

Decision 24-04-011 April 18, 2024

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Horizon West Transmission, LLC (U222E) formerly known as Nextra Energy Transmission West, LLC, and Pacific Gas and Electric Company (U39E) for Permits to Construct the Estrella Substation and Paso Robles Reinforcement Project.

Application 17-01-023

DECISION GRANTING JOINT APPLICATION OF HORIZON WEST TRANSMISSION, LLC AND PACIFIC GAS AND ELECTRIC COMPANY FOR PERMITS TO CONSTRUCT THE ESTRELLA SUBSTATION AND PASO ROBLES AREA REINFORCEMENT PROJECT

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Attachment A - Mitigation Monitoring and Reporting Plan

DECISION GRANTING JOINT APPLICATION OF HORIZON WEST TRANSMISSION, LLC AND PACIFIC GAS AND ELECTRIC COMPANY FOR PERMITS TO CONSTRUCT THE ESTRELLA SUBSTATION AND PASO ROBLES AREA REINFORCEMENT PROJECT

Summary

This decision grants the joint application of Horizon West Transmission, LLC and Pacific Gas and Electric Company for permits to construct the proposed Estrella Substation and Paso Robles Area Reinforcement Project, configured as the Alternative Combination #2, with the mitigation measures identified in the Mitigation Monitoring and Reporting Plan attached to this decision. As the lead agency for the environmental review of the project, we find that the project's Final Environmental Impact Report meets the requirements of the California Environmental Quality Act. We also find that while the project will result in some unavoidable significant environmental impacts, even with the implementation of the prescribed mitigation measures, we find that the benefits of the project outweigh those significant unavoidable impacts. This proceeding is closed.

1. Background

1.1. Procedural Background

On January 25, 2017, Pacific Gas and Electric Company (PG&E) and NextEra Energy Transmission West, LLC (collectively, Applicants) filed Joint Application (A.) 17-01-023¹ (Application) before the Commission seeking permits to construct (PTC) the Estrella Substation and Paso Robles Area Reinforcement Project (Proposed Project). The Proposed Project's location is in and near the City of El Paso de Robles (Paso Robles), San Luis Obispo County.

¹ Application was filed with the Joint Proponents' Environmental Assessment Report (PEA).

On February 9, 2017, Resolution ALJ 176-3392 issued and preliminarily determined evidentiary hearings were necessary and categorized the proceeding as ratesetting.

On March 6, 2017, California Unions for Reliable Energy (CURE), the City of El Paso de Robles (City) and the Office of Ratepayer Advocates (ORA) filed timely protests to the Application. On March 6, 2017, Applicants filed responses to the protests.

On May 18, 2017, Applicants filed a Revised Proponent's Environmental Assessment Report (Revised PEA) to amend the original PEA on January 25, 2017.

On May 18, 2017, Applicants filed a Joint Motion for Leave to Submit Confidential Materials Under Seal.

On May 19, 2017, Riboli Paso Robles, LLC (Riboli) and San Antonio Winery (San Antonio) file a joint Motion for Party Status. On June 5, 2017, Applicants filed their Response and took no position on the joint Motion for Party Status filed by Riboli and San Antonio, while making certain factual corrections.

On July 14, 2017, the assigned Administrative Law Judge (ALJ) issued the Ruling Giving Notice of Anticipated Scope of Issues; Timing of Prehearing Conference; and Addressing Other Procedural and Substantive Matters (July 14, 2017 Ruling). The July 14, 2017 Ruling confirmed that the Commission's Energy Division would conduct an environmental review of the Proposed Project and prepare an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA).²

² California Public Resources Code §§ 21000 *et seq.* Unless otherwise specified, all statutory sections cited in this decision are to the California Public Resources Code.

On January 24, 2018, Applicants filed Updated Appendix G To Exhibit B to the Revised PEA filed on May 18, 2017.

On February 14, 2018, James Pahler filed a Motion for Party Status. On February 28, 2018, Applicants filed a Joint Response to James Pahler's Motion for Party Status.

On March 21, 2018, CURE filed a Motion to Dismiss the Application (Motion to Dismiss). On April 5, 2018, Horizon West filed a Response to the Motion to Dismiss. On April 23, 2018, CURE filed a Reply in support of its Motion to Dismiss.

On May 7 and June 20, 2018, Applicants filed further amendments to the Revised PEA filed on May 18, 2017.

On July 26, 2018, Decision (D.) 18-07-038 extended the statutory deadline for this proceeding to August 31, 2020.

On May 22, 2019, NextEra Energy Transmission West, LLC filed a motion notifying the Commission of its name change to Horizon West Transmission, LLC, and sought a proceeding caption change from NextEra Energy Transmission West, LLC to Horizon West Transmission, LLC (Horizon West).

On July 31, 2018, a Notice of Preparation³ (NOP) was circulated to the public and included direct mailings.

On August 7, 2018, pursuant to CEQA, a public scoping meeting was held at the Winifred Pfifer Elementary School in Paso Robles. Notice of the meeting was provided in the NOP and a local newspaper.

On February 26, 2020, a ruling was issued denying CURE's Motion to Dismiss.

³ On August 1, 2018, a revised NOP was issued to correct a figure error and circulated to the same recipients as the NOP.

On December 8, 2020, the Draft Environmental Impact Report (DEIR) was published.

On April 8, 2021, Sun Communities Inc. (Sun Communities) and Cava Robles RV Resort (Cava Robles) jointly filed a Motion for Party Status; and on April 23, 2021, Applicants filed Responses to that Motion for Party Status. On July 23, 2021, a ruling granted the Motion for Party Status by Sun Communities and Cava Robles.

On November 10, 2021, a Motion for Party Status was filed by Dina Hevert, Robert Behar and Jeffrey Hevert (collectively, Heverts). On November 29, 2021, PG&E filed a response to the Motion for Party Status by the Heverts. On December 17, 2021, a ruling granted the Heverts' Motion for Party Status.

On November 18, 2021, D.21-11-031 was issued and extended the proceeding deadline to December 1, 2022.

On November 18, 2021, the Recirculated DEIR (RDEIR) was published.

On June 2, 2022, the California Independent System Operator Corporation (CAISO) filed a Motion for Party Status. On June 10, 2022, a ruling granted CAISO's Motion for Party Status.

On November 17, 2022, D.21-11-031 was issued and extended the statutory deadline for this proceeding to December 31, 2023.

On April 3, 2023, the Final Environmental Impact Report (FEIR) was released. The FEIR determined that Alternative Combination 2 is the environmentally superior alternative for the Proposed Project.

On April 7, 2023, a ruling was issued and set the Prehearing Conference (PHC).

On May 4, 2023, a Joint PHC Statement was filed by Applicants and the other parties in this proceeding.

On May 11, 2023, the PHC was held.

On August 1, 2023, the assigned Commissioner issued the Scoping Memo and Ruling, which identified the scoped issues, set the proceeding schedule and extended the statutory deadline to April 1, 2024.

On August 24, 2023, CURE filed a Motion for Extension of Time to File Opening and Reply Testimony.

On September 15, 2023, Applicants filed a Motion to Strike Testimony of CURE's witnesses. On September 28, 2023, CURE filed a Response to the Motion to Strike Testimony.

On October 6, 2023, Applicants filed their Opening Brief.

On October 6, 2023, Sun Communities, Cava Robles, Heverts, Riboli, San Antonio, and City filed a Joint Brief.

On October 9, 2023, a ruling was issued and permitted CURE to late file its Opening Brief.

On October 9, 2023, CURE filed its Opening Brief.

On October 20, 2023, Applicants and CURE filed Reply Briefs.

On October 26, 2023, a ruling was issued and denied James Pahler's Motion for Party Status.

On November 8, 2023, a ruling was issued and denied the Motion to Strike Testimony of CURE's witnesses.

On December 20, 2023, Applicants filed a Joint Motion to Admit and Receive Evidence into the Evidentiary Record (Motion to Admit Evidence).

On February 29, 2024, a ruling was issued to resolve the following pending motions, as follows: (1) Riboli's and San Antonio's May 19, 2017 Motion for

Party Status was granted; (2) Applicants' May 18, 2017 Joint Motion for Leave to Submit Confidential Materials Under Seal was granted; and (3) Applicants' December 20, 2023 Motion to Admit Evidence was granted, in part, and denied, in part.

1.2. Proposed Project (As Proposed)

As proposed, the Proposed Project is a reliability-driven transmission solution in the Los Padres division of PG&E's service territory that was identified by the CAISO and approved in its 2013-2014 Transmission Plan "to provide Paso Robles Substation with more reinforced 70 kV sources from Templeton and Estrella."⁴ It includes 230 kV and 70 kV components that together comprise the CAISO-approved reliability-driven upgrade. The CAISO identified certain components of the Proposed Project as being eligible for competitive solicitation pursuant to the CAISO's tariff and Federal Energy Regulatory Commission (FERC) Order No. 1000,⁵ which components include the new 230 kV buswork and termination equipment and a new 230/70 kV transformer bank.⁶ Following a

⁴ Opening Testimony of Eric Hayes for Horizon West (September 1, 2023), Attachment A (CAISO 2013-2014 TPP), p 89; *see also* Opening Testimony of Jeff Billington for the CAISO (September 1, 2023), p. 2, lines 24-25.

⁵ Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 (2011), order on reh'g, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), order on reh'g and clarification, Order No. 1000-B, 141 FERC ¶ 61,044 (2012).

⁶ Hayes Opening Testimony (Horizon West), p. 3, lines 14-17; Billington Testimony (CAISO), p. 4, lines 2-5 ("The CAISO determined that the facilities in the Proposed Project eligible for competitive solicitation under the CAISO's tariff are the 230 kV buswork and termination equipment, and the 230/70 kV transformers. The 70 kV buswork and termination equipment and modifications to existing facilities are not eligible for competitive solicitation.").

competitive solicitation process, the CAISO awarded those components to Horizon West as the approved project sponsor.⁷

The Proposed Project also includes several components that were not eligible for competitive solicitation under the CAISO Tariff and that were awarded to PG&E (as the incumbent utility). These PG&E components are the required 70 kV buswork and termination equipment, new 230 kV interconnection facilities needed to interconnect Horizon West's new 230 kV substation to existing PG&E 230 kV facilities, a new overhead 70 kV double-circuit power line, and reconductoring of a segment of existing PG&E 70 kV power lines.⁸ Because the Horizon West components and the PG&E components together form a single, integrated transmission project, NextEra Energy Transmission West, LLC (now, Horizon West) and PG&E filed the Application jointly to request a separate PTC for each Applicant's respective components of the Proposed Project (sometimes referred to as Estrella Project).⁹

In the Application, NextEra Energy Transmission West, LLC (now, Horizon West) requested a PTC for the new Estrella Substation, and specifically for the 230 kV buswork and termination equipment and a new 230/70 kV transformer bank at the Estrella Substation. PG&E requested a PTC to: (i) construct its 70 kV portion of the proposed substation (which PG&E has named the "Union Substation"); (ii) interconnect the Morro Bay-California Flats 230 kV

⁷ Hayes Opening Testimony (Horizon West), p. 3, lines 17-19, Attachment B (CAISO Estrella Substation Project - Project Sponsor Selection Report (March 11, 2015), and Attachment C (Estrella Substation Approved Project Sponsor Agreement).

⁸ Hayes Opening Testimony (Horizon West), p. 3, line 20 through p. 4, line 3.

⁹ Application, p. 3 ("[Horizon] West could not successfully interconnect and energize its 230 kV project components without the project components that only PG&E can build and own. Conversely, PG&E would have no reason to seek a PTC for its 70 kV project components or its 230 kV interconnection facilities.")

line to the Estrella Substation; (iii) construct a new double circuit 70 kV line from the Union Substation through the City of Paso Robles and connect it to the existing San Miguel-Paso Robles 70 kV line; and (iv) reconductor a portion of the existing San Miguel-Paso Robles 70 kV line from the point at which the new 70 kV line would connect southward to the existing Paso Robles Substation.¹⁰

1.3. Submission Date

On February 29, 2024, this proceeding was submitted.

2. Legal Framework

The Application was filed under General Order (GO) 131-D.¹¹ To issue a PTC pursuant to GO 131-D, the Commission must find that the project complies with CEQA. In evaluating whether to approve the project or a project alternative, CEQA requires the lead agency¹² to conduct a review to identify environmental impacts of the project and ways to avoid or reduce environmental damage.

Here, the Commission, as the lead agency for the Proposed Project, determined that an EIR must be prepared. The Commission may not approve the Proposed Project unless it reviews and considers the EIR, identifies the environmentally superior alternative, and all of the identified mitigation measures, unless they are found to be infeasible, and determines that there are overriding considerations that merit approving the Proposed Project despite any unavoidable impacts.¹³

¹⁰ Opening Testimony of Lee Ellis for PG&E (September 1, 2023), p. 2, lines 39-45.

¹¹ This Application was filed under GO 131-D in effect, in 2017. Any subsequent changes to GO 131-D will not apply to the Proposed Project at issue in this proceeding.

¹² The lead agency is the public agency which has the principal responsibility for carrying out or approving a project. CEQA Guidelines (Cal. Code Regs. Tit. 14, Div. 6, Ch.3) Section 15367. The lead agency also must decide what environmental document will be required for the project and prepare the appropriate environmental document. *Ibid.*

¹³ *Id.*, Sections 15090, 15091, 15126.2, 15126.4 and 15126.6.

To approve the Proposed Project, the Commission must certify that the FEIR was completed in compliance with CEQA, that it conducted and considered the FEIR and that the FEIR reflects the Commission's independent judgment and analysis.¹⁴ CEQA requires the Commission to identify mitigation measures for the significant environmental impacts of the Proposed Project and require their adoption, unless they are found to be infeasible.¹⁵

In addition, pursuant to GO 131-D and Decision (D.) 06-01-042, the Commission will not certify a project unless it is designed in compliance with the Commission's policies governing the mitigation of electromagnetic field (EMF) effects using low-cost and no-cost measures.

3. Issues Before the Commission

The August 1, 2023 Scoping Memo and Ruling identified seven scoped issues in this proceeding:

1. What is the environmentally superior alternative?
2. What are the significant environmental impacts of the Proposed Project, if any?
3. What are the feasible mitigation measures that will eliminate or lessen the identified significant environmental impacts?
4. Are the mitigation measures and/or alternatives infeasible for economic, social, legal, technological or other considerations?
5. To the extent the Proposed Project and/or alternatives result in significant and unavoidable impacts, are there overriding considerations that nevertheless merit Commission approval of the Proposed Project or project alternative?

¹⁴ Cal. Code of Regs., Section 15090.

¹⁵ *Id.* at Section 15091.

6. Did the Commission review and consider the EIR, was the environmental document completed in compliance with CEQA, and does it reflect the Commission's independent judgment?
7. Is the Proposed Project an environmentally superior project alternative designed in compliance with the Commission's policies governing the mitigation of EMF effects using low-cost and no-cost measures?

As noted in the August 1, 2023 Scoping Memo:

Issue numbers 1 through 4 were already addressed during the CEQA review and public comment process. All related comments on Issue numbers 1, 2, 3 and 4 were considered as part of the public review and comments on the draft EIR, and addressed and included in the FEIR. We will not take further evidence regarding these CEQA issues outside of the FEIR to avoid duplicating efforts and unnecessary delay.¹⁶

Here, the CEQA process for the Proposed Project provided comment periods on the DEIR, and the RDEIR, after which, the FEIR was released, addressing all comments on the DEIR and the RDEIR. Thus, we do not take further evidence regarding these CEQA issues (Issue numbers 1 through 4, above) here. We have taken evidence on the outstanding issues (Issue numbers 5 through 7) as identified in the August 1, 2023 Scoping Memo and Ruling.

