidable significant impacts that will result from construction and operation of the authorized project. Section 15093(b) of the CEQA Guidelines[29] provides that, when the decision of the public agency allows the occurrence of significant impacts which are identified in the EIR but are not at least substantially mitigated, the agency must state in writing the reasons to support its action based on the completed EIR and/or other information in the record. CEQA Guidelines § 15093(b) requires that the decision-maker adopt a Statement of Overriding Considerations at the time of approval of the project if it finds that significant adverse environmental effects

[29] The CEQA Guidelines are set forth at California Code of Regulations, Title 14, Chapter 3.

have been identified in the EIR that cannot be substantially mitigated to an insignificant level or be eliminated.

The following impacts are not mitigated to a less than significant level for the proposed project:

- Visual impacts of project construction and operation, discussed in detail in Section VII.A above;
- Impacts on forest management activities, in particular, on wildland fire suppression and fire prevention, as discussed in detail in Section VII.B above;
- Impacts on land use and public recreation, in particular, on certain existing residential, commercial and recreational uses, as discussed in Section VII.C above;
- Socioeconomic impacts on the Veluzat Motion Picture Ranch and on some existing housing in Leona Valley, as discussed in Section VII.D above;
- Noise impacts of project construction, of routine inspection and maintenance, on certain recreational uses and on the Veluzat Motion Picture Ranch, as discussed in Section VII.E above; and
- Air quality impacts of project construction, as discussed in Section VII.F above.

Adoption of one or more alternatives to the proposed project could eliminate some of these identified impacts. Specifically, the Commission's adoption of Alternative 2 would avoid certain visual impacts, would significantly reduce impacts on forest management activities and would eliminate significant impacts in terms of the recreational use of OHVs. In addition, the Commission's adoption of Alternative 4 would eliminate the visual, land use, socioeconomic and noise impacts on the Veluzat Motion Picture Ranch. Neither of these alternatives, by themselves, would create new, or additional, adverse impacts.

Moreover, the Commission's determination not to adopt Alternative 5 would eliminate the unmitigable visual, socioeconomic and recreational impacts that are associated solely with that alternative.

None of the other alternatives alleviate the remaining significant impacts or are feasible in light of the project objectives, as described in Appendix 1 to the Final EIR/EIS (Alternatives Screening Report).

Pursuant to Public Resources Code § 21080 and CEQA Guidelines§ 15091, we may not approve or carry out a project for which an EIR has been certified which identifies one or more significant effect on the environmental that would occur if the project is approved or carried out unless we make one or more of the following findings with respect to each significant effect:

- Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment;
- 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; or
- 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.

In compliance with these requirements, we have made one or more of the findings set forth above with respect to each significant effect identified in the Final EIR/EIS. These findings are incorporated as part of this Decision as Attachment B, CEQA Findings of Fact. We adopt the CEQA Findings of Fact included in Attachment B as if fully set forth herein.

Additionally, the Commission adopts the following Statement of Overriding Considerations.

D. Statement of Overriding Considerations

The Commission recognizes that significant and unavoidable impacts will result from implementation of the proposed Antelope-Pardee Transmission Project. Having (i) adopted all feasible mitigation measures, (ii) adopted certain alternatives that reduce the impacts of the proposed project, (iii) rejected as infeasible other alternatives to the project, (iv) recognized all significant, unavoidable impacts, and (v) balanced the benefits of the project against the project's significant and unavoidable impacts, the Commission hereby finds that specific economic, legal, social, technological and other benefits outweigh and override the significant unavoidable environmental impacts for the reasons stated below.

The project will:

(1) enable compliance with the State's RPS Program, which requires retail sellers of electricity such as SCE and PG&E to increase their sale of electricity produced by renewable energy sources to 20 percent by 2010;

(2) enable the interconnection of various wind generation projects in the Antelope Valley-Tehachapi region to the SCE transmission system;

(3) eliminate existing constraints to the transmission of renewable energy from the Tehachapi and Antelope Valley areas to Southern California; and

(4) eliminate potential system-wide power flow and reliability problems due to overloading of the existing transmission system.

We set forth in detail the reasons for finding these substantial benefits in Section III above. Specifically, without system improvements provided by the Project, SCE and others could not deliver the necessary significant amounts of

wind power from the region. As discussed above, wind provides one of the most economical sources of renewable power, and the Tehachapi area offers the largest wind resource in California and has the undeveloped potential of generating about 1400 gigawatt-hours per year, with about 4500 MWs of installed capacity. Additionally, there is significant industry commitment to develop the area for RPS purposes; utilities have received winning bids from, and SCE has signed contracts with, developers of wind projects, the output of which cannot be fully delivered without increased transmission capacity that the proposed project will provide.

The Commission finds that the Antelope-Pardee Transmission Project's unavoidable impacts are acceptable in light of these substantial benefits. Each benefit set forth above constitutes an overriding consideration warranting approval of the project, independent of the other benefits, despite each and every significant unavoidable impact.

E. Mitigation Monitoring

The Final EIR/EIS includes a proposed Mitigation Monitoring, Compliance, and Reporting Program (MMCRP or Mitigation Monitoring Program) for the mitigation measures it recommends for the proposed project. It recommends a framework for implementation of the Mitigation Monitoring Program by this Commission as the CEQA lead agency and the USFS as the NEPA lead agency. We adopt the Mitigation Monitoring Program set forth in Appendix 9 of the Final EIR/EIS.

Consistent with Public Resources Code § 21081.6 and CEQA Guidelines § 15097, the Commission must adopt a Mitigation Monitoring Program when it approves a project that is subject to preparation of an EIR and where the EIR identifies significant adverse environmental effects. As the NEPA lead agency,

the USFS is responsible for ensuring that mitigation measures are implemented on its land. In the memorandum of understanding between the USFS and the Commission governing the joint environmental review of the proposed project, the USFS and the Commission have agreed that the Commission is delegated field inspection responsibility for ensuring implementation of all adopted mitigation and monitoring provisions imposed in connection approval of the proposed project.