4. Project Components

The Proposed Project evaluated by the Commission is comprised of four components: (1) Estrella Substation, (2) 70 kilovolt (kV) Power Line Segment, (3) 70 kV Line Reconductoring Segment, and (4) the reasonably foreseeable

¹⁶ *Id.* at 6.

distribution components.¹⁷ The fourth component was identified in the FEIR. The Applicants contend and the FEIR finds that the Proposed Project is:

... needed to provide transmission system redundancy and power support in the event of outages (i.e., contingencies), as well as increased distribution capacity to accommodate forecasted electrical load growth in the Paso Robles area.¹⁸

The Proposed Project was identified in the CAISO's 2013-2014 Transmission Plan as a project needed to mitigate thermal overloads and voltage concerns in the Los Padres 70 kV system (specifically in the San Miguel, Paso Robles, Templeton, Atascadero, Cayucos, and San Luis Obispo areas).¹⁹ CAISO modeling determined that thermal overloads and very low voltage conditions could occur in this system following either one of two Category B contingencies: loss of the Templeton 230 kV/70 kV #1 Transformer Bank or loss of the Paso Robles-Templeton 70 kV power line.

4.1. Project Component 1 - Estrella Substation

The Estrella Substation would be comprised of two separate and distinct substations on an approximately 15-acre area within a 20-acre site. One 230 kV substation would be constructed and operated by Horizon West, and one 70 kV substation would be constructed and operated by PG&E. The 230 kV substation also would be connected to the existing 230 kV transmission line adjacent to the proposed Estrella Substation site via a new interconnection line. The 70 kV substation would be located immediately adjacent to the 230 kV substation within the same 15-acre area. Ultimate buildout of the Estrella Substation to

¹⁷ See FEIR for the Proposed Project at ES-4.

¹⁸ Application p. 4 and revised PEA (dated May 2017) at pp. 1-2; see also FEIR at ES-1 and 2-1 for an analysis of the applicant identified project need.

¹⁹ California Independent System Operator 2013-2014 Transmission Plan.

accommodate potential future transmission, capacity, and distribution needs could include an additional 230 kV interconnection, a second 230/70 kV transformer, three additional 70/21 kV transformers, and associated equipment (e.g., breakers, switches) amongst other improvements within its fenceline.

4.2. Project Component 2 - New 70 kV Power Line Segment

The new 70 kV power line segment would consist of approximately 7 miles of double circuit 70 kV power line on a combination of two types of structures: tubular steel poles (TSPs) and light duty steel poles (LDSPs) from the Estrella Substation to the Paso Robles Substation via Golden Hill Road. Power line structures would vary in height, but typically would range between 80 to 90 feet.

4.3. Project Component 3 - 70 kV Line Reconductoring Segment

Reconductoring and pole replacement would occur on approximately 3 miles of single circuit 70 kV power line using a combination of TSPs and LDSPs roughly parallel to North River Rd. Power line structures would vary in height, but typically would range between 80 to 90 feet. Anchors and guy wires would be attached to LDSPs and/or wood poles in locations where additional stability is required to support the conductor tension. The new replacement poles would typically be installed within 10 feet of the existing poles.

4.4. Project Component 4 - Reasonably Foreseeable Distribution Components

The FEIR also identified some reasonably foreseeable distribution components. While PG&E contends that it “is not seeking authority from the Commission in its PTC to construct [these] distribution components,”²⁰ the Proposed Project, as proposed, is a reliability project “to accommodate forecasted

²⁰ Applicants’ Opening Brief at v and 6.

electrical load growth” in the area. In looking at the Proposed Project as a whole, the FEIR examined the reasonably foreseeable distribution components.

The CEQA Guidelines define a project under CEQA as “the whole of the action” that may result either directly or indirectly in physical changes to the environment.²¹ This broad definition is intended to provide the maximum protection of the environment. Thus, even if more than one government agency must grant an approval for various components of a project, as a general rule, only one CEQA document should be prepared.²² This approach ensures that responsible agencies granting later approvals can rely on the lead agency’s CEQA document. Thus, to avoid piecemealing or segmenting (to put off evaluating the reasonably foreseeable distribution component element), the FEIR properly evaluated the reasonably foreseeable distribution component element as part of our analysis.

Segmenting and piecemealing projects are explicitly prohibited by CEQA, because dividing a project into a number of pieces would allow a project proponent and the lead agency to minimize the apparent environmental impacts of the whole of a project by evaluating individual pieces separately, each of which may have a less-than-significant impact on the environment, but which together may result in a significant impact. Segmenting a project may also hinder developing comprehensive mitigation strategies.

In general, if an activity or facility is necessary for the operation of a project, or necessary to achieve the project objectives, or a reasonably foreseeable

²¹ Section 15378 of the CEQA Guidelines.

²² *Id.*

consequence of approving the project, then it should be considered an integral project component that should be analyzed within the environmental analysis.

Here, those reasonably foreseeable distribution components include two new distribution line segments (totaling approximately 1.7 miles in length) and three new pad-mounted 21/12 kV transformers, a new distribution (70/21 kV) transformer within Estrella Substation and reconductoring of approximately 8 miles of existing distribution lines. The location of these distribution lines is not known at this time and would be determined to serve customer needs as load growth occurs in the vicinity.

PG&E supports the environmentally superior alternative, Alternative Combination #2, which includes BS-2²³ and BS-3,²⁴ discussed further in a subsequent section of this decision, in the place of the reasonably foreseeable distribution components as identified in the FEIR.

5. CEQA Compliance

As discussed below, the FEIR was prepared in compliance with CEQA. Section 21061 of the California Public Resources Code provides:

The purpose of an environmental impact report is to provide public agencies and the public in general with detailed information about the effect which a proposed project is likely to have on the environment; to list ways in which the significant effects of such a project might be minimized; and to indicate alternatives to such a project.

²³ BS-2 - Front of the meter (FTM) battery energy storage systems (BESSs) would be installed and connected to the distribution system.

²⁴ BS-3 - Behind the meter (BTM) solar and battery storage (i.e., "BTM resources") would be metered at the building level and could be owned and/or operated by either the building owner or a third-party provider.

CEQA Guidelines §§ 15003(i) and 15151 articulate that CEQA does not require technical perfection, but rather adequacy, completeness and a good-faith effort at full disclosure. Courts reviewing an EIR do not pass upon the correctness of the EIR's environmental conclusions, but only determine if the EIR is sufficient as an informational document.²⁵

Here, in accordance with § 15142 of the CEQA Guidelines, the FEIR embodies an interdisciplinary approach that ensures the integrated use of the natural and social sciences and the consideration of qualitative as well as quantitative factors. The FEIR is comprehensive and detailed, and clearly analyzes the advantages and disadvantages of the Proposed Project, the environmentally superior alternative, and other alternatives.

The FEIR also contains the specific information required by CEQA Guidelines §§ 15120 through 15132. The FEIR consists of all of the revisions in response to comments and other information received on the DEIR and on the RDEIR. The FEIR includes summary, project description, environmental setting, adequate consideration and discussion of environmental impacts, consideration and discussion of significant environmental impacts, consideration and discussion of mitigation measures to minimize significant impacts, and consideration and discussion of a reasonable range of potentially feasible alternatives to the originally proposed project that would meet the basic project objectives.

²⁵ CEQA Guidelines, Cal. Code Regs. Title 14 §15003(i), *citing Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 711; *see also Association of Irrigated Residents v. County of Madera* (2003), 107 Cal.App. 4th 1383, 1390.

5.1. Procedural Compliance

The Commission's Energy Division prepared the FEIR in compliance with the applicable procedural requirements of CEQA and the CEQA Guidelines in the scoping process and in preparation of the FEIR.

The NOP for the Proposed Project was prepared pursuant to § 15082 of the CEQA Guidelines and submitted to The Governor's Office of Planning and Research's State Clearinghouse on July 30, 2018. A revised NOP was submitted on August 1, 2018. The scoping period continued for thirty days and concluded on August 31, 2018.

The NOP presented general background information on the Proposed Project, the scoping process, the environmental issues to be addressed in the EIR, and the anticipated uses of the EIR. The NOP was posted online, and more than 200 hard copies of the NOP were distributed by mail to a broad range of stakeholders including state, federal, and local regulatory agencies and jurisdictions, non-profit organizations, and property owners in the vicinity of the Proposed Project. On August 2 and 5, 2018, an announcement of the release of the NOP, including the dates, times, and locations of scoping meetings, was published in the local newspaper. A public scoping meeting was held on August 7, 2018 in Paso Robles. During the scoping period, the Commission received letters from the public, from several public agencies (Paso Robles, County of San Luis Obispo, California Department of Conservation, and California Native American Heritage Commission), and from the Xolon Salinan tribe.

To identify a reasonable range of potentially feasible alternatives for consideration in the DEIR, the Commission prepared a Draft Alternatives Screening Report (ASR) and circulated it for public review from March 28, 2019,

to May 10, 2019. The Energy Division considered the comments received on the Draft ASR and prepared a Final ASR. Preparation and circulation of the ASR was not required by CEQA but was done to engage the affected communities to ensure that their ample public input on the range of alternatives was considered for the Proposed Project.

The DEIR (State Clearinghouse No. 2018072071) was issued on December 8, 2020. In accordance with §§ 15085 and 15087 of the CEQA Guidelines, the Notice of Completion (NOC) was filed with the State Clearinghouse, and the Notice of Availability (NOA) was distributed and posted. The DEIR was circulated for public review for 76 days, which exceeds the minimum and maximum time periods in §§ 15087 and 15105 of the CEQA Guidelines (30 days and 60 days, respectively). This reflected a three-week extension of the original 55-day review period to give parties additional time as an accommodation in light of the COVID-19 pandemic, which was an unusual occurrence that justified the longer comment period. The Commission held two public meetings during the comment period, both on December 15, 2020. The due date for comments on the DEIR (as extended) was February 21, 2021. The Commission received 131 letters on the DEIR during the public review period.

On November 18, 2021, the Energy Division published the RDEIR based on Horizon West's purchase of an additional five acres of the land at the site of the Estrella Substation and based on CURE's comments regarding the DEIR's air quality analysis. The RDEIR consists of certain sections of the DEIR that were recirculated for comment, namely Chapter 2 (Project Description), Section 4.2 (Agricultural Resources and Forestry Resources), and Section 4.3 (Air Quality) (such recirculated sections are the RDEIR). The Commission's Energy Division followed the same noticing procedures as for original DEIR, and filed a NOC,

along with the RDEIR, with the State Clearinghouse. The Commission's Energy Division also sent a NOA for the RDEIR to all property owners within 1,000 feet of the Proposed Project or alternatives components, all trustee agencies, individuals who submitted comments during previous public review periods for the Proposed Project, and any person or organization requesting a copy. The RDEIR was available for public review for 55 days, with comments due on January 12, 2022.

On April 3, 2023, the Energy Division published the FEIR. The FEIR considered and included responses to all of the voluminous comments received during the public review period for both the DEIR and the RDEIR as well as the revisions in response to comments in accordance with § 15088 of the CEQA Guidelines.²⁶ The FEIR includes a new Volume 3 containing all comments submitted on the DEIR and on the RDEIR, and responses to all comments.

5.2. Project Alternatives Consideration

The FEIR analyzed several potentially feasible alternatives in varied combinations of the elements of the Proposed Project to achieve project objectives. The FEIR also considered a No Project Alternative that assessed the reasonably foreseeable environmental impacts if the project or another project alternative was not approved. Several other alternatives were also considered, but ultimately dismissed from further detailed analysis in the FEIR for one or more of the following reasons: (1) the alternative was infeasible;²⁷ (2) the alternative failed to meet the basic project objectives; or (3) the alternative would not avoid or substantially reduce one or more significant impacts of the Proposed

²⁶ Comments were responded to either through master responses (for common recurring themes) or through individual responses to comments, or a combination of the two.

²⁷ CEQA Guidelines, Cal. Code Regs. Title 14 §15364.

Project.²⁸ Those potentially feasible alternatives analyzed in the FEIR are summarized below.

5.2.1. No Project Alternative

Under the No Project Alternative, Horizon West and PG&E would not construct or operate the substation or new and reconductored 70 kV power line segments. The No Project Alternative would not provide transmission system redundancy, increased distribution capacity or improved electrical service reliability.

5.2.2. Alternative Combinations

5.2.2.1. Alternative Combination #1

Alternative Combination #1 consists of the Estrella Substation Site (a component of the Proposed Project described above), the same power line route as the Proposed Project with strategic undergrounding in the vicinity of Golden Hill Road (PLR-3), and battery storage procurement in lieu of the reasonably foreseeable distribution components (BS-2 and BS-3).

Strategic Undergrounding would involve undergrounding the portion of the Proposed Project's new 70 kV power line that passes through the Golden Hill Road area north of SR 46. Two underground route options were considered:

Option 1 would begin where the proposed power line alignment turns west to parallel Wisteria Lane, would turn north along Germaine Way, and then turn west to follow Wisteria Lane. Where Wisteria Lane meets Golden Hill Road, Option 1 turns north following Golden Hill Road and continues north past Lake Place until the point at which the proposed 70 kV alignment turns to the west.

Option 2 would be similar to Option 1 except that instead of turning west and following Wisteria Lane, it would follow the proposed

²⁸ See FEIR at ES-7 and 5-1.

70 kV power line alignment behind San Antonio Winery. After reaching Golden Hill Road, Option 2 would be identical to Option 1.

In lieu of the reasonably foreseeable distribution components of the Proposed Project (described above), front-of-the-meter battery energy storage systems would be installed and connected to the distribution system (BS-2) and behind-the-meter solar and battery storage (i.e., “BTM resources”) would be metered at the building-level and could be owned and/or operated by either the building owner or a third-party provider (BS-3).

BESS facilities (BS-2) would function to “shave” peak loads during periods when energy use along these feeders is high (i.e., reduce peak loads during the summer) to relieve pressure on the area substations and feeders. BESSs would likely operate on a daily cycle where they would discharge during hours of peak demand and charge during hours of lower demand (e.g., nighttime).

Adoption of BTM resources (BS-3) also could reduce loading on circuits within the Paso Robles Distribution Planning Area and thereby avoid potential future forecasted substation overloads. Because it is unknown which specific customers will opt into the BTM resources program and install BTM resources on their property, the specific locations of activities under Alternative BS-3 are unknown. In general, BESSs would be anticipated to be installed within existing commercial and industrial buildings, and within existing residential homes or apartment complexes.

5.2.2.2. Alternative Combination #2

Alternative Combination #2 consists of the Estrella Substation Site (part of the Proposed Project, described above), a 70 kV power line route that goes to the north and west of the Proposed Project’s route (Route PLR-1A), and battery

storage procurement in lieu of the reasonably foreseeable distribution components (BS-2 and BS-3 as described for Alternative Combination #1, above).

Route PLR-1A is an alternative route for the 70 kV power line that would connect the proposed Estrella Substation to the Paso Robles Substation and pass north of the Paso Robles Municipal Airport. Starting at the Estrella Substation, Alternative PLR-1A would follow the existing 230/500 kV transmission corridor northeast until veering north at roughly the intersection of the transmission corridor with SR 46. The route would then zig zag in a northwest direction through agricultural lands until meeting Wellsona Road. At this point, the route would follow Wellsona Road due west until meeting the existing San Miguel-Paso Robles 70 kV Transmission Line. This existing line would then be reconducted south to the existing Paso Robles Substation.

5.2.2.3. Alternative Combination #3

Alternative Combination #3 consists of the Bonel Ranch Substation Site (SS-1), a 70 kV power line route from the Bonel Ranch Substation Site to Paso Robles Substation via the Estrella Route (PLR-1C: Estrella Route to Bonel Ranch Option 1), and battery storage procurement in lieu of the reasonably foreseeable distribution components (BS-2 and BS-3 as described for Alternative Combination #1, above).

The Bonel Ranch Substation Site is situated on an approximately 72-acre parcel, of which the substation would occupy approximately 15 acres. This site is bordered by the Estrella River to the north and Estrella Road to the south and is generally surrounded by rural development. The Bonel Ranch site is located within the County of San Luis Obispo North County Planning Area and is currently used to grow alfalfa. If the substation were constructed at the Bonel Ranch Substation Site, it would be connected to the existing Paso Robles

Substation via a 70 kV power line following Alternative PLR-1C: Estrella Route to Bonel Ranch Option 1. Electrical components, equipment, and site infrastructure included in a substation located at this alternative site would be essentially the same as for the proposed Estrella Substation.

This route would be largely similar to Route PLR-1A (described in Alternative Combination #2, above) but would have a different starting point at the Bonel Ranch site rather than the proposed Estrella Substation. Starting at the Bonel Ranch Substation Site, the PLR-1C route would follow Estrella Road west before meeting the existing 230/500 kV transmission corridor. The route would then turn and follow the existing 230/500 kV transmission corridor southwest for approximately 0.75-mile before veering west, crossing a riparian/drainage area, and then joining the PLR-1A route that zig zags northwest through agricultural lands until meeting Wellsona Road. The remainder of the route is identical to the PLR-1A route.

5.2.2.4. Alternative Combination #4

Alternative Combination #4 consists of expansion of the existing Templeton Substation (SE-1A), a 70 kV power line route that extends from the Templeton Substation along Paso South River Road to Paso Robles Substation, and battery storage procurement in lieu of the reasonably foreseeable distribution components (BS-2 and BS-3 as described for Alternative Combination #1, above).

5.2.2.5. Alternative Combination #5

Alternative Combination #5 consists of the Estrella Substation Site (part of the Proposed Project, described above), the same 70 kV power line route as the Proposed Project (described above), and battery storage procurement in lieu of

the reasonably foreseeable distribution components (BS-2 and BS-3 as described for Alternative Combination #1, above).

5.3. Environmentally Superior Alternative - Alternative Combination #2

In evaluating the above alternatives, the FEIR identified each alternative's potential significant environmental impacts and the mitigation measures that would avoid or lessen them below the level of significance,²⁹ and it finds that: "Overall, Alternative Combination #2 is considered the most advantageous option and is identified as the Environmental Superior Alternative."

Alternative Combination #2 includes the Estrella Substation at the site proposed by Horizon West and Alternative PLR-1A for the 70 kV transmission line – as the environmentally superior alternative, and states:

Specifically, this combination would route the new 70 kV power line north of the City of Paso Robles through a more rural, agricultural area of San Luis Obispo County. Thus, it would reduce the significant aesthetic impacts of the Proposed Project's 70 kV power line. In particular, the Alternative PLR-1A route would avoid the impacts on the Golden Hill Road area, including the Cava Robles RV Resort, San Antonio Winery, and residents at the Circle B Homeowners' Association. Although the northern Alternative PLR-1A route is longer (6.5 miles longer) than the Proposed Project's 70 kV power line route, resulting in an increase in some construction-related effects, it would avoid the sensitive habitat (*i.e.*, blue oak woodland) located along and north of Golden Hill Road, including the area where there is a known golden eagle nest nearby.⁴⁰

Here, the FEIR evaluated the No-Project Alternative but determined that this alternative would not meet the transmission project objective, and therefore

²⁹ The FEIR evaluated the potential impacts of each alternative separately in the FEIR (§§ 4.1 – 4.20).

would leave the Paso Robles 70 kV system vulnerable to load shedding and/or blackouts for customers in the service area. If this were to occur at the same time as a wildfire, for example, this could hamper emergency response and evacuation efforts (*e.g.*, residents in the affected areas not being able to receive communications via their televisions or being able to charge their phones to receive communications). The No Project Alternative was therefore not selected as the environmentally superior project alternative.³⁰

From an electrical function standpoint, the aboveground double-circuit 70 kV alignment described in Alternative PLR-1A is the same as the original 70 kV route proposed in the Application. Alternative PLR-1A (which is a component of the environmentally superior alternative, Alternative Combination #2) starts at the same point as the originally proposed route, *i.e.*, the proposed Union Substation, and connects to the same San Miguel-Paso Robles 70 kV line as the originally proposed route.³¹ The differences are that new Alternative PLR-1A: (i) does not run through the City of Paso Robles, travelling east and north around the city; (ii) requires approximately 3.5 miles more construction of new double-circuit 70 kV line than the originally proposed route; (iii) would connect to the existing San Miguel-Paso Robles 70 kV line approximately three miles north of where the originally proposed route would connect; and (iv) requires reconductoring of approximately three more miles of the existing San Miguel-Paso Robles 70 kV line as the originally proposed route.³²

The Proposed Project would create two new 70 kV circuits—the Union-San Miguel 70 kV line running from the new Union Substation to the

³⁰ FEIR, Volume 1, §5.3 (Environmentally Superior Alternative), p. 5-9.

³¹ Ellis Opening Testimony (PG&E), p. 3, lines 63-67.

³² Ellis Opening Testimony (PG&E), p. 3, line 67 through p. 4, line 73.

existing San Miguel Substation, and the Union-Paso Robles 70 kV line running from the new Union Substation to the existing Paso Robles Substation. These two 70 kV circuits are configured as double-circuit line from Union Substation to the point of connection with the existing San Miguel-Paso Robles 70 kV line. At that point, one of the new 70 kV circuits would be looped into the existing line and run north to the San Miguel Substation, becoming the new Union-San Miguel 70 kV line. The other new 70 kV circuit will be looped into the existing line and run south to San Miguel Substation, becoming the new Union-Paso Robles 70 kV line.³³

Because the aboveground double-circuit 70 kV alignment described in Alternative PLR-1A provides the same electrical function as the original double-circuit 70 kV route proposed in the Application, Alternative PLR-1A will provide the same reliability-driven transmission solution that was identified by the CAISO, as described in the Application and the FEIR.³⁴

Testimony by the CAISO's witness, Jeff Billington, confirms that Alternative PLR-1A is electrically similar to and provides the same reliability benefits as the transmission line route originally proposed in the Application:

The CAISO understands the environmentally superior alternative identified in the [FEIR] involves an alternative route for the 70 kV line that traverses a more rural area in the Paso Robles area. This alternative, described in the [FEIR], is electrically similar and meets the same reliability needs as the transmission line the CAISO approved. The longer line will have slightly higher impedance and line loss. However, these changes are not significant enough to make

³³ Reply Testimony of Qualen Chavis for PG&E (September 15, 2023), p. 3, lines 56-65.

³⁴ Ellis Opening Testimony (PG&E), p. 4, lines 74-79.

any material difference in the power flow and the system performance.³⁵

Because the FEIR concludes that Alternative Combination #2, which includes PLR-1A, is environmentally superior to the original double-circuit 70 kV route proposed in the Application, and because Alternative PLR-1A will provide the same reliability-driven solution identified by the CAISO as the double-circuit 70 kV route originally proposed in the Application, PG&E supports Alternative Combination #2, which includes PLR-1A, as the appropriate alignment for the new double-circuit 70 kV line associated with the Proposed Project.

Although Alternative Combination #2 is not identical to the Proposed Project, as proposed by the Applicant, Applicants “accept and propose to build the Estrella Substation and Alternative PLR-1A that are selected as the environmentally superior alternative in the Final EIR.”³⁶ Alternative Combination #2 would provide the reliability solution identified and approved by the CAISO in its 2013-2014 Transmission Plan.

The City and all parties in this proceeding representing landowners and businesses in the areas near the Proposed Project also agree with and support approval of this alternative combination.³⁷

The environmentally superior alternative is feasible.

³⁵ Billington Testimony (CAISO), p. 7, lines 6-13.

³⁶ Applicants’ Opening Brief at 17.

³⁷ Joint PHC Statement (May 4, 2023), p. 3 (“The following Parties agree with and support approval of the combination of the Estrella Substation site and Alternative PLR-1A: the City; Sun Communities, Inc.; Cava Robles RV Resort; Heverts; San Antonio Winery, Inc.; and Riboli Paso Robles, LLC.”)

5.4. Reasonably Foreseeable Project Components

The FEIR also evaluated potential impacts from certain reasonably foreseeable future upgrades to the PG&E distribution system that are not part of the Proposed Project, as proposed by the Applicants. As described in the FEIR, Alternative Combination #2 includes alternatives BS-2 (front of the meter battery storage) and BS-3 (behind the meter battery storage and solar), which are alternatives to distribution-voltage level components that PG&E identified as “reasonably foreseeable” in the Application in order to comply with the requirements of CEQA.³⁸ These distribution level components were not originally proposed as part of the Proposed Project, and PG&E contends that it is not planning to construct these distribution components at this time and is not seeking authority from the Commission to construct them.³⁹

Therefore, PG&E contends that a PTC granting PG&E authority to construct its portions of the Proposed Project should be limited to the construction of the 70 kV Union Substation at the same site as Horizon West’s 230 kV Estrella Substation, interconnection of the Morro Bay-California Flats 230 kV line to Estrella Substation, construction of a new double circuit 70 kV line from the Union Substation via the Alternative PLR-1A route, and reconducting a portion of the existing San Miguel-Paso Robles 70 kV line.

PG&E contends that the Commission in its decision here should not address the distribution-voltage level components it identified in the Application as “reasonably foreseeable” or related alternatives described in the FEIR, such as alternatives BS-2 and BS-3.

³⁸ Ellis Opening Testimony (PG&E), p. 3, lines 53-57.

³⁹ Ellis Opening Testimony (PG&E), p. 3, lines 57-59.

The Commission has authority over electric utility infrastructure, including distribution.⁴⁰ As the CEQA lead agency preparing the EIR for the Proposed Project, the Commission also has a duty to review and consider “the whole of the action.”⁴¹ Accordingly, we will consider the whole of the project here, including the reasonably foreseeable components, in our review of the Proposed Project.

Here, the Proposed Project, as proposed by PG&E, in the Application for PG&E’s 70 kV Substation, as demonstrated by the description of the ultimate substation buildout, above, is reasonably expected to result in additional distribution infrastructure originating from the substation.

CEQA requires that feasible alternatives that meet the basic objectives of the project and substantially lessen significant impacts on the environment be selected by the lead agency unless specific economic, social or other conditions are identified that warrant selecting a more environmentally impactful alternative.

Because CEQA requires consideration of the whole of the project, including reasonably foreseeable developments resulting from the project that have a potential to affect the environment, and those developments (i.e., the reasonably foreseeable distribution elements) are within the scope of the Commission’s authority, we find that consideration of alternatives BS-2 and BS-3 in lieu of the Proposed Project’s reasonably foreseeable components here is within the Commission’s authority and is, therefore, required.

⁴⁰ Public Utilities Code Sections 762 and 1001.

⁴¹ Title 14, California Code of Regulations Section 15378 and Public Resources Code Section 21065.

Here, no party has identified any specific economic, social, environmental or other condition that warrants the Commission's approval of the Proposed Project's reasonably foreseeable distribution elements nor an alternative other than alternatives BS-2/BS-3 in lieu of applicant PG&E's proposed reasonably foreseeable distribution infrastructure.

Therefore, lacking any evidence of economic, social, or other conditions for selecting the reasonably foreseeable distribution components, the Commission approves and orders alternative BS-2/BS-3 as part of the environmentally superior alternative. In so doing, we adopt the below process for PG&E for the reasonably foreseeable future distribution components of the Estrella Project - while acknowledging the timing, location and feasibility of the work are unclear at this time:

PG&E must file in the current Distribution Investment Deferral Framework (DIDF) proceeding or a successor proceeding when those distribution elements associated with the Estrella Project become necessary (expected approximately 5-15 years). If DIDF procurement is successful, a Tier 1 advice letter to Energy Division referencing the instant proceeding would be filed to document the completion. If DIDF procurement is not successful, PG&E shall file a petition for modification in this instant proceeding to address the distribution elements for the Commission to review the feasibility of the battery storage components and/or distribution elements in light of the record developed as part of the DIDF process and any further record as necessary to examine the issue at that time.

5.5. Briefs Filed in the Proceeding

Three opening briefs were filed in this proceeding by: (1) the Applicants; (2) Sun Communities, Inc. and Cava Robles RV Resort, Heverts, Riboli, San Antonio, and the City (collectively, the Local Parties); and (3) CURE.

The Applicants' opening brief explains that the FEIR was prepared in compliance with CEQA and satisfies CEQA's requirements and seeks the Commission to approve the Application and grant the requested PTCs for Alternative Combination #2, based on consideration of the FEIR and the Proposed Project's reliability benefits, economic benefits, and policy benefits.

The Local Parties' opening brief similarly supports and asks the Commission to approve Alternative Combination #2 (the environmentally superior alternative).⁴²

All parties other than CURE also support approval of Alternative PLR-1A. Alternative PLR-1A and the rest of Alternative Combination #2 are feasible and meet the project objectives and were identified as the environmentally superior alternative.

5.6. Significant Environmental Impacts

The FEIR evaluated the potential for the Proposed Project and alternatives to affect 20 resource areas, which are discussed in detail in the FEIR. Table ES-1 at the end of the FEIR's Executive Summary summarizes the potential environmental impacts associated with the Proposed Project, as proposed in the Application, the mitigation measures proposed by the Applicants (also referred

⁴² Local Parties' Opening Brief, p. 4. The Local Parties argue that: "Here, to comply with CEQA, the Commission must approve PLR-1A in place of the transmission line route originally proposed in the Project's [EIR], given that PLR-1A is a feasible project alternative that meets each of the EIR's identified Project Objectives while reducing and avoiding significant environmental impacts." This suggests that CEQA always requires the Commission to approve the environmentally superior alternative selected in an EIR, but that argument overlooks the Commission's authority as the decision maker to determine the environmentally superior alternative and to approve a proposed project or alternatives other than the environmentally superior alternative selected in an EIR. Public Resources Code §§ 21002, 21081(c); CEQA Guidelines, Cal. Code Regs., §§ 15091, 15092, 15093. In this proceeding, however, the Applicants fully support approval of the environmentally superior alternative selected in the FEIR and agree with the outcome proposed by the Local Parties.

to as applicant proposed mitigation measures or APMs), the additional mitigation measures that would further reduce impacts (MMs), and the resulting significance determinations for the Proposed Project after application of the APMs and MMs. Table ES-2 summarizes the impacts and significance determinations for each component of the alternatives carried through for full analysis in the FEIR.

The FEIR finds that the Proposed Project as originally proposed would have a total of six significant and unavoidable impacts in the areas of Aesthetics (Impact AES-3), Agricultural and Forestry Resources (Impact AG-1 and Impact AG-2), Air Quality (Impact AQ-2 and Impact AQ-3), and Noise and Vibration (Impact NOISE-1). The FEIR finds that these can be lessened but not eliminated with the APMs and MMs identified in the FEIR. The FEIR finds that all other impacts would be reduced to a less-than-significant level through mitigation measures identified in the FEIR.