The USFS has agreed to provide the Commission access to federal lands as needed to conduct the adopted mitigation and monitoring activities.

IX. Cost Recovery Issues Raised by § 399.25

A. Background

SCE states that its request for a CPCN for the Antelope-Pardee Transmission Project is conditioned on the establishment of clear cost recovery mechanisms in advance of construction. In 2005, SCE filed a petition with FERC for a declaratory order finding that the costs of Segments 1, 2, and 3 of the Tehachapi Renewable Transmission Plan were eligible for recovery in transmission rates.[30] In response, FERC provided the cost recovery assurance sought by SCE for Segments 1 and 2, granting rolled in rate-treatment for all prudently incurred costs, regardless of abandonment or cancellation of the project facilities.[31] FERC's willingness to authorize cost recovery was based on

[30] See Southern California Edison Company Petition for Declaratory Order in FERC Docket No. EL05-80, March 23, 2005.

[31] FERC Order on Petition for Declaratory Order, Commission Determination, order F. (112 FERC 61,014) This represents a departure from the conventional rules

Footnote continued on next page

its view that Segments 1 and 2 are appropriately considered network upgrades and the fact that SCE did not have control over the ultimate materialization of the anticipated future generators. This FERC order significantly limits retail ratepayer risk in this instance.

Following the FERC order, we issued D.06-06-034 finding, among other things, that "high-voltage, bulk-transfer, multi-user transmission facilities … proposed to access known, concentrated renewable resource areas… are eligible for cost recovery under § 399.25" (D.06-06-034, *mimeo,* at p. 27). However, we also reiterated our intent in D.06-06-034 to address cost recovery, and the nature of the proposed facilities, on a project-specific basis within the context of a CPCN proceeding.[32] As we recognized in D.04-06-010, a project-specific review in the context of a CPCN proceeding is necessary because "[t]he exact nature of the upgrades and the resource potential must still be established to determine if all of the resources can be developed in a way that is cost-competitive, taking into account transmission costs, and that Tehachapi projects are consistent with a best-fit procurement strategy." (D.04-06-010, *mimeo.*, p. 16). Further, we also committed in D.04-06-010, to address Tehachapi upgrade cost recovery here:

> …[W]hen a utility files a certificate application for Tehachapi upgrades, we will consider at that time the exact ratemaking treatment contemplated

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applied to abandoned plant which limit the utilities ability to recover prudently incurred costs for abandoned or cancelled facilities to 50%.

[32] Decisions 03-07-033, 04-06-010 and D.06-06-034 all contemplated that a specific project's eligibility for cost recovery under § 399.25 would be determined within the context of the project's CPCN proceeding. However, where a transmission project does not require a CPCN or Permit to Construct, D.06-06-034 provides a separate process for a need determination to provide assurance of cost recovery. *See, e.g.* D.06-06-034, *mimeo,* at pp. 18-20.

> under § 399.25 and will also address project financing, as well as any additions to the record regarding need, as necessary." (*Id.*, p. 18.)

B. Discussion

Section 399.25 (b)(4) ensures retail rate recovery of prudently-incurred costs for projects the Commission finds to be necessary to facilitate RPS compliance to the extent that cost recovery is not otherwise available. Pursuant to the specific direction of D.04-06-010, the parties submitted briefs on the cost recovery issue in this proceeding. Rather than disputing this project's eligibility for cost recovery, the briefs focus on the appropriate treatment of the project costs if the backstop recovery mechanism is employed. Decision 06-06-034, setting forth the principles and the process for cost recovery under § 399.25, supersedes and moots those briefs. The determinations made in D.06-06-034 regarding implementation of the cost recovery provisions of § 399.25 apply here. Consequently, in lieu of setting out the parties' positions on disputed issues that we have already decided in D.06-06-034, we affirm the conclusions of that Decision.

There is no question that the Antelope-Pardee Transmission Project qualifies for cost recovery under §399.25(b)(4). As discussed above, D.06-06-034 defined certain types of facilities that would qualify for cost recovery under §399.25(b)(4), including:

> High voltage, bulk-transfer transmission facilities, whether classified as network or gen-tie, that are designed to serve multiple RPS-eligible generators where it has been established that the amount of added transmission capacity will likely be utilized by RPS-eligible generation projects within a reasonable period of time …. (D.06-06-034, *mimeo,* Finding of Fact 8).

As set forth in Section III above, we find that the Antelope-Pardee Transmission Project is necessary, in part because it qualifies as such a high-

voltage, bulk transfer facility that will be used imminently to serve multiple RPS-eligible generators. Consequently, it is appropriate to provide SCE assurance of recovery of prudently incurred costs, and we do so here.

Section 399.25 also requires the Commission to direct "the utility … to seek the recovery through general transmission rates of the costs associated with the transmission facilities." Therefore, we direct SCE to first seek cost recovery at FERC through general transmission rates. Further, we reiterate the holding of D.06-06-034: "§ 399.25 is not meant to substitute for the existing cost recovery mechanisms available to support transmission development, nor is it intended to change the ultimate cost responsibility of generators and utility ratepayers." (*Id.* at p. 28). "Nothing in this decision is intended to relieve renewable generators from their responsibility for their fair share of the costs of non-network transmission facilities necessary to interconnect the generator with the network." (*Id.* at Finding of Fact 7).

We affirm, consistent with D.06-06-034, that, notwithstanding the great likelihood of cost recovery through FERC wholesale rates, it is appropriate for SCE to continue to track its project costs through the memorandum account approved by the Commission in response to SCE Advice Letter 1833-E filed on December 13, 2004. Both the statute and D.06-06-034 anticipate that first FERC would act, and that this Commission would step in only if FERC disallows recovery of some costs. Thus, any consideration of cost recovery by this Commission would only come after FERC had finished its work.