The FEIR also concludes that the environmentally superior alternative (Alternative Combination #2, including Alternative PLR-1A) would further reduce these impacts when compared against the Proposed Project, as originally proposed. Specifically, Alternative PLR-1A would reduce the significant aesthetic impacts of the originally proposed 70 kV power line, and eliminate impacts on the Golden Hill Road area, including the Cava Robles RV Resort, San Antonio Winery, and residents at the Circle B Homeowners' Association. The FEIR finds that all other impacts from the Proposed Project (as modified to include Alternative PLR-1A) are designated as no impact, less than significant, or less than significant with mitigation.⁴³

⁴³ FEIR, Volume 1, Table ES-1, pp. ES-21 through ES-37, and Table ES-2, pp. ES-38 through ES-50.

The FEIR includes the APMs and MMs in a Mitigation Monitoring and Reporting Plan (MMRP).⁴⁴ The APMs and MMs required in the MMRP are feasible, and Applicants accept them.

5.7. Significant Unavoidable Impacts

As noted above, although the FEIR finds that the environmentally superior alternative, Alternative Combination #2 (Alternative PLR-1A), lessens the impacts when compared with the Proposed Project, as originally proposed, there will still remain some significant and unavoidable impacts. The FEIR also identifies the APMs and MMs that substantially lessen the identified impacts but concludes that the impacts after mitigation would be significant and unavoidable.

When an EIR identifies significant environmental impacts that may result from a project, CEQA and the CEQA Guidelines require the lead agency to make one or more of the following findings for those impacts:⁴⁵

- Changes or alterations have been required in, or incorporated into, the project that avoid or substantially lessen the significant environmental effects identified in the EIR.
- Such changes or alterations are within the responsibility and jurisdiction of another public agency that has adopted, or can and should adopt, such changes.
- Specific economic, social, legal, technological, or other considerations make infeasible the mitigation measures or project alternatives identified in the EIR.

We summarize and discuss those potential unavoidable significant impacts and how the FEIR addressed them to minimize those impacts, below.

⁴⁴ FEIR, Volume 2, Appendix F (MMRP), attached as Attachment A to this Decision.

⁴⁵ Public Resources Code §21081(a); CEQA Guidelines, Cal. Code Regs. Title 14 § 15091.

1. Aesthetics – Impact AES-3: In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings (public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality – *Significant and Unavoidable*.

The FEIR finds that the Proposed Project, once operational, would have a significant and unavoidable impact on the aesthetics of the surrounding area by resulting in a permanent change to the landscape. Prominent views from Union Road would include substation facilities, towers, fencing, a new access road, the 230 kV interconnection, and a new 230 kV power line. Overall, due to the scale and prominence of the new substation, it would be visually inconsistent with the surrounding landscape, which is characterized by vineyards and agricultural operations. This would represent a substantial adverse effect on the visual character and quality of the proposed substation site and surrounding landscape in the absence of APMs or MMs. The new 70 kV power line segment as originally proposed would have similar adverse effects on existing visual conditions, although the degree of impact would vary by location.⁴⁶

However, adopting Alternative Combination #2 (Alternative PLR-1A) as the new transmission line route would reduce this impact for the power line component to less than significant with mitigation.⁴⁷ The FEIR also finds that the Proposed Project would add to on-going aesthetic impacts to the area from

⁴⁶ FEIR, Volume 1, §4.1.5 (Aesthetics Impact Analysis), pp. 4.1-40 through 4.1-42.

⁴⁷ FEIR, Volume 1, Table ES-2, p. ES-38.

development, and would make a cumulatively considerable contribution to this significant cumulative impact.⁴⁸

To lessen these impacts, the Applicants would implement APM AES-1, which would require installing decorative rock and/or other hardscape landscaping between Estrella Substation and Union Road which would substantially lessen the effects of the Estrella Substation on the existing visual character and quality, although the Estrella Substation still would appear as a dominant contrasting feature.⁴⁹

MM AES-1 requires (i) landscaping along Union Road in front of the site, (ii) selection of materials and paint colors that reduce visual contrast and complement the surrounding landscape, including by using a dulled finish on power poles, and (iii) replacement of landscaping removed during construction. These measures would substantially lessen aesthetic impacts, although not below the level of significance because the substation facilities would still dominate views from Union Road. No other feasible mitigation is available to reduce these adverse effects.

The environmentally superior alternative -- Alternative Combination #2 (Alternative PLR-1A) -- reduces the aesthetic impacts of the new 70 kV power line to *less than significant levels* because it would not substantially impact scenic vistas or affect scenic resources. It would reduce the significant aesthetic impacts of the originally proposed 70 kV power line, and eliminate impacts on the Golden Hill Road area, including the Cava Robles RV Resort, San Antonio Winery, and residents at the Circle B Homeowners' Association.

⁴⁸ FEIR, Volume 1, §6.5.3 (Cumulative Impacts), p. 6-19.

⁴⁹ FEIR, Volume 1, §4.1.5 (Aesthetics Impact Analysis), pp. 4.1-42 through 4.1-43.

CURE argues that undergrounding the entire 70 kV transmission line would mitigate this impact for the transmission line portion of the Proposed Project, but CURE also admits that undergrounding would have significant and unavoidable air quality and noise impacts.⁵⁰ The FEIR also considered and found that the strategic undergrounding alternative, Alternative PLR-3, which would underground 1.1 miles of the portion of the originally proposed 70 kV line that runs through the Golden Hill Road area, would have increased impacts on the transportation system by requiring extended lane closures to install the underground power line, as well as biological impacts due to the increased disturbance area required for undergrounding.⁵⁷

Here, the FEIR selected Alternative Combination #2 (Alternative PLR-1A) as the environmentally superior 70 kV power line component, finding it to be environmentally superior to the alternative that included undergrounding, and explains that undergrounding “would increase a number of environmental impacts,” including the increased transportation and biological impacts referenced above, “and may limit the utility of the power line.”⁵¹ The FEIR’s responses to comments further confirm that undergrounding the 70 kV line “creates impacts of its own and is substantially more expensive than overhead lines,” and explains:

For example, as described in the EIR, trenching along the length of an undergrounding alignment can loosen soils and would involve use of hazardous materials (*e.g.*, fuel and oil in construction

⁵⁰ Opening Testimony of James Clark, Ph.D for CURE, p. 7, lines 4-7, *citing* the FEIR, Volume 1, Table ES-2.

⁵¹ FEIR, Volume 1, §5.3.2 (Conclusion and Environmentally Superior Alternative), p. 5-13.

equipment), which would create potential for off-site movement of pollutants to waterbodies or discharges into soil and groundwater.⁵²

Likewise, undergrounding a power line would require additional excavation compared to overhead line construction and (if installed within the roadway) would use some pieces of equipment (e.g., asphalt saw) that generate elevated noise compared to the construction equipment necessary for overhead power line construction.⁵³

Undergrounding also generally involves greater amounts of ground disturbance during construction, as compared to overhead line construction, which could potentially impact biological and cultural resources. As shown in Table 5-3 in Chapter 5, *Alternatives Analysis Summary and Comparison of Alternatives*, page 5-17, in Volume 1 of the FEIR, the estimated per mile cost of undergrounding the 70 kV power line is \$17,705,000, compared to \$3,008,000 for new overhead construction.⁵⁴

In addition, testimony in this proceeding confirms this estimate and shows that the added costs to underground the double-circuit 70 kV transmission line would increase costs by \$14,697,000 per mile, or \$17,705,000 per mile for new underground lines minus the avoided cost for the installation of new overhead lines of \$3,008,000 per mile⁵⁵ and that undergrounding the new transmission lines proposed as Alternative PLR-1A (part of the environmentally superior alternative – Alternative Combination #2) would result in an estimated cost

⁵² FEIR, Volume 1, p. 4.10-33.

⁵³ FEIR, Volume 1, p. 4.13-30.

⁵⁴ FEIR, Volume 3, § 2.8 (Master Response 8: Project Need and Consideration of Alternatives), pp. 2-29 through 2-30.

⁵⁵ Reply Testimony of Jean-Paul Wallis for PG&E (September 15, 2023), p. 5, lines 103-107.

increase of \$154,318,500,⁵⁶ bringing the total estimated project cost to nearly \$260 million.

If the additional six miles of existing overhead transmission lines proposed for reconductoring are also included in the undergrounding estimate, the total cost increase rises to \$250,120,500,⁵⁷ bringing the total estimated project cost to over \$355 million.

The Applicants therefore contend that these cost increases for the 70 kV components of the Proposed Project are a severe economic effect and the potential for limited utility of the underground transmission line make undergrounding infeasible.

2. Agriculture and Forestry Resources: Impact AG-1:
Conversion of Prime Farmland, Unique Farmland, or
Farmland of Statewide Importance to nonagricultural use –
Significant and Unavoidable

The FEIR finds that permanent conversion of agricultural land would occur from the removal of existing vineyards at the substation site and removal of existing vineyards and row crops for the placement of towers and poles for the 70 kV power line. The FEIR concludes that the Proposed Project would permanently convert 2.65 acres of Farmland of Statewide Importance and 11.78 acres of Unique Farmland to nonagricultural uses, and that 0.69 acres of Prime Farmland, 4.58 acres of Farmland of Statewide Importance, and 19.68 acres of Unique Farmland would be temporarily affected by construction activities.

There also is the potential for an additional five acres of Unique Farmland at the 20-acre substation site to be impacted and converted to non-agricultural

⁵⁶ Wallis Reply Testimony (PG&E), p. 5, lines 107-109.

⁵⁷ Wallis Reply Testimony (PG&E), p. 5, lines 109-112.

uses.⁵⁸ The FEIR also finds that the Proposed Project's permanent conversion of farmland, in combination with on-going conversion of farmland from other past, present, and reasonably foreseeable future projects in the area, would make a cumulatively considerable contribution to this significant impact.⁵⁹

MM AG-1 would be implemented to require contribution of funds to the California Farmland Conservancy Fund or a similar agency or organization to support conservation of agricultural land in San Luis Obispo County, or execution of a conservation easement with landowners by the Applicants for preservation of agricultural lands, in a 1 to 1 ratio by acreage for the impacted Farmland of Statewide Importance and Unique Farmland. This would help ensure protection and preservation of high-quality agricultural lands elsewhere in the county, but the mitigation would not fully offset the significant impact because it would preserve existing agricultural land without creating any new Important Farmland. The acreage lost due to the Proposed Project would still be lost permanently. The impact to agricultural resources thus would remain significant.⁶⁰

APM AG-1 would require Applicants to coordinate with farmers, ranchers, and landowners to schedule Proposed Project construction activities in a manner that avoids conflicts with harvest and planting periods, to the extent feasible, and that minimizes disruptions to agricultural operations. Additionally, following construction, all areas temporarily disturbed by the Proposed Project would be restored by the Applicants to the extent practicable, including returning areas to their original contours and drainage patterns. MM AG-2 also requires Applicants

⁵⁸ FEIR, Volume 1, §4.2.4 (Agricultural Impact Analysis), pp. 4.2-12 through 4.2-13.

⁵⁹ FEIR, Volume 1, §6.5.3 (Cumulative Impacts), p. 6-21.

⁶⁰ FEIR, Volume 1, §4.2.4 (Agricultural Impact Analysis), pp. 4.2-13 through 4.2-14.

to restore agricultural lands following construction activities to conditions existing prior to construction, including replacement of topsoil and crops and decompaction of soils, if necessary, and replacement of equivalent value agricultural crops. This mitigation measure would avoid any long-lasting or residual impacts on agricultural land from Proposed Project construction activities, so temporary construction impacts on agricultural lands would be less than significant.⁶¹

Through these measures, changes or alterations have been required in, or incorporated into, the Proposed Project that substantially lessen the significant environmental effects identified in the FEIR. Despite these measures, the permanent loss of agricultural land that would occur from the Proposed Project would remain a significant impact. No other feasible mitigation measures were identified to reduce this impact to a level that is less than significant.⁶²

3. Agriculture and Forestry Resources: Impact AG-2: Conflict with existing zoning for agricultural use or a Williamson Act contract – Significant and Unavoidable

The FEIR finds that the substation site and portions of the 70 kV power line route would be located on land under Williamson Act contracts. The approximately 20-acre substation parcel, including the approximately 15-acre substation site, would be created as a separate legal parcel and removed from the existing 98-acre Williamson Act contract. The existing Williamson Act contract would be modified to reflect the remaining 78-acre area. The reduction of the current 98-acre Williamson Act parcel down to 78 acres would not disqualify the remaining parcel as an agricultural preserve according to the County of San Luis

⁶¹ FEIR, Volume 1, §4.2.4 (Agricultural Impact Analysis), pp. 4.2-14 through 4.2-15.

⁶² FEIR, Volume 1, §4.2.4 (Agricultural Impact Analysis), p. 4.2-14.

Obispo. However, placing the substation within the existing parcel under Williamson Act contract would conflict with that contract, including its underlying intent, which is to preserve agricultural land in agricultural use. The FEIR concludes that this is a significant and unavoidable impact.

Implementation of MM AG-1 would lessen impacts to agricultural resources by helping to ensure protection and preservation of high-quality agricultural lands elsewhere in the county. Implementation of MM AG-2 would lessen impacts to agricultural resources during construction by minimizing conflicts with harvest and planting periods, to the extent feasible, and by minimizing disruptions to agricultural operations. Because no feasible mitigation is available that could create new and equivalent farmland to replace the Williamson Act contract land, the conversion of that land would be significant and unavoidable.

The other new substation alternative carried forward for full analysis in the FEIR, Alternative SS-1, also would have a significant, unavoidable impact on land covered by a Williamson Act contract. Alternative SS-1, the Bonel Ranch Substation Site, also would be located on land under a Williamson Act contract, and thus would have the same significant, unavoidable Impact AG-2. Alternative SE-1A, Templeton Substation Expansion 230/70 kV Substation, would not locate the substation on land under a Williamson Act contract, but this alternative was found not to be environmentally superior on balance as compared with the Estrella Substation site. The impact to Williamson Act contract land is unavoidable.

4. Air Quality: Impact AQ-2: Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable

federal or state ambient air quality standard – *Significant and Unavoidable*

The FEIR finds that construction of the Proposed Project would generate temporary emissions of air pollutants. Ozone precursors (nitrogen oxides (NO_x) and reactive organic gases (ROG)), as well as particulate matter with an aerodynamic radius of 10 micrometers or less (PM₁₀), and particulate matter with an aerodynamic radius of 2.5 micrometers or less (PM_{2.5}), would be emitted by construction equipment used for all parts of the Project, and by helicopters used in constructing the 70 kV power line elements. The construction equipment also would emit diesel particulate matter (DPM), which is a subcomponent of particulate matter from diesel fueled equipment.

The FEIR finds that construction would generate temporary emissions of air pollutants (ozone precursors ROG and NO_x) that exceed San Luis Obispo County Air Pollution Control District (SLOCAPCD) daily thresholds and quarterly Tier 1 and Tier 2 thresholds and thus would result in a cumulatively considerable increase. The fugitive dust emissions resulting from construction would exceed the quarterly threshold mainly related to the fugitive dust emissions from helicopters, which will primarily occur at the Paso Robles airport. NO_x and ROG are precursors to ozone, and NO_x, ROG, and SO_x are precursors to secondarily formed PM_{2.5}. Chemical and physical processes transform some of these precursors to the criteria pollutant concentrations in the atmosphere.⁶³

The FEIR identifies potential health effects from ozone, PM_{2.5}, and PM₁₀ and finds that mass emissions from Proposed Project construction could exceed significance thresholds even assuming the use of all Tier 4 final construction

⁶³ FEIR, Volume 1, §4.3.4 (Air Quality Impact Analysis), pp. 4.3-13 through 4.3-20.

equipment as shown in the mitigated emissions table in the FEIR. The FEIR also finds that although the Proposed Project's emissions are significant for these criteria air pollutants, it is anticipated that the health effects from the Proposed Project would generally be low compared to background incidences of such health effects due to the relatively low level of emissions from the Proposed Project compared to the total emissions in the South Central Coast Air Basin. Building the 70 kV power line in the Alternative PLR-1A route (Alternative Combination #2, the environmentally superior alternative) has a longer construction period and a greater potential for construction-related impacts to criteria air pollutant emissions than the originally proposed route. The Proposed Project's operational emissions would be negligible and would be substantially lower than the SLOCAPCD's operational significance thresholds and the impact of operations thus would be less than significant.

Several APMs would be implemented to substantially lessen the impacts of the Proposed Project's construction emissions, including the increased emissions associated with Alternative PLR-1A route (part of Alternative Combination #2, the environmentally superior alternative). APM AIR-1 would be implemented to minimize ROG, NO_x, and PM emissions by maintaining equipment in proper tune, using California Air Resources Board-certified motor vehicle diesel fuel in diesel powered equipment, using trucks that meet CARB's certification standards, limiting idling of diesel equipment, electrifying equipment when feasible, substituting gasoline-powered equipment in place of diesel-powered equipment where feasible, and using alternatively fueled equipment on site where feasible. APM AIR-2 would be implemented to use best available control technology measures to reduce emissions. APM AIR-3 would be implemented to minimize fugitive dust through numerous control measures.

The FEIR expanded these measures in MM AQ-1, which requires Applicants to prepare a comprehensive construction activity management plan (CAMP) for review by SLOCAPCD and final approval by the Commission. MM AQ-1 requires expanded fugitive dust mitigation measures and additional construction equipment mitigation measures and best available control technology, as well as a dust control management plan that must include numerous additional control measures. The FEIR clarified in response to comments that MM AQ-1 incorporates the APMs or establishes more stringent requirements and therefore replaces all APMs related to air quality, and confirms that MM AQ-1 is enforceable by the Commission and incorporated into the MMRP. Through the required preparation and implementation of a CAMP, MM AQ-1 will include all of the SLOCAPCD's suggested standard mitigation measures and best available control technology for construction equipment. MM AQ-1 will also require implementation of all feasible measures and clear documentation of any infeasible measures.

Through MM AQ-1, which incorporates and enhances the APMs, changes or alterations have been required in, or incorporated into, the Proposed Project that substantially lessen impacts of construction emissions, although not below the level of significance. Construction-related ROG and NO_x emissions threshold exceedances remain significant.

5. Air Quality: Impact AQ-3: Potential to expose sensitive receptors to substantial pollutant concentrations - Significant and Unavoidable

The FEIR evaluates the potential for Proposed Project emissions to expose sensitive receptors to substantial pollutant concentrations. The SLOCAPCD has defined the excess cancer risk significance threshold as a cancer risk of 10 in a

million or less, and an acute hazard index of 1 in a million or less. The FEIR finds that human health impacts from construction-related DPM and other toxic air contaminant (TAC) emissions would be relatively limited due to the short construction duration and the sparsely populated area surrounding the Proposed Project site.

The FEIR also documents detailed consideration of two health risk assessments – one submitted by CURE and one submitted by Applicants.⁶⁴ The FEIR conservatively concludes that a few receptors located close to the Proposed Project construction areas, in particular the Estrella Substation area, may experience increased TACs which may lead to adverse health impacts, and finds that this impact would be significant.

The FEIR also finds that the potential for Coccidioidomycosis cases, a fungal infection often referred to as Valley Fever, associated with Proposed Project construction is high given that San Luis Obispo County has some of the highest incidence rates in the state.⁶⁵ Valley Fever varies with the season and most commonly affects people who live in hot dry areas with alkaline soil. Valley Fever affects both humans and animals and is caused by inhalation of arthroconidia (spores) of the fungus *Coccidioides immitis*, which are found in the top few inches of soil, and the existence of the fungus in most soil areas is temporary. When weather and moisture conditions are favorable, the fungus “blooms” and forms many tiny spores that lie dormant in the soil until they are stirred up by wind, vehicles, excavation, or other ground-disturbing activities and become airborne. Agricultural workers, construction workers, and other

⁶⁴ FEIR, Volume 3, §2.15 (Master Response 15: Health Risk Assessment), pp. 2-43 through 2-50.

⁶⁵ FEIR, Volume 1, §4.3.4 (Air Quality Impact Analysis), p. 4.3-28.

people who are outdoors and are exposed to wind, dust, and disturbed topsoil are at an elevated risk of contracting Valley Fever. Regulations of the California Occupational Safety and Health Administration address worker health and safety issues related to Valley Fever. There is the potential even after implementation of the fugitive dust mitigation measures for spores to reach nearby sensitive receptors. Because Valley Fever is endemic to the area, nearby sensitive receptors may already have developed immunity.⁶⁶

MM AQ-1, which incorporates the APMs and establishes more stringent requirements related to air quality, would substantially lessen the DPM emissions that occur on the Proposed Project site during construction due to the use of diesel particulate filters and Tier 4 final engines to the extent feasible. Even with this mitigation, however, the impact would remain significant. To mitigate impacts from Valley Fever, the FEIR adds MM AQ-2, which requires the Applicants, prior to the start of construction, to draft a Valley Fever Management Plan, consult with the California Department of Public Health and the San Luis Obispo Department of Public Health regarding Valley Fever best mitigation practices and implement all such feasible measures recommended by these agencies.

These measures will require site plans and work practices that reduce workers' exposure to minimize primary exposure and secondary dispersal to the community from contaminated workers or equipment. Measures also will be required to reduce transportation of spores offsite. Since spores often become airborne or are contained in fugitive dust, mitigation measures aimed at

⁶⁶ FEIR, Volume 1, §4.3.4 (Air Quality Impact Analysis), p. 4.3-28.

controlling fugitive dust will decrease the number of spores that can become airborne.

Through MM AQ-1 and MM AQ-2, changes are required in, or incorporated into, the Proposed Project that substantially lessen impacts of the Proposed Project's pollutant emissions on sensitive receptors. The Proposed Project's pollutant emissions could, however, still potentially expose sensitive receptors to substantial pollutant concentrations and could result in a significant impact during the construction period even after implementation of mitigation measures. The potential for these effects exists only during the construction period, however, and thus would be temporary.

6. Noise and Vibration: Impact NOISE-1: Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in a local general plan or noise ordinance or in the applicable standards of other agencies – *Significant and Unavoidable*

The FEIR finds that the helicopters that may be used to install power line poles and replace transmission towers when the use of cranes is not feasible would create noise at levels that could result in significant impacts for nearby sensitive receptors. The noise would be greatest within 1,427 feet of the helicopter landing zones and installation sites, where it would exceed the noise threshold of 90 A-weighted decibels (dBA). Thus, all sensitive receptors within 1,427 feet of helicopter landing zones or pole installation sites would be subjected to noise levels exceeding the recommended significance threshold. Likewise, all sensitive receptors along or within 1,304 feet of the flight path would be subject to flight noise in excess of the standard. Noise impacts associated with ground-level idling and hovering above ground would be reduced, comparatively. The most severe impacts associated with helicopter activities would be those along

the reconductoring segment, where there are numerous residences in close proximity to the existing 70 kV power line and construction work areas. The FEIR finds that the helicopters' exceedance of applicable noise standards constitutes a significant and unavoidable impact.

APM AG-1 requires the Applicants to provide advance notice of construction activities to all properties within 300 feet of the substation or power line route. This measure would minimize impacts by potentially allowing affected property owners to schedule their activities around the noise-generating construction activities and ensuring that property owners are not caught off-guard by the activities. Additionally, APM NOI-2 requires, when feasible, that: (1) construction equipment use noise reduction devices that are no less effective than those originally installed by the manufacturer; (2) stationary equipment used during construction be located as far as practical from sensitive receptors; and (3) "quiet" equipment (*i.e.*, equipment that incorporates noise control elements into the design) be used during construction when reasonably available.

To minimize noise impacts from helicopters, MM NOI-1 and NOI-2 requires: advanced notification of sensitive receptors in areas potentially affected by helicopter noise; identification and use of helicopter flight paths that minimize impacts to sensitive receptors; and siting final helicopter landing zones as far from sensitive receptors as possible. MM NOI-1 also limits helicopter use to avoid sensitive morning and evening periods and prohibits helicopter use at night unless electrical clearances are not available during the day or when safe completion of a construction procedure is needed.

Through APM NOI-2 and MM NOI-1 and NOI-2, changes are required in, or incorporated into, the Proposed Project that substantially lessen impacts of the

Proposed Project's helicopter noise. Even with implementation of these mitigation measures, however, the impacts from helicopter construction noise would still be significant. No other feasible mitigation is available given that it is necessary to operate helicopters in close proximity to noise-sensitive receptors to construct the Proposed Project. The potential for these effects exists only during the construction period, however, and thus would be temporary.

5.8. CURE's Arguments

CURE is the only party that opposes the environmentally superior alternative. CURE argues that PG&E should underground both the entire new 70 kV transmission line (in an unspecified route), and the existing 70 kV transmission line that would be reconducted as part of the environmentally superior alternative. In turn, CURE asserts that the FEIR "should be [further] revised and recirculated [again] to include undergrounding the entire transmission line as a component of the Environmentally Superior Alternative."⁶⁷

As discussed below, we reject each of CURE's underlying arguments.

5.8.1. Reasonable Range of Alternatives Argument

At the heart of CURE's argument is a challenge to the sufficiency of the range of alternatives considered here and that CURE's proposed undergrounding should have been included in that consideration. We do not agree. CEQA requires that the lead agency evaluate a reasonable range of alternatives and does not require the Commission to evaluate more than the "reasonable range of alternatives" as done in the FEIR nor to adopt CURE's proposed undergrounding of all 70 kV transmission line elements.

⁶⁷ CURE Opening Brief, p. 2.

Here, the FEIR was released examining the required reasonable range of alternatives to arrive at the environmentally superior alternative, following a thorough CEQA public comments process, the DEIR, comments to the DEIR, the RDEIR, and comments to the RDEIR. The range of alternatives evaluated in that FEIR spanned those that could feasibly meet the project objectives and that resulted in the selection of Alternative Combination #2 as the environmentally superior alternative. Alternative Combination #2 is feasible and supported by all parties other than CURE.

An EIR should present a reasonable range of potentially feasible alternatives that would attain most of the basic project objectives and reduce significant impacts, but need not consider every alternative to the project.⁶⁸ The nature and scope of the alternatives to be studied in an EIR are governed by the rule of reason.⁶⁹ Under the rule of reason, an EIR need discuss only those alternatives necessary to permit a reasoned choice.⁷⁰

The FEIR's alternatives screening analysis considered nine alternatives to the transmission line route proposed by Applicants, consisting of (i) four variations of the Estrella Route (including Alternative PLR-1A), which were coupled with reconductoring of the existing 70 kV San Miguel-Paso Robles transmission line, (ii) three variations of an alternative route known as the Creston Route, and (iii) a strategic undergrounding alternative (Alternative PLR-3) with two route variations that generally follows the originally proposed

⁶⁸ CEQA Guidelines, 14 Cal Code Regs §15126.6(a)-(c).

⁶⁹ CEQA Guidelines, 14 Cal Code Regs §15126.6(f).

⁷⁰ CEQA Guidelines, 14 Cal Code Regs §15126.6(f).

route while undergrounding the portion of the new 70 kV line that has the greatest potential for aesthetic and other environmental impacts.⁷¹

Based on the analysis set forth in the ASR, seven transmission line alternatives were carried forward for full analysis in the FEIR, including two strategic undergrounding alternatives.⁷² This is a reasonable range of alternatives that was sufficient to permit a reasoned choice. Note, CEQA does not require an agency to consider specific alternatives to a proposed project that are proposed by members of the public or outside agencies.⁷³ An agency's discretion to choose alternatives for study will be upheld as long as there is a reasonable basis for the choices it has made.⁷⁴

Here, the FEIR provides a reasonable basis for selecting two strategic undergrounding alternatives rather than an alternative that undergrounds all of the new and existing 70 kV lines as CURE seeks to require. The FEIR explains that strategic undergrounding was considered to avoid or reduce one or more of the originally Proposed Project's significant environmental effects, which is why the undergrounded portion was considered for the areas with the greatest aesthetic and other environmental impacts.⁷⁵

Undergrounding was not considered for the reconductoring segment of the 70 kV power line because impacts of the existing line are part of existing conditions and an alternatives analysis need not, and should not, consider the

⁷¹ FEIR, Volume 2, Appendix B (Final ASR), pp. 3.16 through 3.29.

⁷² FEIR, Volume 2, Appendix B (Final ASR), pp. 3-1 through 3-5.

⁷³ *City of Maywood v. Los Angeles Unified School Dist.* (2012) 208 Cal.App.4th 362, 420-421.

⁷⁴ *Id.* at 421 (The selection of alternatives will be upheld, unless the challenger demonstrates 'that the alternatives are manifestly unreasonable and that they do not contribute to a reasonable range of alternatives.' [citations omitted]).

⁷⁵ FEIR, Volume 3, §2.8 (Master Response 8), p. 2-29.

avoidance or reduction of significant, pre-existing impacts to the environment since those are part of the baseline conditions.

The FEIR reasonably concludes: “Therefore it would be improper to consider undergrounding or relocating poles for the reconductoring segment to address such existing concerns.”⁷⁶

5.8.2. Project Impact Reduction Argument

CURE’s argument that environmental impact would have been reduced with its undergrounding proposal is unpersuasive. As discussed in earlier sections of this decision, such undergrounding would not eliminate significant project impacts. In fact, the FEIR evaluated strategic undergrounding as part of Alternative PLR-3 (Options 1 and 2) and determined that the undergrounding alternatives would not reduce all of the significant environmental effects of the Proposed Project, especially when compared with the environmentally superior alternative.

Strategic undergrounding would have significant and unavoidable impacts in the areas of air quality and noise, just like the originally proposed project and the environmentally superior alternative. Alternative PLR-1A, a component of the environmentally superior alternative (Alternative Combination #2) reduces aesthetic impacts of the transmission line to a less than significant level, making it unnecessary to adopt another alternative or reduce aesthetic impacts for the transmission line portion of the Proposed Project.

While strategic undergrounding lessens agricultural impacts of the transmission line component (one area of potential environmental improvement), this would not be true if the entire transmission line were

⁷⁶ FEIR, Volume 3, §2.8 (Master Response 8), p. 2-29.

undergrounded in the same route as Alternative PLR-1A as CURE suggests because that route has farmland impacts. Substantial evidence⁷⁷ also shows that undergrounding has other impacts due to the use of hazardous materials, greater ground disturbance, elevated noise levels, and potential biological and cultural resource impacts. The FEIR therefore concluded that Alternative PLR-1A plus reconductoring, on balance, comprise the environmentally superior transmission line alternative.⁷⁸

CURE also contends that its “full” undergrounding proposal is feasible as an alternative to Alternative PLR-1A, or as additional mitigation to lessen significant impacts.⁷⁹ That may or may not be the case, but does not change the fact that the Commission is not required to consider undergrounding as an alternative or as mitigation for the reasons thoroughly explained in the FEIR and this decision.

In reviewing the FEIR, we note that undergrounding does not necessarily reduce project impacts. Undergrounding “creates impacts of its own,” because trenching along the length of an undergrounding alignment can loosen soils and would involve use of hazardous materials (*e.g.*, fuel and oil in construction equipment), which would create potential for off-site movement of pollutants to waterbodies or discharges into soil and groundwater.⁸⁰

Undergrounding a power line would require additional excavation compared to overhead line construction and (if installed within the roadway) would use some pieces of equipment (*e.g.*, asphalt saw) that generate elevated

⁷⁷ CEQA Guidelines, Cal. Code Regs. Title 14 §15384.