The issues between SCE and DRA regarding use of the ERRA proceeding to audit accounts and to move costs from the memorandum account to a balancing account were appropriately resolved in D.06-06-034, which concluded that, to the extent applicable, review or audit of costs should occur in the utility's

rate case, and not in the ERRA. Until that time, the costs should remain in the memorandum account.[33] We affirm that determination here.

X. Maximum Cost Pursuant to § 1005.5(a)

While FERC will ultimately decide how much of the costs for this project SCE may recoup in transmission rates, we have jurisdiction pursuant to § 1005.5(a) and the responsibility to specify in the CPCN a "maximum cost determined to be reasonable and prudent" for the Antelope-Pardee Transmission Line Project.

SCE initially estimated a cost of $80.3 million for the proposed project. In supplemental testimony, it revised its estimate by updating the anticipated cost of acquiring a right-of-way, reflecting a rise in California real estate prices. SCE's witness Ohanian estimated that north of the national forest to Antelope Substation SCE would need approximately 131 acres and would pay, on average, 90% of $50,000 per acre for the necessary rights. South of the national forest, in the Pardee area, SCE expects it would need approximately 44 acres and would pay, on average 90% of $200,000 per acre. He estimated that total right-of-way acquisition costs would be approximately $14 million. The increased land acquisition costs increased the total estimate for the project from $80.3 million to $92.5 million. No party disputed this estimate.

In setting the maximum reasonable cost, the Commission is to take several factors into consideration, including the design of the project, the expected duration of construction, an estimate of the effects of economic inflation, and any known engineering difficulties associated with the project.

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[33] *See* D.06-06-034, *mimeo,* at p. 32.

The Commission has previously recognized the need for adjustments to cost caps in other decisions granting CPCNs. For example, the 1988 decision adopting an estimate of the maximum reasonable and prudent cost for the Devers-Palo Verde 2 project[34] and more recently the decision on PG&E's Jefferson-Martin 230 kV transmission project[35] both allowed for adjustments to the estimate of maximum reasonable cost. SCE requests that the certificate recognize that SCE may apply to increase the maximum reasonable and prudent cost estimate.

DRA appears to endorse SCE's initial cost estimate of $80.3 million, but does not directly refute or respond to the revised estimate of $92.5 million. SCE has offered a logical basis for its higher estimate, and we will adopt $92.5 million as the maximum cap for the Antelope-Pardee Transmission Project.

We note that the project we approve today is not identical to the project for which SCE developed its cost estimate. SCE may apply for a higher maximum cost if it can provide adequate justification, and must apply for a lower maximum if it appears that actual cost will be lower than the adopted estimated by at least 1%.

XI. Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with § 311(d) and Rule 14.2 of the Commission Rules of Practice and Procedure on January 30, 2007. Comments were filed on February 20, 2007

[34] D.88-12-030, 1988 Cal. PUC LEXIS 774 (30 CPUC 2d 4.)

[35] D.04-08-046, 2004 Cal. PUC LEXIS 391.

by SCE and by Marcy Watton, *et al.* (collectively, Leona Valley Residents)[36] and reply comments were filed on February 27, 2007 by SCE.

In addition, the City of Santa Clarita sent a letter to Chief Administrative Law Judge Angela K. Minkin, dated February 14, 2007. On February 20, 2007, ChiefALJ Minkin issued a ruling placing the letter in the formal record of the proceeding and treating it as comments on the proposed decision.

The following entities attempted to file comments on the proposed decision, however the comments were not accepted for filing in the formal record of the proceeding on a variety of procedural grounds, including the fact that none of them were parties to the proceeding or filed motions to intervene in the proceeding: California Independent System Operator (ISO) (not a party to the proceeding); John Allday, *et al.* (not a party to the proceeding; late filed); and Ron and Sherry Howell (not a party to the proceeding, various other procedural deficiencies). Nevertheless, all of these comments were placed in the public comment/correspondence file for the proceeding and were considered in the preparation of this decision.

We note that Rules 14.3(c) and (d) regarding comments and reply comments on a proposed or alternate decision provide:

> (c) Comments shall focus on factual, legal or technical errors in the proposed or alternate decision and in citing such errors shall make specific references to the record. Comments which merely reargue positions taken in briefs will be accorded no weight. Comments proposing specific changes to the proposed or alternate decision shall include supporting findings of fact and conclusions of law.

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[36] The Leona Valley Residents moved to intervene in this proceeding on October 5, 2006. That motion to intervene is hereby granted.

(d) Replies to comments may be filed within five days after the last day for filing comments and shall be limited to identifying misrepresentations of law, fact or condition of the record contained in the comments of other parties. Replies shall not exceed five pages in length.

A. SCE's Comments

SCE's comments state general agreement with most of the proposed decision. However, SCE requests that certain aspects of the proposed decision need to be modified in order to assure that the State's aggressive schedule for the rapid development of renewable resources can be met. Specifically, SCE has requested that a number of the proposed mitigation measures be deleted or revised. SCE has also requested changes to the schedule of approval processes that will be employed once construction of the project is underway. SCE has also requested that it not be required to use higher tower structures between certain mileposts as a mitigation measure to reduce EMF. Finally, SCE has requested the addition of a Finding of Fact and Conclusion of Law addressing the need to keep project construction on schedule.

1. Mitigation Measure V-16c

SCE has requested that this mitigation measure be deleted, because it is unnecessary in connection with the route being approved in this decision. We agree with SCE's request, and we note that Mitigation Measure V.16c is not included in the list of Mitigation Measures set forth in Attachment A to this decision. However, we also note that Mitigation Measure V-16c applies only to the portion of the transmission line within the ANF. Thus, the Forest Service, in its own decision on the proposed project, will also have to determine whether or not the additional siting study called for in Mitigation Measure V-16c still needs to be performed.