⁷⁸ FEIR, Volume 1, §5, p. 5-13.

⁷⁹ CURE Opening Brief, pp. 10-15.

⁸⁰ FEIR, Volume 3, §2.8 (Master Response 8), p. 2-29 (citing FEIR, Volume 1, p. 4.10-33).

noise compared to the construction equipment necessary for overhead power line construction.⁸¹

Undergrounding also generally involves greater amounts of ground disturbance during construction, as compared to overhead line construction, which could potentially impact biological and cultural resources.⁸²

Finally, substantial evidence in this proceeding demonstrates that undergrounding the entire transmission line, including the existing portions that would be reconducted under the environmentally superior alternative, would have severe economic effects that make it infeasible. This was explained in the Applicants' opening brief.⁸³ There is substantial testimony in this proceeding on the significant costs to install underground transmission lines, as discussed in this decision. The range of project costs for other PG&E single-circuit underground transmission projects is approximately \$15,000,000 to \$35,000,000 per mile.⁸⁴ More recent projects have fallen in the upper end of this range due to escalating labor and material costs.

As is noted in Footnote 2 of the FEIR's Table 5-3, a double-circuit underground transmission line, which is proposed for the environmentally superior alternative, will likely result in significantly higher costs, well above the \$17,705,000 estimated in the FEIR. PG&E's underground transmission design standard requires lines to be placed in concrete-encased duct banks in all environments (urban, suburban, rural) to improve public and coworker safety as well as improve asset longevity and cable access. Because of this standard,

⁸¹ FEIR, Volume 3, §2.8 (Master Response 8), p. 2-29 (citing FEIR, Volume 1, p. 4.10-33).

⁸² FEIR, Volume 3, §2.8 (Master Response 8) p. 2-29 (citing FEIR, Volume 1, p. 4.13-30).

⁸³ Applicants' Opening Brief, pp. 47-49.

⁸⁴ *Ibid.*

PG&E's testimony claims that typical PG&E costs for new underground transmission lines may exceed the costs of other utilities and developers who may direct-bury transmission cables.⁸⁵

These findings and others in the FEIR demonstrate a reasonable basis for the FEIR's selection of the alternatives it did. We find that the Commission is not required to evaluate or adopt CURE's undergrounding proposal as another alternative to the Project.

5.8.3. FEIR Inadequacy Argument

CURE also repeats several of its prior comments on the DEIR and on the RDEIR, alleging that the FEIR fails to adequately analyze potential agricultural impacts, biological impacts, and air quality/public health impacts relating to Valley Fever.⁸⁶ We are not persuaded by these arguments, as we have reviewed the FEIR to conclude that the FEIR has adequately analyzed the Proposed Project impacts in each area raised by CURE.

As we noted earlier in this decision, CEQA does not require an EIR to exhibit technical perfection, scientific certainty, or exhaustive analysis; rather, the touchstone is adequacy, completeness, and a good faith effort at full disclosure.⁸⁷ The FEIR's analysis adequately analyzes the Proposed Project's impacts in each area raised by CURE, and that analysis is supported by substantial evidence.

We reviewed CURE's claims of the FEIR's alleged failure to adequately analyze agricultural impacts, including CURE's comments regarding alleged "permanent" construction impacts, and find this claim without merit. The FEIR

⁸⁵ Wallis Reply Testimony (PG&E), p. 4, line 78 through p. 5, line 100.

⁸⁶ CURE Opening Brief, pp. 3-8.

⁸⁷ *Claremont Canyon Conservancy v. Regents of University of California* (2023) 92 Cal.App.5th 474, 493.

adequately analyzes agricultural impacts, including those alleged by CURE and Mr. House. The FEIR addresses CURE's comments on agricultural impacts in Responses to Comments D-54, D-55, D-63, D-65, D-68, D-69, D-370, D-372, D-374 through D.376, R.A-21, R.A-22, R.A-23, R.A-69, and R.A-75. The FEIR explains, for example, that:

- Mr. House nowhere states that temporary impacts to Farmland will necessarily be permanent or otherwise argues that mitigation of the temporary impacts is impossible. The FEIR correctly discloses the potential significant and long-term impacts to agricultural land affected by construction activities if the lands are not properly restored. However, the FEIR prescribes Mitigation Measure (MM) AG-2, which lays out specific steps and performance standards to be implemented to ensure that restoration of the agricultural lands takes place. The FEIR reasonably concludes after adequate analysis that this measure would reduce the impacts to a level that is less than significant.⁸⁸
- The dimensions for pole structures and foundations are provided in the FEIR's Table 2-8. The dimensions for the interconnection structure are provided in the FEIR's Table 2-7. Excavation depths are referenced in the descriptions of construction methods to be used, such as for open-trench methods (*see* page 2-74) and methods required to establish access driveways and roads (*see* page 2-71).⁸⁹
- Soil compaction alone is not recognized as a significant impact to soils; however, soil compaction can make revegetation more challenging. As discussed in Volume 1, Section 4.7 of the FEIR, "Geology, Soils, Seismicity and Paleontological Resources," after construction, disturbed areas would be restored to pre-project conditions through implementation of measures outlined within the

⁸⁸ FEIR, Volume 3, §3.2 (Responses to Comments), p. 3-333.

⁸⁹ FEIR, Volume 3, §3.2 (Responses to Comments), p. 3-333.

Stormwater Pollution Prevention Plan (“SWPPP”). Among other things, SWPPP best management practices would ensure top soil protection, including actions to protect soil stockpiles from storm events, locate piles away from and/or downgradient from waterways, provide for avoidance of excessive disturbance of steep slopes, control vehicle traffic, and implement a dust-control program.⁹⁰

- The notions that the temporary impacts to Farmland from construction of the Proposed Project may become permanent and that MM AG-2 is insufficient are incorrect. MM AG-2 requires the Applicants to restore agricultural lands following construction activities to a reasonable equivalent in agricultural viability/suitability in comparison to pre-construction conditions, including replacement of topsoil/crops and de-compaction of soils, if necessary.⁹¹

We reviewed CURE’s claim of the FEIR’s alleged failure to adequately analyze biological impacts, including CURE’s comments regarding project revisions, and find this claim without merit. CURE alleges that the FEIR does not adequately analyze potential biological impacts to California red-legged frogs and Western spadefoot toads from the following five changes described in the RDEIR:

- (1) Increasing the length of the paved access road at the substation up to the second entrance to the 70 kV substation from 15 feet to 700 feet;
- (2) Changing the height of the substation’s chain-link fence from ‘approximately 7-foot tall’ to ‘a minimum of 7 feet tall’;
- (3) Increasing the estimate for the amount of cut and fill required for substation construction from 50,000 cubic

⁹⁰ FEIR, Volume 3, §3.2 (Responses to Comments), pp. 3-333 through 3-334.

⁹¹ FEIR, Volume 3, §3.2 (Responses to Comments), p. 3-334.

yards to 68,000 cubic yards, not including an additional 16,500 cubic yards of topsoil that would be stripped and stockpiled (with 4,000 cubic yards of this amount to be reused during restoration activities);

- (4) Changing the estimated temporary disturbance area during construction of the Estrella Substation from 6.20 acres to 0.09 acres; and
- (5) Increasing the length of the paved access road to the 70 kV substation from 15-feet to 700 feet.⁹²

CURE also alleges without explanation that “[c]hanges to the Project will require additional removal of vegetation but the Final EIR does not clarify how much additional vegetation will be required to be removed,” and the FEIR “fails to disclose and analyze the environmental impacts of the fuel reduction efforts.”⁹³ CURE’s only citation for its arguments regarding biological impacts is to its own comments on the DEIR, where Mr. Cashen argued that the DEIR did not adequately analyze impacts to the Western spadefoot toad and California red-legged frog. The FEIR adequately analyzes potential biological impacts, including those raised by CURE and Mr. Cashen, and addresses Mr. Cashen’s comments in Responses to Comments D-83, D-84, D-85, R.A-40, and R.A-41. The FEIR explains, for example, that:

- The comment argues that the EIR fails to adequately analyze impacts to California red-legged frog (“CRLF”) and western spadefoot toad because the EIR does not require special survey techniques to survey CRLF. The commenter points out that these species are only detectable a few weeks or months of the year and terrestrial movement of these species generally occurs at night. The U.S. Fish and Wildlife Service’s *Revised Guidance on Site*

⁹² CURE Opening Brief, pp. 4-5.

⁹³ CURE Opening Brief, p. 5.

Assessments and Field Surveys for the California Redlegged Frog (August 2005) does not provide guidance for upland surveys for CRLF; rather, it focuses on site assessments and surveys conducted in and around aquatic and riparian habitat.⁹⁴

- Based on the conclusions of the site assessments that have been performed to date, there is low probability for CRLF to be present in construction areas such that special survey techniques are not required, given the Project's APM and MMs. The APMs and MMs in the FEIR that apply to these species (e.g., APMs BIO-1 and BIO-3, and MM BIO-1) constitute a reasonable and acceptable approach to identifying whether western spadefoot toad and/or CRLF are present both before and during construction activities. Overall, given these factors, combined with the reasonable measures that would be employed for protection of wildlife during construction, the effects on these species would be less than significant.⁹⁵
- The comment states that mortality to CRLF and western spadefoot toad may occur if mitigation is limited to escape ramps and if trenches are not covered. Additional mitigation measures such as escape ramps, twice daily inspections by a biologist, nightly covered trenches, and nightly capped pipes to protect species like CRLF and western spadefoot toad, have been presented in the FEIR in APMs BIO-1, BIO-3, BIO-4, and HAZ-1, and MM BIO-1. The combination of APMs and MMs would reduce impacts to a less than significant level.⁹⁶
- As described in the RDEIR, some aspects of the Project changes would expand the area of disturbance for certain components (e.g., increasing the length of paved substation access roads); however, the Project changes would also result in a reduction in the temporary disturbance area

⁹⁴ FEIR, Volume 3, §3.2 (Responses to Comments), p. 3-343.

⁹⁵ FEIR, Volume 3, §3.2 (Responses to Comments), p. 3-343.

⁹⁶ FEIR, Volume 3, §3.2 (Responses to Comments), p. 3-343.

associated with the substation from 6.2 acres to 0.2 acres.⁹⁷

- The comment cites a portion of the recirculated portion of the DEIR related to mowing vegetation. The quoted text is from the revised Project Description in relation to preparation of temporary work areas for installation of crossing structures. However, this text was not revised as part of the recirculation and was present in the original draft EIR. Therefore, this passage was not “clarified” in response to the commenter’s request, as indicated in the comment. The commenter does not provide a definition of “fuel reduction program,” but mowing of temporary work areas is not considered part of a fuel reduction effort for this project. The comment does not provide substantial evidence that the recirculated portions of the draft EIR provided insufficient or incorrect information regarding analysis of fuel reduction efforts.⁹⁸

Lastly, we reviewed CURE’s claims of the FEIR’s alleged failure to adequately analyze potential public health impacts associated with Valley Fever, including CURE’s comments regarding use of respirators, and find this claim without merit. CURE alleges that the FEIR “fails to adequately analyze the extent of construction impacts from potential Valley Fever exposure” and cites the FEIR’s finding that use of respirators with HEPA filters, and a mandatory respirator program, are not required because impacts to workers are not considered under CEQA and is an Occupational Safety and Health Administration (OSHA) and/or California Division of Occupational Safety and Health (Cal/OSHA) issue. While criticizing this finding, CURE fails to cite any authority to support its position. CEQA does not regulate environmental changes

⁹⁷ FEIR, Volume 3, §3.3 (Responses to Comments), p. 3-1434.

⁹⁸ FEIR, Volume 3, §3.3 (Responses to Comments), p. 3-1435.

that do not affect the public at large.⁹⁹ Further, there is no legal authority that requires CEQA review of the safety risks posed by the existing environment to the workers who are building the Proposed Project.¹⁰⁰

CURE also challenges the FEIR's statement that "since Valley Fever is endemic to the area, nearby sensitive receptors may already have developed immunity" as unsupported, but the FEIR does not solely rely on that statement. To the contrary, the FEIR adequately evaluates potential public health impacts associated with Valley Fever. The FEIR finds that, because fugitive dust-causing activities associated with the Project will occur in an area with a high incidence rate for Valley Fever, the potential for Proposed Project construction activities to encounter and disperse the spores that cause infection "is high."¹⁰¹ The FEIR's impact analysis concludes that the potential for Valley Fever cases associated with Proposed Project construction is high and requires preparation of a Valley Fever Management Plan in accordance with MM AQ-2.¹⁰² The FEIR explains that mitigation measures aimed at controlling fugitive dust will decrease the number of spores that can become airborne.¹⁰³ Other measures include air-conditioned enclosed cabs for vehicles that generate heavy dust, required cleaning of tools and equipment to prevent transporting spores offsite, worker training about Valley Fever, identifying a health care provider for occupational illnesses with knowledge regarding the diagnosis and treatment of Valley Fever, and

⁹⁹ *Parker Shattuck Neighbors v. Berkeley City Council* (2013) 222 Cal.App.4th 468, 782.

¹⁰⁰ *Tiburon Open Space Committee v. County of Marin* (2022) 78 Cal.App.5th. 700, 778-779 (citing and affirming the Superior Court's decision).

¹⁰¹ FEIR, Volume 1, §4.3.3 (Environmental Setting), pp. 4.3-10 through 4.3-11.

¹⁰² FEIR, Volume 1, §4.3.4 (Air Quality Impact Analysis), p. 4.3-28.

¹⁰³ FEIR, Volume 3, §2.14 (Master Response 14), pp. 2.42 through 2.43.

encouraging workers to report Valley Fever symptoms promptly to supervisors.¹⁰⁴ The FEIR also recognizes that Cal/OSHA's regulations address worker health and safety issues related to Valley Fever that the Applicants must comply with in their construction activities.¹⁰⁵

The FEIR's analysis of potential construction impacts relating to disturbance of the spores that cause Valley Fever is adequate. CEQA does not require the Commission to adopt every mitigation scheme proposed by CURE.¹⁰⁶ This is particularly true in this context given that the Cal/OSHA regulations dictate applicable protections for workers involved in constructing the Proposed Project.

5.9. Mitigation Monitoring and Reporting Plan

We find the Mitigation Monitoring Reporting Plan (MMRP) section of the FEIR (Attachment A of this decision) describes all feasible measures that could minimize significant adverse environmental impacts of the Proposed Project. For each resource area, feasible mitigation measures are identified where environmental effects could be substantially minimized.

CEQA Guidelines § 15091(a) prohibits an agency from approving a project for which an EIR has been certified and which identifies one or more significant environmental effects of the project unless (1) the project incorporates changes that avoid or substantially lessen the project's significant environmental impacts, (2) such changes are within the responsibility and jurisdiction of another agency who can or will adopt them, or (3) such changes are infeasible. In this case, with the mitigation measures identified in the MMRP, the Alternative Combination #2

¹⁰⁴ FEIR, Volume 3, §2.14 (Master Response 14), p 2.43.

¹⁰⁵ FEIR, Volume 1, §4.3.4 (Air Quality Impact Analysis), p. 4.3-28.

¹⁰⁶ *Gilroy Citizens for Responsible Planning v. City of Gilroy* (2006) 140 Cal.App.4th 911, 935.

to the Proposed Project will avoid or substantially lessen the significant environmental impacts of the Proposed Project, however some of the significant environmental impacts are unavoidable after application of all feasible mitigation measures.