2. Mitigation Measure V.1a

SCE has requested that this mitigation measure be modified because it is, in SCE's view, overly burdensome and could result in significant schedule delays. We agree with SCE that all reasonable steps need to be taken to move the construction of the project along once it is approved. We note that Mitigation Measure V-1a only requires the installation of tubular steel poles where they will reduce visual impacts and are feasible to construct without reducing reliability. With respect to the possible used of tubular steel poles outside the ANF, the CPUC is committed to work with SCE to accelerate its review of SCE's plans under this mitigation measure to the fullest extent possible. We accordingly do not believe that a change in the mitigation measure is needed. However, many of the locations that SCE's plans under this mitigation measure would address are within the boundaries of the ANF, and thus will require SCE to consult with the ANF, not with the CPUC staff. Accordingly, SCE should work diligently with ANF staff to identify locations where they believe the use of tubular steel poles will reduce visual impacts on the ANF.

3. Mitigation V-1e

This mitigation measure requires SCE to treat surfaces with appropriate colors, finishes and textures. The CPUC agrees with SCE that it would be best to avoid coating processes that must be re-applied over time or that could result in deterioration of the structure material. If SCE can demonstrate that the colors that can be produced in the galvanizing process (presumably darker colors) can accomplish the intent of Mitigation Measure V-1e, the CPUC will be satisfied. Accordingly, we do not believe that any change is required to this mitigation measure.

4. Mitigation Measure V-3c

This mitigation measure requires SCE to avoid locating new roads in bedrock. SCE requests that this mitigation measure be modified to include the words, "to the extent feasible," in connection with this requirement, and to shorten the schedule for CPUC approval from 180 to 120 days. We agree that it is acceptable to shorten the schedule for CPUC approval and will make this change to the mitigation measure. We note that this modification does not change the substantive requirements of the mitigation measure and will not cause any significant environmental impacts itself. However, as to the "feasibility" language that SCE requests, we note that mitigation measures must, by definition, be feasible. Thus, if this measure cannot be feasibly implemented in certain locations, SCE should be able to present evidence supporting such a determination to CPUC and ANF staff. Thus, we see no need to change the mitigation measure to include the words, "to the extent feasible."

5. Mitigation Measures F-5 and F-7

SCE has requested that these mitigation measures be deleted, because they are unnecessary in connection with the route being approved in this decision. We note that Mitigation Measure F-7 was not included in the list of Mitigation Measures set forth in Attachment A to the proposed decision. However, we agree with SCE's request with respect to Mitigation Measure F-5 and will delete it. This measure would be necessary if we were approving SCE's original proposed route along the top of Del Sur Ridge. However, the mid-slope alternative that we are approving in this decision eliminates the need for this mitigation measure.

6. Mitigation Measures F-6 and F-8a

These mitigation measures deal with de-energization of the transmission line in connection with firefighting activities (F-6) and an agreement with the ANF to widen the Del Sur Ridge fuelbreak (F-8a). SCE requests that these measures be deleted for the same reasons that are applicable to Mitigation Measures F-5 and F-7. However, the firefighting activities and fuelbreak addressed in these mitigation measures are entirely within the purview of the ANF. Accordingly, SCE should request the ANF to delete these measures. If the ANF grants SCE's request in this regard, SCE should so inform CPUC staff.

7. Mitigation Measure N-1b

This mitigation measure requires advance notice of construction activities to residences and businesses within 600 feet of project construction. SCE requests that it be clarified to a notification to residences and businesses within 300 feet of project construction. We cannot grant SCE's request, because the language of this measure reflects the specific distance standards contained in Los Angeles County's noise ordinance.

8. Mitigation Measure H-1b

This mitigation measure limits slope gradients applicable to new roadways. SCE has requested a modification to allow a steeper gradient if it can be demonstrated to result in fewer impacts. We agree with SCE's request. If SCE can in fact demonstrate that a steeper gradient would result in fewer environmental impacts than a longer roadway with a more gentle gradient, SCE should be able to use the steeper gradient. We note that this modification does not reduce the environmental benefits associated with the mitigation measure; to the contrary, the intent of the modification is to maximize the reduction in environmental impacts associated with road construction.

9. Socioeconomic Impacts

SCE requests certain changes to the proposed decision to eliminate the reference to "loss of business revenues" as an environmental impact. The EIR/EIS was prepared to meet the requirements of both CEQA and NEPA. While CEQA does not require socioeconomic effects to be treated as significant impacts unless they result in a physical impact, NEPA requires that socioeconomic effects be considered and analyzed. The discussion of socioeconomic effects in the proposed decision summarizes the analysis in the EIR/EIS. Accordingly, the proposed decision will not be modified as SCE requests.

10. EMF Mitigation

The proposed decision requires SCE to undertake low-cost EMF mitigation. However, SCE requests that it not be required to utilize 20-foot taller structures between miles 20.3 and 25.6 of the proposed project route. SCE claims that it has already complied with CPUC Decisions D.06-01-042 and D.93-11-013 by incorporating low-cost EMF reductions into the project design that are as effective or more effective that the CPUC Guidelines (set forth in those decisions) already require and that the additional requirement would be ineffective.

We are disinclined to grant Edison's request at this time. We note that the language of concern to SCE, in Section VI.B. above, states that "SCE should increase tower and conductor heights by 20 feet along any portions of the transmission corridor where there are residences within 50 feet of the side of the right of way closest to the new 500 kV transmission lines." The language above goes on to state: " SCE has established that this design modification would reduce magnetic fields by 15% at the edge of the right of way."

We do not believe that the information on this issue that SCE has presented in its comments on the proposed decision has been subject to the degree of review that is typically accorded in a Commission proceeding. However, if SCE believes that the information included in its Comments provides a sufficient basis for us to change our determination on this issue, we invite SCE to file an Application for Modification to the CPCN that we are granting in this decision.