6. Statement of Overriding Considerations

CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental impacts when determining whether to approve the project.¹⁰⁷ A project that will result in significant and unavoidable impacts may be approved based on a finding that specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, outweigh the unavoidable adverse environmental effects.¹⁰⁸

As discussed, the FEIR finds that the environmentally superior alternative, Alternative Combination #2 with Alternative PLR-1A, will result in less significant impacts than the Proposed Project, as proposed or other alternatives. The FEIR also finds that the environmentally superior alternative, Alternative Combination #2 with Alternative PLR-1A, would still result in six significant and unavoidable impacts in the areas of Aesthetics (Impact AES-3), Agricultural and Forestry Resources (Impact AG-1 and Impact AG-2), Air Quality (Impact AQ-2 and Impact AQ-3), and Noise and Vibration (Impact NOISE-1).

We have considered all significant, unavoidable impacts in the FEIR, as discussed above, and conclude that the APMs and MMs identified in the FEIR

¹⁰⁷ CEQA Guidelines, Cal. Code Regs. Title 14 §15093(a).

¹⁰⁸ *Id.*

would substantially lessen, although potentially not eliminate, the effects that the FEIR identifies as significant. Requiring implementation of the MMRP and enforcing compliance would result in the adoption of all feasible mitigation measures.

As discussed below, we find that the benefits we note below of the Proposed Project outweigh those significant unavoidable impacts.

6.1. Reliability Benefits

First and foremost, the Proposed Project provides electric reliability benefits by alleviating potential thermal overloads and providing robust system reinforcement to prevent voltage collapse. It is a reliability-driven transmission solution in the Los Padres division of PG&E's service territory that was identified by the CAISO and approved in its 2013-2014 TPP "to provide Paso Robles Substation with more reinforced 70 kV sources from Templeton and Estrella."¹⁰⁹

In this proceeding, the CAISO witness confirmed that the Proposed Project will provide a reliability benefit by mitigating the thermal overload and low voltage concerns identified in the Los Padres 70 kV system – specifically in the San Miguel, Paso Robles, Templeton, Atascadero, Cayucos, and San Luis Obispo areas following Category P1 contingencies due to loss of either the Templeton 230/70 kV #1 Bank or the Paso Robles-Templeton 70 kV Line. Category P1 (formerly named Category B) contingencies refer to those contingencies described by North American Electric Reliability Corporation (NERC) as the system performance that is expected immediately following the loss of a single transmission element, such as a transmission circuit, a generator, or a transformer. These two Category P1 contingencies put approximately 60-70 MW

¹⁰⁹ Hayes Opening Testimony (Horizon West), Attachment A (CAISO 2013-2014 TPP), p. 89; Billington Testimony (CAISO), p. 2, lines 24-25.

of load at Paso Robles at risk by activating the existing Paso Robles “Under Voltage Load Shedding” protocol during summer peak conditions to alleviate the thermal and low voltage concerns.¹¹⁰

The CAISO witness testimony also provided a table which shows the voltage risk under the loss of the Paso Robles-Templeton 70 kV line, both without and with the Proposed Project. Without the Proposed Project, this contingency would result in voltage collapse. The Proposed Project solves that risk to reliability and “will provide robust system reinforcement to the Paso Robles and Templeton 70 kV system operations.”¹¹¹ The same testimony also confirmed that the Proposed Project has been and continues to be needed to address an existing reliability issue.

Currently, the CAISO relies on load tripping through “Under Voltage Load Shedding” during summer peak conditions to alleviate the thermal and low voltage concerns in the area, which does not meet applicable reliability and planning standards,¹¹² and that the CAISO’s updated analyses show that the Proposed Project is still necessary, notwithstanding delays in this proceeding, to solve the identified reliability problem, and explains that:

The CAISO performs need assessments on a case-by-case basis if any major assumptions change significantly. In the 2023-2024 Transmission Planning Process the CAISO did not model the Proposed Project as in-service in the near-term (2025) study scenario based on the expected in-service date of the Proposed Project, and the results showed the continued need for the Proposed Project.¹¹³

¹¹⁰ Billington Testimony (CAISO), p. 5, line 23 through p. 6, line 7.

¹¹¹ Billington Testimony (CAISO), p. 6, lines 8-14.

¹¹² Billington Testimony (CAISO), p. 7, lines 14-17.

¹¹³ Billington Testimony (CAISO), p. 7, lines 18-24.

The reliability benefits of the Proposed Project constitute overriding considerations to approve the Proposed Project's environmentally superior alternative, Alternative Combination #2, notwithstanding the six significant and unavoidable impacts identified in the FEIR, even after the implementation of the prescribed APMs and MMs to reduce the impacts. Three of the significant impacts identified in the FEIR – both air quality impacts and the noise impact – would occur only during construction and therefore would be temporary. The impacts in the areas of aesthetics and agriculture would be substantially lessened through mitigation as described above. The conversion of land under a Williamson Act contract removes only 20 acres from the existing 98-acre parcel, leaving 78 acres under Williamson Act coverage. These impacts are outweighed by the Proposed Project's benefits in avoiding voltage collapse that could lead to blackouts in the area, which could have harmful impacts on the safety and economics of the region.

The Commission has found that transmission projects' reliability benefits outweigh their significant environmental impacts in other decisions granting PTCs and certificates of public convenience and necessity (CPCN).¹¹⁴ For the

¹¹⁴ D.20-03-001 (Decision Granting a CPCN for the Riverside Transmission Reliability Project), Conclusion of Law 5 (finding that reliability benefits are overriding considerations that outweigh unavoidable impacts on aesthetics, noise, and transportation and traffic, and the project's significant contribution to cumulative hydrology and water quality impacts); D.17-02-015 (Decision Granting a PTC for the Mesa 500 kV Substation Facility Project), Finding of Fact 25 (finding that the project's reliability and other benefits outweigh its significant and unavoidable impacts to aesthetics, air quality, and noise); D.16-12-001 (Decision Addressing the Southern California Edison Company Application for a PTC for the Valley South 115 kV Subtransmission Project), pp. 18-19 and Finding of Fact 6 (finding that the project's reliability benefits outweigh its significant, unavoidable benefits on cultural resources); D.16-08-017 (Decision Granting CPCN for the West of Devers Upgrade Project), p. 34 (finding that the project's benefits in allowing compliance with generator interconnection requests, and facilitating deliverability for renewable resources, outweighs its unavoidable adverse environmental impacts on air quality, noise, visual resources, and cultural resources);

Footnote continued on next page.

reasons explained above, the record supports a finding that the Proposed Project's reliability benefits are overriding considerations that support granting PTCs to the Applicants.

6.2. Economic Benefits

In addition to the reliability benefits, the Proposed Project is expected to result in creation of numerous jobs and provides economic development benefits. If the PTCs are granted, Horizon West expects to bid out the construction of the Estrella Substation (component of the Proposed Project) to construction contractors that will utilize the relevant trade unions. PG&E also will bid out the work to construct the 70 kV switching station (component of the Proposed Project). Horizon West also anticipates that it will staff two permanent operations and maintenance jobs once the Proposed Project is placed in service.¹¹⁵

6.3. Policy Benefits

Finally, approving the Proposed Project is also consistent with and supports the results of the CAISO's long-term transmission planning process and the CAISO's competitive solicitation conducted pursuant to FERC Order No. 1000. The Commission and the CAISO have recognized that the CAISO "conducts transmission planning that initiates all expansion planning for reliability, policy, and economic reasons in the footprint of its member

D.16-08-002 (Decision Granting PTC for the Moorpark-Newbury 66 kV Subtransmission Line Project), pp. 25-26 and Conclusion of Law 3 (finding that the project's reliability benefits in avoiding a projected violation of applicable reliability criteria outweigh its significant and unavoidable impacts on air quality and noise during project construction); D.16-05-005 (Decision Granting PTC for the Sale Creek Substation Project), pp. 19-20, Findings of Fact 1 and 6 (finding that the project's reliability benefits in ensuring safe and reliable electric service outweigh its significant and unavoidable impacts on aesthetics, noise, and recreation).

¹¹⁵ Hayes Opening Testimony (Horizon West), p. 10, lines 16-21.

participating transmissions owners.”¹¹⁶ Granting approval for a project that the CAISO identified and approved in its Transmission Plan, and that the CAISO’s witness has confirmed is still needed for reliability and to avoid load shedding and voltage collapse, is a policy benefit that supports approval of the Proposed Project despite the identified impacts.

Moreover, approving a project selected in the CAISO’s competitive solicitation process would support that competitive process, which provides benefits to customers in California that pay transmission rates through the CAISO Transmission Access Charge. The CAISO selected Horizon West’s bid based on selection factors that included experience in acquiring right of way, demonstrated cost containment capability and binding cost control measures, and expertise in developing a sufficiently sized team with the resources, knowledge, and skill to execute the project.

For the foregoing reasons, we find that the Proposed Project’s benefits are overriding considerations that support granting PTCs to the Applicants. These benefits from the Proposed Project outweigh the unavoidable adverse environmental impacts on air quality, aesthetics, agricultural resources, and noise. Accordingly, with the foregoing statement of overriding considerations, Commission approval of the Proposed Project, configured as Alternative Combination #2, is warranted.

7. Certification for EIR

CEQA requires the lead agency to certify that the EIR was completed in compliance with CEQA, that the agency has reviewed and considered it prior to

¹¹⁶ Memorandum of Understanding Between the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), and the California Independent System Operator (ISO) Regarding Transmission and Resource Planning and Implementation dated as of December 2022.

approving the project, and that the EIR reflects the agency's independent judgment.

As discussed above, the FEIR was completed after notice and opportunity for public comment on the scope of the environmental review and the DEIR, as required by CEQA. The FEIR documents all comments on the DEIR and RDEIR and responds to them, as required by CEQA. The FEIR also identifies the Proposed Project's significant and unavoidable environmental impacts, mitigation measures that will avoid or substantially lessen them, and the environmentally superior alternative.

We have reviewed and considered the information contained in the FEIR, and it reflects our independent judgment. We certify that the FEIR was completed in compliance with CEQA.

8. Electric and Magnetic Fields

The Commission has examined electric and magnetic fields (EMFs) impacts in numerous proceedings. We consistently found the scientific evidence presented in those proceedings was uncertain as to the possible health effects of EMFs, and we did not find it appropriate to adopt any related numerical standards. The competing expert testimony presented by Horizon West and CURE in this proceeding merely confirms those uncertainties within the scientific community on the possible health effects of EMFs. Because there is no agreement among scientists that exposure to EMFs creates any potential health risk, and because CEQA does not define or adopt any standards to address the potential health risk impacts of possible exposure to EMFs, the Commission does not consider EMFs in the context of CEQA review.¹¹⁷

¹¹⁷ D.20-03-001, p. 29; D.17.02.015, p. 33; D.16-12-001, p. 16; D.16-08-017, p. 35; D.16-08-002, p. 26; D.16-05-005, p. 21; *see also* D.06-01-042 and D.93-11-013.

Note, CURE also provided comments regarding its EMF objections during the CEQA public comment process for the Proposed Project,¹⁰⁹ which the FEIR addressed correctly by reiterating that EMFs are not an environmental issue in the context of CEQA and that no further response is required.¹¹⁰

Separate from the CEQA public comment process and recognizing that public concern remains, in D.06-01-042, the Commission adopted EMF policies (“EMF Policies”) that require utilities to consider “no-cost” and “low-cost” measures, where feasible, to reduce magnetic field exposure from new or upgraded utility facilities. The EMF Policies establish a benchmark of four percent of total project costs to implement mitigation measures that achieve incremental magnetic field reductions of at least 15 percent at the edge of right-of-way,¹¹⁹ while allowing “minor increases above the [four percent] benchmark if justified under unique circumstances,” and where total costs are “relatively low.”¹¹⁸

Here, the Applicants evaluated no-cost and low-cost EMF mitigation measures and designed the Proposed Project in compliance with the Commission’s EMF Policies. For the substation portion of the Proposed Project, the applicable EMF mitigation measures are listed in the table in Section IV of the EMF Field Management Plan,¹¹⁹ of which the potential no-cost and low-cost magnetic field reduction measures available for the substation are:

- Keep high current devices, transformers, capacitors, and reactors away from the substation property lines;

¹¹⁸ D.06-01-042 at 7.

¹¹⁹ See attachment to the opening testimony of Daniel Mayers on behalf of Horizon West.

- For underground duct banks, the minimum distance should be 12 feet from the adjacent property lines or as close to 12 feet as practical;
- Locate new substations close to existing power lines to the extent practical; and
- Increase the substation property boundary to the extent practical.

All of these no-cost and low-cost measures were adopted into the design of the substation portion of the Proposed Project.¹²⁰ These measures incorporate all substation measures identified in the Commission's EMF Design Guidelines for Electrical Facilities.

Horizon West also designed the Estrella Substation to be consistent with industry standards and clearance requirements. The design provides for controlled access to the substation facilities to keep the public at safe distances. The Estrella Substation is designed to:

- Minimize bus phase spacing while maintaining electrical clearances;
- Increase bus heights while maintaining design aesthetics; and
- Use large circular diameter conductors for rigid bus and jumpers.¹²¹

PG&E also designed its portion of the Proposed Project in compliance with the Commission's EMF Policies. PG&E prepared a Revised EMF Field Management Plan for Alternative PLR-1A (the environmentally superior

¹²⁰ Rebuttal Testimony of Daniel Mayers for Horizon West (September 15, 2023), p. 2, line 16 through p. 3, line 7.

¹²¹ Mayers Rebuttal Testimony (Horizon West), p. 4, lines 7-13.

alternative) (“Revised PLR-1A Field Management Plan”).¹²² The Revised PLR-1A Field Management Plan identifies the no-cost and low-cost measures that are incorporated into PG&E’s portion of the Proposed Project. These measures comply with the Commission’s EMF Policies.

The evidence here shows that “the total reduction in modeled magnetic field strength at the right-of-way edge achieved along the new 10.5 mile double-circuit 70 kV line by implementing “no- cost” and “low cost” measures is 73.8 [milliGauss (mG)],” and “[c]ompared to the modeled base case field strength of 94.1 mG without optimal phasing and conductors at the minimum clearance height, implementing both measures results in a reduction of magnetic field strength at the right-of-way boundary of 78.4 percent, which is well above the 15 percent reduction standard in the CPUC’s EMF Policy.”¹²³ Similar analysis and modeling is provided which shows that the no-cost and low-cost measures implemented for reconductoring of the existing power line segment would reduce magnetic field strength at the western and eastern edges of the right-of-way by 28.6 percent and 28.5 percent respectively.¹²⁴

This evidence shows that the measures incorporated into the Proposed Project design for the new 70 kV power line and for the reconductoring of the existing 70 kV power line will reduce magnetic field strength by 78.4 percent, and by between 28.6 and 28.5 percent, respectively. These incremental reductions are well above the 15 percent reduction standard in the EMF Policies.

¹²² 124 Chavis Reply Testimony (PG&E), Exhibit 1 (EMF Field Management Plan for Alternative PLR-1A).

¹²³ Chavis Reply Testimony (PG&E), p. 6, line 141 through p. 7, line 148.

¹²⁴ Chavis Reply Testimony (PG&E), p. 7, lines 149-163.