11. Other Requested Changes to the Proposed Decision

SCE has requested the addition of a Finding of Fact and Conclusion of Law addressing the need to keep project construction on schedule. This Commission is as committed to the rapid implementation of the State's Renewable Portfolio Standards as is SCE, and, at various points in this decision, we have made statements indicating that we expect CPUC staff to undertake its best efforts to work with SCE to accelerate the review of any SCE plans and activities that are submitted for staff approval. We do not believe that any further findings or conclusions are needed as evidence of our expectations and commitment and accordingly will not grant SCE's request in this regard.

Finally, SCE requests that we delete a sentence at page 19 of the proposed decision that refers to the value of future transmission projects associated with the development of the Tehachapi wind resource. We agree with SCE that this language does not relate to the issues in this proceeding and have modified it to delete the reference to specific future projects.

B. Comments of Leona Valley Residents

The Leona Valley Residents support the proposed decision's finding that Alternative 5 is not the environmentally superior project and should not be

selected. However, they claim that the proposed decision, and by implication the Final EIR/EIS as well, insufficiently addresses the adverse environmental impacts of Alternative 5 in connection with impacts on visual resources, housing and land use, fire safety, hydrology and geology.

We are sympathetic to the Leona Valley Residents' concerns. We have no intention of approving Alternative 5 and do not do so in this decision. Accordingly, we see no need to make any substantial modifications to the language in the proposed decision that reflects the substance of the Final EIR/EIS. However, we are persuaded to incorporate language in Attachment B, the CEQA Findings of Fact, which states that Alternative 5 is infeasible.

C. Comments of the City of Santa Clarita

Although the City of Santa Clarita (City) is not a party to this proceeding, the City, as an interested public agency, has actively participated in the environmental review process for the proposed project that has been conducted under CEQA and NEPA. As noted above, we have determined to treat the City's letter of February 14, 2007 commenting on the Final EIR/EIS as comments on the proposed decision.

The City's letter fundamentally raises three points: (1) that the project description in the Final EIR/EIS is inaccurate, and therefore misleading; (2) that the Final EIR/EIS does not consider a sufficient range of alternatives to the proposed project, in particular, an alternative that would avoid the construction of large towers and transmission line through residential neighborhoods in the City; and (3) that the alternative proposed by the City in response to the Draft EIR/EIS needs to be "fully considered and analyzed in the EIR/EIS" and "re-circulated for public comment."

We basically disagree with the City on all of these points, and consider that we are under no legal obligation either to study the City's proposed alternative in any greater detail than it has been studied, or to re-circulate the EIR/EIS for further public comment on the City's proposed alternative.

The detailed reasons for these conclusions are set forth in a letter dated February 27, 2007 addressed to Paul Brotzman, the City's Director of Community Development. A copy of the City's letter, our staff's response to that letter, a detailed, 20-page analysis by our CEQA/NEPA consultant that compares the City's proposed alternative to SCE's proposed route through the City, some additional correspondence from SCE that is directly relevant to the City's proposed alternative, as well as a map that the City provided to our staff, have been incorporated into an Addendum to the Final EIR/EIS, which addendum is attached to this decision as Attachment D.

The documents in Attachment D amply demonstrate that the City's suggested alternative is not a feasible alternative that offers substantial environmental advantages when compared to the proposed project or the alternatives analyzed in the EIR/EIS such as to warrant further analysis, nor does the City's proposed alternative trigger the need for recirculation under CEQA Guidelines § 15088.5. Moreover, none of the impact conclusions presented in the Final EIR/EIS would change in any way as a result of the inclusion of the information contained in Attachment D in the CEQA/NEPA record.

D. Comments of Ron and Sherry Howell

Although the Howells were not parties to this proceeding, they did submit comments on the Draft EIR/EIS. We have accordingly determined to treat their comments on the Final EIR/EIS as comments on the proposed decision. The

Howells "protest" Alternative 2, which is part of the project that we are approving in this decision, on a number of grounds. Most of the issues raised in the Howells' comments repeat the comments they submitted on the Draft EIR/EIS. Those issues were addressed in the Final EIR/EIS and will not be responded to here.

However, the Howells do raise three new issues in their comments: (1) they propose a new routing alternative that would ostensibly avoid their property; (2) they raise concerns about possible threats (increased fire risk) to structures of historic significance; and (3) they raise concerns about possible adverse impacts to agriculture, specifically, wine growing.

None of these new issues raised in the Howells' comments justify any changes either to the proposed decision or to the Final EIR/EIS. As to their proposed new route, it is simply too late in the process for the Howells to expect that a new routing proposal should or will be considered in connection with our consideration of the proposed decision in this case. The time for the Howells to have presented such an alternative for consideration was last summer and fall, when the public comment period on the Draft EIR/EIS was open. Had they offered their new route as part of their comments on the Draft EIR/EIS, it would have been looked at in some detail, as were the new route proposals submitted in connection with their comments on the Draft EIR/EIS by the City of Santa Clarita, the Pacific Coast Trail Association, and the Brunets. See Section V.B. above. The CPUC is under no legal or other obligation to consider a new route alternative that is proposed at the last minute. Nevertheless, we note that the Howells' proposed route alternative would extend the proposed length of the line along Del Sur Ridge, which would have significantly greater potentially significant adverse environmental impacts than the route we are approving in

this decision, and would be directly contrary to the aims and purposes of the USFS, which needs the route of this transmission line to be off the ridge top for important firefighting and other environmental needs, as is discussed in detail in Section V.A. of this decision and in the Final EIR/EIS.

The Howells' other two issues also lack merit as a basis for modifying either the proposed decision or the Final EIR/EIS. Their comments do not indicate why the structures in question would be subject to increased fire risks. As is discussed in detail in the Final EIR/EIS, the project is not expected to cause a significant increase in fire risk and may actually reduce such risks with the removal the existing 66-kV subtransmission line across the ANF. Finally, their comments do not indicate how vineyards would be adversely affected by the transmission line. Transmission lines are not known to inhibit the growth of grapes or other plants in any way, and in any event, the lines along the route we are approving in this decision would not be located adjacent to any existing vineyards.

E. Other Comments and Reply Comments

All of the other comments we received in response to the proposed decision either support that proposed decision are do not raise any new issues that were not already addressed in the Final EIR/EIS.

The only reply comments we received were from SCE, whose filing was limited to an explanation of why the City of Santa Clarita's proposed alternative would likely create additional adverse environmental impacts and was unreasonable for a number of other technical, economic and policy reasons. We appreciate SCE's reply comments, the substance of which is consistent with the reasons why we find the City's suggested alternative not to be a feasible alternative that offers substantial environmental advantages when compared to

the proposed project or the alternatives analyzed in the EIR/EIS. We note that SCE's reply comments include some additional visual impact analysis from SCE's external visual consultant, CH2M Hill, which shows that the SCE route through Santa Clarita would not substantially degrade the existing viewshed, such that the City's proposed alternative would not eliminate any substantial visual impact. As a rebuttal to the City's argument that its proposed route would mitigate visual impacts otherwise resulting from our approval of SCE's proposed route through the City, we have included this visual analysis from SCE's consultant in Attachment D.

XII. Assignment of Proceeding

Dian M. Grueneich is the assigned Commissioner and Julie Halligan is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The Antelope-Pardee Transmission Project is necessary to promote the safety, health, comfort, and convenience of the public.

2. Transmission to the wind rich Tehachapi area is almost unique in its ability to qualify under the standard set forth in this Decision for a determination of need under § 399.25 because of the size of the wind resource in the area, the constraints on the existing transmission system, and the level of interest on behalf of both utilities and merchant providers aspiring to develop projects there.

3. The Tehachapi area offers the largest wind resource in California. It has the undeveloped potential of generating about 1400 gigawatt-hours per year, with about 4500 MWs of installed capacity. To capture this potential, the lines must go where the wind blows – there is no other choice.

4. Without system improvements, SCE and others could not deliver significant amounts of wind power from the region.

5. No other entity has proposed a line to reach the Tehachapi wind resources.

6. Industry commitment to develop the Tehachapi area for RPS purposes is significant; utilities have received winning bids from, and SCE has signed contracts with developers of wind projects, the output of which cannot be fully delivered without increased transmission capacity.

7. In total, the wind projects in the current ISO queue for Tehachapi exceed 4,000 MWs in capacity.

8. The Antelope-Pardee Transmission Project is the first in a series of high-voltage, bulk transfer, transmission upgrades designed to serve multiple RPS-eligible wind projects in the Tehachapi region, as contemplated under D.06-06-034.

9. The Antelope-Pardee Transmission Project would accommodate output from an anticipated 201 MW wind facility west of the Antelope substation. It would increase the take-away capacity for power from Tehachapi through the Antelope substation and toward the load center in Southern California.

10. Because the existing path from the Antelope substation to the Victor substation is fully subscribed, it is necessary to increase the capacity to the load center in order to receive the full benefits of the anticipated wind power development.

11. The initial cost of the Antelope-Pardee Transmission Project, capped at $92.5 million, is a small fraction of the total cost of the entire project needed to bring Tehachapi wind to retail customers.

12. The cost of the Antelope-Pardee Transmission Project is justified based upon the high degree of the certainty we have that the project is critically needed to ensure development of RPS resources in the Tehachapi area.

13. The Antelope-Pardee Transmission Project is needed to facilitate compliance with the RPS program.

14. The project satisfies the requirements of § 399.25, and therefore satisfies the need requirement implicit in § 1001.

15. The project alternatives considered in the Final EIR/EIS constitute a reasonable range of feasible alternatives, as required by the CEQA Guidelines.

16. The environmentally superior alternative for the Antelope-Pardee Transmission Project consists of a combination of alternative route segments identified as Alternatives 2 and 4 in the Final EIR/EIS.

17. The environmentally superior route poses less harm to the environment than do the other routes proposed by SCE and/or considered in the Final EIR/EIS.

18. The Commission has reviewed and considered the information in the Final EIR/EIS before approving the project.

19. In determining whether to grant a CPCN for the proposed project, we have given express consideration to community values, recreational and park areas, historic and aesthetic values, and influence on the environment, all of which factors are addressed in detail in the Final EIR/EIS.

20. The Final EIR/EIS identifies significant environmental effects of the route we approve that can be mitigated or avoided to the extent that they become not significant. The Final EIR/EIS describes measures that will reduce or avoid such effects.

21. Specific findings with respect to all significant or potentially significant environmental effect of the project as proposed and of the various alternative routes studied in the Final EIR/EIS are set forth in Attachment B to this Decision,

CEQA Findings of Fact. We adopt the CEQA Findings of Fact included in Attachment B as if fully set forth herein.

22. The environmental mitigation measures identified in the Final EIR/EIS, and set forth in detail in Attachment A to this Decision, are feasible and will avoid significant environmental impacts.

23. In response to comments on the proposed decision, the Commission has made several minor modifications to certain of the environmental mitigation measures set forth in Attachment A to this Decision, and has deleted several other mitigation measures that are no longer necessary in view of the Commission's determination in this Decision to approve the environmentally superior route.

24. These minor modifications to, and deletions of, certain environmental mitigation measures provide an equivalent or greater degree of environmental mitigation than would have occurred had these modifications and deletions not been made; moreover, these minor modifications to, and deletions of, certain environmental mitigation measures will themselves not cause any significant environmental impacts.

25. The Mitigation Monitoring, Compliance, and Reporting Plan set forth in Appendix 9 to the Final EIR/EIS conforms to the recommendations of the Final EIR/EIS for measures required to mitigate or avoid those environmental effects of the project that can be reduced or avoided.

26. Additional information relevant to an alternative route proposed by the City of Santa Clarita is contained in Attachment D. We adopt Attachment D as an Addendum to the Final EIR/EIS.

27. None of the information contained in Attachment D results in any change to any of the impact conclusions or to any other of the findings, conclusions and recommendations presented in the Final EIR/EIS.

28. Notwithstanding the adoption in this Decision of all feasible mitigation measures identified in the Final EIR/EIS, and set forth in detail in Attachment A, there are certain adverse environmental impacts of the project being approved in this Decision that cannot mitigated to a less than significant level. The project's unavoidable adverse environmental impacts are acceptable in light of these substantial benefits, which constitute an overriding consideration warranting approval of the project, despite each and every unavoidable impact.

29. As State lead agency under CEQA, the Commission is required to monitor the implementation of mitigation measures adopted for this project to ensure full compliance with the provisions of the monitoring program.

30. The Commission will develop a detailed implementation plan for the Mitigation Monitoring, Compliance, and Reporting Plan.

31. It is reasonable to modify SCE's preliminary EMF management plan for the project, as described in Section VI.

32. The maximum reasonable and prudent cost for the approved project is $92.5 million.

Conclusions of Law

1. The Commission has jurisdiction over the proposed project pursuant to, *inter alia*, Pub. Util. Code §§ 399.25 and 1001 *et seq.*

2. In order to award a certificate under §1001, the Commission must find that the present or future public necessity require or will require construction of the line.

3. Section 399.25 directs the Commission to deem necessary those transmission facilities identified in applications if the proposed facilities are necessary to facilitate achievement of the State's renewable power goals.

4. Section 399.25 recognizes that in order to achieve RPS goals, it may be necessary for the Commission to approve new transmission projects in anticipation of future renewable energy projects, and to provide unusual assurances of recovery of reasonable construction costs.

5. Because § 399.25 exists in a broader statutory context – one that requires ambitious renewable portfolio development, reasonable rates, and environmental protection -- we must interpret this code section in a manner that strikes a reasonable balance.

6. We faced a similar challenge in establishing the circumstances under which a project would be eligible for cost recovery through retail rates under § 399.25(b)(4). In D.06-06-034 we identified two types of transmission projects that could be needed to facilitate RPS compliance and were therefore eligible for cost recovery. Those projects included "high-voltage, bulk-transfer, multi-user transmission facilities … proposed to access known, concentrated renewable resource areas…" (D.06-06-034, *mimeo,* at p. 27).

7. Decision 06-06-034 also noted that the degree of certainty required for a showing of RPS need "will depend on the magnitude of costs at stake," and that "in certain cases it will be necessary to consider the status of the RPS compliance to date…" (*Id.* at p. 28).

8. Section 399.25 does not offer the only means of establishing project need.

9. Historically, under § 1001, need for a transmission project could be established based upon a project's contribution to reliability or the ratepayer savings it would produce.

10. In order to rely on § 399.25 to establish the need for a project, we find that a proponent must demonstrate: (1) that a project would bring to the grid renewable generation that would otherwise remain unavailable; (2) that the area within the line's reach would play a critical role in meeting the RPS goals; and (3) that the cost of the line is appropriately balanced against the certainty of the line's contribution to economically rational RPS compliance.

11. A showing that a proposed project fits into one of the two categories identified in D.06-06-034 is the first step. A Commission finding of necessity in a CPCN proceeding must necessarily consider additional factors.

12. The Antelope-Pardee Transmission Project satisfies the requirements of Pub. Util. Code §§ 399.25 and 1001.

13. SCE's preliminary EMF management plan for the Antelope-Pardee Transmission Project should be modified as described in Section VI and the project should be constructed consistent with that modified plan.

14. The Commission retains authority to approve SCE's EMF mitigation plan to ensure that it does not create other adverse environmental impacts.

15. The Final EIR/EIS should be approved.

16. Project approval should be conditioned upon construction of Alternatives 2 and 4 as described in the FEIR/EIS.

17. Project approval should be conditioned upon the completion of the mitigation measures set forth in Attachment A. These mitigation measures are feasible and will minimize or avoid significant environmental impacts. Those mitigation measures should be adopted and made conditions of project approval.

18. The minor modifications to, and deletions of, certain environmental mitigation measures that the Commission has made in response to comments on

the proposed decision should be made, because these modifications and deletions provide an equivalent or greater degree of environmental mitigation than would have occurred had these modifications and deletions not been made.

19. After considering and weighing the values of the community, the impacts to parks and recreational areas, the impacts on historical and aesthetic values, and the environmental impacts caused by the project, we conclude that the CPCN for the Antelope-Pardee Transmission Project as described in this decision should be approved.

20. Based on the completed record before us, we conclude that other alternatives identified in the Final EIR/EIS are infeasible, pose more significant environmental impacts, or are less consistent with community values than the route we select in this decision.

21. As demonstrated by the documents included in Attachment D, the City of Santa Clarita's proposed alternative route is not a feasible alternative that offers substantial environmental advantages when compared to the proposed Project or the alternatives analyzed in the EIR/EIS such as to warrant further analysis, nor does the City of Santa Clarita's proposed alternative trigger the need for recirculation of the EIR/EIS under CEQA Guidelines Section 15088.5.

22. Section 399.25 (b)(4) ensures retail rate recovery of prudently-incurred costs for projects the Commission finds to be necessary to facilitate RPS compliance to the extent that cost recovery is not otherwise available.

23. Decision 06-06-034, setting forth the principles and the process for cost recovery under § 399.25, supersedes and moots the briefs submitted by the parties on cost recovery issues.

24. The determinations made in D.06-06-034 regarding implementation of the cost recovery provisions of §399.25 apply here.

25. Section 399.25 requires the Commission to direct SCE to seek the recovery through general transmission rates of the costs associated with the transmission facilities.

26. Section 399.25 is not meant to substitute for the existing cost recovery mechanisms available to support transmission development, nor is it intended to change the ultimate cost responsibility of generators and utility ratepayers. Consequently, nothing in this decision is intended to relieve renewable generators from their responsibility for their fair share of the costs of non-network transmission facilities necessary to interconnect the generator with the network."

27. Notwithstanding a great likelihood of cost recovery through FERC wholesale rates, it is appropriate for SCE to continue to track its project costs through the memorandum account approved by the Commission in response to SCE Advice Letter 1833-E filed on December 13, 2004.

28. Both § 399.25 and D.06-06-034 anticipate that first FERC would act, and that this Commission would step in only if FERC disallows recovery of some costs. Thus, any consideration of cost recovery by this Commission would only come after FERC had finished its work.

29. The Commission has authority to specify a "maximum cost determined to be reasonable and prudent" for the Antelope-Pardee Transmission Project pursuant to Pub. Util. Code § 1005.5.

30. The Commission should approve a maximum reasonable and prudent cost of $92.5 million for this project.

31. Commission approval of SCE's application, as modified herein, is in the public interest.

32. This order should be effective today so that SCE may proceed expeditiously with construction of the authorized project.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Southern Edison Company (SCE) to construct the Antelope-Pardee Transmission Project, following the environmentally superior route described in the Final Environmental Impact Report/Environmental Impact Statement (Final EIR/EIS).

2. SCE shall, as a condition of approval, comply with all applicable mitigation measures specified in Attachment A hereto, and as directed by the Commission's Executive Director or his designee(s). SCE shall work with the Commission's Energy Division to create detailed maps for use in construction and mitigation monitoring.

3. Modifications to SCE's preliminary electric and magnetic field (EMF) plan for the Antelope-Pardee Transmission Project are adopted as described in Section VI of this order.

4. SCE shall, as a condition of approval, build the project in accordance with these modifications.

5. Pursuant to Pub. Util. Code § 1005.5(a), the maximum cost (in 2005 dollars) determined to be reasonable and prudent for the Antelope-Pardee Project, including Allowance for Funds Used During Construction, pension and benefits, and administrative & general expenditures, is $92.5 million.

6. We note that the project we approve today is not identical to the project for which SCE developed its cost estimate. SCE may apply for a higher maximum cost if once SCE has developed a final detailed engineering design-based

construction estimate for the final route, it can provide adequate justification, and must apply for a lower maximum if it appears that actual cost will be lower than the adopted estimated by at least 1%.

7. SCE shall, prior to commencing construction, submit a detailed EMF mitigation plan for approval of the Commission's Energy Division. The plan shall describe in detail each mitigation element, the cost of each element, and the percentage by which that mitigation will reduce EMF levels.

8. The Executive Director shall supervise and oversee construction of the project insofar as it relates to monitoring and enforcement of the mitigation measures described in the Final EIR/EIS and in Attachment A to this decision in accordance with the Mitigation Monitoring Plan set forth in Appendix 9 of the Final EIR/EIS. The Executive Director may delegate his duties to one or more Commission staff members or outside staff. The Executive Director is authorized to employ staff independent of the Commission staff to carry out such functions, including, without limitation, the on-site environmental inspection, environmental monitoring, and environmental mitigation supervision of the construction of the project. Such staff may be individually qualified professional environmental monitors or may be employed by one or more firms or organizations. In monitoring the implementation of the environmental mitigation measures described in the Final EIR/EIS and in Attachment A, the Executive Director shall attribute the acts and omissions of SCE's employees, contractors, subcontractors, or other agents to SCE. SCE shall comply with all orders and directives of the Executive Director concerning implementation of the environmental mitigation measures described in Attachment A.

9. The Energy Division shall supervise and oversee the construction of the Antelope-Pardee Transmission Project insofar as it relates to monitoring and

enforcement of the mitigation measures described in the Final EIR/EIS. The Energy Division may designate outside staff to perform on-site monitoring tasks. The Commission project manager (Energy Division, Environmental Projects Unit) shall have the authority to issue a Stop Work Order on the entire project, or portions thereof, for the purpose of ensuring compliance with the mitigation measures described in the Final EIR/EIS. Construction may not resume without a Notice to Proceed issued by the Environmental Projects Unit of the Energy Division.

10. SCE's right to construct the Antelope-Pardee Transmission Project as set forth in this decision shall be subject to all other necessary state and local permitting processes and approvals.

11. SCE shall file a written notice with the Commission, served on all parties to this proceeding, of its agreement, executed by an officer of SCE duly authorized (as evidenced by a resolution of its board of directors duly authenticated by a secretary or assistant secretary of SCE) to acknowledge SCE's acceptance of the conditions set forth in the Ordering Paragraphs of this decision. Failure to file such notice within 75 days of the effective date of this decision shall result in the lapse of the authority granted by this decision.

12. Consistent with Pub. Util. Code § 399.25, the Commission shall ensure that SCE can recover, through rates, any reasonable costs related to the Antelope-Pardee project that the Federal Energy Regulatory Commission determines not to reflect in authorized transmission rates. SCE shall account for these costs, and seek any needed future recovery, in the manner described in Section IX of this decision.

13. The Final EIR/EIS for the Antelope-Pardee Transmission Project is certified pursuant to the California Environmental Quality Act (CEQA).

14. The Executive Director shall file a Notice of Determination for the project as required by the CEQA and the regulations promulgated pursuant thereto.

15. Upon satisfactory completion of the project, SCE shall file a notice of completion with the Executive Director by the Energy Division.

16. Application 04-12-007 is closed.

This order is effective today.

Dated _____, at San Francisco, California.