While CURE argued and provided testimony that undergrounding the 70 kV power line will reduce EMF impacts in order for the Proposed Project to comply with D.06-01-042's threshold recommendation of 15 percent EMF reduction at the utility right-of-way,¹³² we are not persuaded that undergrounding the 70 kV line is necessary to comply with D.06-01-042 because the no-cost and low-cost measures that PG&E has incorporated into the Proposed Project design will reduce EMFs by more than the 15 percent threshold identified in D.06-01-042, as discussed above.

Furthermore, CURE's claims that undergrounding the 70 kV power line, and adding shielding to the underground design, could qualify as a potential "low-cost" measure, defined as four percent of total project cost,¹³³ are not persuasive. The testimony by a PG&E witness shows that the costs to underground the double-circuit 70 kV transmission line in Alternative PLR-1A "far exceed the Commission's EMF Design Policy threshold guideline of four percent of total project cost," and confirms that he is "not aware of any projects in the PG&E system where complete undergrounding of transmission lines has been found to be a viable no-cost or low-cost EMF mitigation."¹²⁵ As is noted in Footnote 2 of the FEIR's Table 5-3, a double-circuit underground transmission line, which is proposed for the environmentally superior alternative, will likely result in significantly higher costs, well above the \$17,705,000 estimated in the FEIR. PG&E's underground transmission design standard requires lines to be placed in concrete-encased duct banks in all environments (urban, suburban, rural) to improve public and coworker safety as well as improve asset longevity and cable access. Because of this standard,

¹²⁵ Wallis Reply Testimony (PG&E) (September 15, 2023), p. 4, lines 72-77.

typical PG&E costs for new underground transmission lines may exceed the costs of other utilities and developers who may direct-bury transmission cables.¹²⁶

The estimated cost increase to underground the new transmission lines proposed as Alternative PLR-1A is \$154,318,500, which is 147 percent of the estimated project cost of \$105,000,000, which far exceeds the four percent benchmark in the EMF Policies. The increase in costs to underground the proposed transmission lines is \$14,697,000 per mile, or \$17,705,000 per mile for new underground lines minus the avoided cost for the installation of new overhead lines of \$3,008,000 per mile. The distance of the proposed new transmission lines for Alternative PLR-1A is 10.5 miles, resulting in a total cost increase for undergrounding of \$154,318,500. If the additional six miles of existing overhead transmission lines proposed for reconductoring are also included in the undergrounding estimate, the total cost increase rises to \$250,120,500 which is 238 percent of the project cost.¹²⁷ This is far in excess of the Commission's four percent cost threshold.

Mr. Wallis also explains that the cost-per-mile estimate cited by Dr. Clark does not accurately represent the estimated costs for undergrounding the Project's 70 kV power lines. Mr. Wallis explains that Dr. Clark erroneously cites a cost-per mile for undergrounding published by

Horizon West, but that project only undergrounded a 0.5-mile section, resulting in a per-mile cost of \$8,855,010. Even using this lower estimate results in a total undergrounding cost increase of \$61,393,605, which is 58 percent of

¹²⁶ Wallis Reply Testimony (PG&E), p. 4, line 78 through p. 5, line 100.

¹²⁷ Wallis Reply Testimony (PG&E), p. 5, lines 103-112.

total project costs and well above the Commission's four percent guideline.¹²⁸ Horizon West's witness Mr. Mayers confirmed that the Horizon West undergrounding project referenced by Dr. Clark had a cost of \$4,427,550 for 0.5 mile (resulting in an \$8,855,010 per mile cost, as pointed out by Mr. Wallis), but explained that this is a poor proxy for costs to underground PG&E's facilities as part of the Proposed Project:

The costs of the 0.5-mile section of 230 kV line that Horizon West undergrounded in 2021 were established several years ago at this point and, in general, material, equipment, and labor costs have increased significantly since that time. Further, the section of 230 kV line that Horizon West undergrounded was a straight single-circuit transmission line in a two foot by three foot concrete duct bank that ran under a private, gated road owned by one landowner (San Diego Gas & Electric Company) with no daily traffic concerns, limited in-ground encumbrances to work around like pipelines, telecommunications, water, sewer or other electric facilities and sufficient property to safely work, store materials and set up for all construction activities. This is unlikely to be the case for the double-circuit 70 kV transmission lines that PG&E proposes to construct as part of the [Proposed] Project.¹²⁹

As discussed above, CURE's proposal to underground the 70 kV transmission line is not a low-cost mitigation measure for EMFs.

9. Conclusion

Applicants are granted PTCs to construct their respective components of the Proposed Project, as configured as the environmentally superior alternative, Alternative Combination #2, with the mitigation measures identified in the Mitigation Monitoring and Reporting Plan (MMRP), attached as Attachment A to this decision.

¹²⁸ Wallis Reply Testimony (PG&E), p. 6, lines 121-129.

¹²⁹ Mayers Rebuttal Testimony (Horizon West), p. 6, lines 4-14.

In doing so, we carefully reviewed and considered the FEIR and conclude that the environmentally superior alternative identified in the FEIR is Alternative Combination #2 and find that the FEIR for the Proposed Project meets the requirements of CEQA. We also find that Applicants' EMF Field Management Plan complies with the Commission's EMF low-cost/no-cost measures.

As discussed, there are unavoidable significant impacts associated with even the environmentally superior alternative, but the benefits of the Proposed Project outweigh the unavoidable and adverse environmental effects, and based on these overriding considerations, we approve Applicants' requests for PTCs as proposed in their Application, as modified by this decision.

10. Procedural Matters

This decision affirms all rulings made by the assigned Administrative Law Judges and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

11. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. No comments have been received through the "Public Comment" tab.

12. Comments on Proposed Decision

The proposed decision of Assistant Chief ALJ Kimberly Kim in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Timely comments were filed by Local Parties, Horizon West, and CURE. PG&E filed its comments on April 5, 2024.¹³⁰ Timely reply

¹³⁰ April 5, 2024 ALJ Ruling granted PG&E permission to late-file its comments.

comments were filed by PG&E and Horizon West, jointly, and the City, separately.

There were two main areas of comments to the proposed decision: (1) PG&E objects to the inclusion of distribution components, Alternatives BS-2 and BS-3, as part of the environmentally superior alternative; and (2) CURE continues to raise its prior arguments. They are addressed below.

PG&E's Objection to Distribution Components:

PG&E requests revisions to the proposed decision to remove the directives regarding the distribution components, Alternatives BS-2 and BS-3, which are parts of the environmentally superior alternative.

Generally, Local Parties, in their comments to the proposed decision, support the proposed decision without taking any position regarding the distribution components, Alternatives BS-2 and BS-3.

Horizon West, in its comments, support the proposed decision while also supporting PG&E's objection regarding distribution components, Alternatives BS-2 and BS-3.

The City, in its separate reply comment, objects to implementation of BS-2 (Front of the meter battery storage) and request deferral of BS-2 ordering until specific locations are assessed, noting potential environmental impact concerns with individualized siting locations, including illustrative examples shown in the FEIR.

PG&E argues that Alternatives BS-2 and BS-3 are outside the scope of the requested approval in the instant application and were improperly included in the FEIR. PG&E also argues that decision regarding Alternatives BS-2 and BS-3 are within scope of other Commission proceedings (i.e., DIDF); therefore, Alternatives BS-2 and BS-3 should be examined in those proceedings. In its

comments, PG&E also presents new facts which were not previously presented in this proceeding record regarding cost and feasibility of Alternative BS-2 and BS-3 implementation.

The Commission, as the lead agency, has broad discretion to identify a meaningful range of alternatives in performing its analysis under CEQA. The cases cited by the commenter generally point out that the lead agency is not required to consider an alternative to every individual aspect of a project (in the case cited, the amount of grading, cut, and fill to construct the project), however, the decisions continue to elaborate that such a lack of explicit requirement to address every aspect does not restrict the lead agency from exploring meaningful alternatives.

As identified in the FEIR, Chapter 5, aesthetic and biological impacts would be reduced through the avoidance of building additional distribution wires. These impacts are less clearly defined than those of the other elements of the project, however the Commission cannot avoid its obligation to meaningfully analyze the potential for environmental impacts at a level of detail commensurate with the level of plan detail for those elements. This is clearly disclosed and discussed in the FEIR, particularly Master Response 5

The FEIR in selecting the environmentally superior alternative (with Alternatives BS-2 and BS-3) complied with CEQA requirements. The Commission has the authority to consider and order the whole of the action, particularly where all components, including those not normally required to seek a permit to construct, are under the jurisdiction of the Commission. While Commission authorization for the distribution work alone is not needed, as noted by PG&E, we find that the distribution work (foreseeable future action)

was properly reviewed in the FEIR and are components of the environmentally superior alternative we selected.

The record does not support selection of an action that is not the environmentally superior alternative (i.e., overriding considerations), and we recognize that the proceeding record lacks adequate evidence regarding the cost of battery storage as noted by PG&E in its comment. We also acknowledge that distribution elements related to the Estrella Project will not become necessary for 5-15 years, at which time, more precise need, feasibility, and cost information will be available.

In approving the FEIR and the environmentally superior alternative and based on the issues raised in the comments to the proposed decision, we therefore adopt the below process for PG&E for the reasonably foreseeable future distribution components of the Estrella Project - while acknowledging the timing, location and feasibility of the work is unclear at this time:

PG&E must file in the current Distribution Investment Deferral Framework (DIDF) proceeding or a successor proceeding when those distribution elements associated with the Estrella Project become necessary (expected approximately 5-15 years). If DIDF procurement is successful, a Tier 1 advice letter to Energy Division referencing the instant proceeding would be filed to document the completion. If DIDF procurement is not successful, PG&E shall file a petition for modification in this instant proceeding to address the distribution elements for the Commission to review the feasibility of the battery storage components and/or distribution elements in light of the record developed as part of the DIDF process and any further record as necessary to examine the issue at that time.

This approach aligns with the underlying intent of DIDF, to seek more non-wire solutions where appropriate. Moreover, if procurement of distributed energy resources (DERs) in DIDF is not successful, the record developed by that

DIDF proceeding will further inform the Commission in future related decision-making and review of overriding considerations, including examination of more precise need, feasibility and cost information to be balanced in view of any the additional environmental impacts that would be caused by wires, in which case procurement may still be ordered.¹³¹

We note that the Commission has issued several decisions to encourage and explicitly order the development of additional battery storage solutions. While some of those other proceedings may have overlapped with the instant proceeding, utilities have made converse arguments in the DIDF proceeding to exclude elements related to GO 131-D proceedings.

We also note that DIDF does not consider the site-specific environmental impacts of DER procurement and instead focuses on economic, policy, and engineering feasibility. As such, DIDF does not give the same weight to reducing environmental impacts when reaching a decision, contrary to the requirements of CEQA placed upon the Commission in this decision. In turn, simply deferring decision on implementing BS-2 and BS-3 to DIDF will not meaningfully address concerns of environmental impacts and siting of batteries which are not addressed in DIDF procurement processes.

Taking all of the foregoing considerations into account, we adopt the above described process for PG&E's reasonably foreseeable future distribution components of the Estrella Project, and related revisions have been incorporated in section 5.4 of this decision.

¹³¹ The cases cited by the comments regarding phasing of projects fundamentally differ from this project, because there is no secondary stage of discretionary approval that would be subject to detailed CEQA for those distribution components.

CURE's Comments on Proposed Decision:

CURE, in its comments, opposes the proposed decision, requests rejection of FEIR, and seeks determination that FEIR is inadequate or otherwise requests that undergrounding be incorporated as a mitigation measure. In support, CURE reiterates its continuing objections regarding the FEIR alleging that it does not include undergrounding as a mitigation measure (thereby not including all feasible mitigation) and does not include all feasible mitigation measures for air quality, agricultural resources, and noise.

Horizon West and PG&E joint reply comments correctly note and address errors in CURE's comments. As well, CURE's comments on the proposed decision do not raise any issues that have not already been raised and adequately addressed in the CEQA administrative process and record and thoroughly discussed and addressed in sections 5.7, 5.8, and 8 of this decision. As such, we find revisions to the proposed decision are not merited here and none are made.

13. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Kimberly Kim is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. On January 25, 2017, Applicants PG&E and NextEra Energy Transmission West, LLC (now, Horizon West) filed A.17-01-023 seeking PTCs to construct the Proposed Project in and near the City of El Paso de Robles, San Luis Obispo County.

2. In the Application, NextEra Energy Transmission West, LLC (now, Horizon West) requested a PTC for the new Estrella Substation, and specifically for the 230 kV buswork and termination equipment and a new 230/70 kV transformer bank at the Estrella Substation. PG&E requested a PTC to: (i)

construct its 70 kV portion of the proposed substation (which PG&E has named the “Union Substation”); (ii) interconnect the Morro Bay-California Flats 230 kV line to the Estrella Substation; (iii) construct a new double circuit 70 kV line from the Union Substation through the City of Paso Robles and connect it to the existing San Miguel-Paso Robles 70 kV line; and (iv) reconductor a portion of the existing San Miguel-Paso Robles 70 kV line from the point at which the new 70 kV line would connect southward to the existing Paso Robles Substation.

3. The Proposed Project is a reliability-driven transmission solution in the Los Padres division of PG&E’s service territory that was identified by the CAISO and approved in its 2013-2014 Transmission Plan “to provide Paso Robles Substation with more reinforced 70 kV sources from Templeton and Estrella” and includes 230 kV and 70 kV components that together comprise the CAISO-approved reliability-driven upgrade.

4. Because the NextEra Energy Transmission West, LLC (now, Horizon West) components and the PG&E components together form a single, integrated transmission project, NextEra Energy Transmission West, LLC (now, Horizon West) and PG&E filed the Application jointly to request a separate PTC for each Applicant’s components of the Proposed Project (sometimes referred to as the Estrella Project).

5. Pursuant to CEQA, the DEIR was prepared and released on December 8, 2020; the RDEIR was prepared and released on November 18, 2021; and the FEIR was prepared and released on April 3, 2023.

6. The FEIR concludes that: “Overall, Alternative Combination #2 is considered the most advantageous option and is identified as the Environmental Superior Alternative.”

7. While PG&E contends that it “is not seeking authority from the Commission in its PTC to construct [the] distribution components,” the Proposed Project is a reliability project, as proposed “to accommodate forecasted electrical load growth” in the area, and in looking at the Proposed Project as a whole, the FEIR examined and selected Alternative Combination #2 as the environmentally superior alternative, including alternatives BS-2 and BS-3 in the place of the reasonably foreseeable distribution components of that Proposed Project.

8. Alternative Combination #2 includes the Estrella Substation at the site proposed by Horizon West and Alternative PLR-1A for the 70 kV transmission line – as the environmentally superior alternative.

9. PG&E supports the environmentally superior alternative, Alternative Combination #2, but objects to BS-2 and BS-3.

10. To avoid piecemealing or segmenting (to put off evaluating the reasonably foreseeable distribution component element), the FEIR properly evaluated the reasonably foreseeable distribution component element as part of our analysis.

11. The Commission has the authority to consider and order the whole of the action, particularly where all components, including those not normally required to seek a permit to construct, are under the jurisdiction of the Commission.

12. Segmenting and piecemealing projects are explicitly prohibited by CEQA, because dividing a project into a number of pieces would allow the project proponent and the lead agency to minimize the apparent environmental impacts of the whole of a project by evaluating individual pieces separately, each of which may have a less-than-significant impact on the environment, but which together may result in a significant impact.

13. Segmenting a project may also hinder developing comprehensive mitigation strategies.

14. If an activity or facility is necessary for the operation of a project, or necessary to achieve the project objectives, or a reasonably foreseeable consequence of approving the project, then it should be considered an integral project component that should be analyzed within the environmental analysis.

15. For the Proposed Project, those reasonably foreseeable distribution components include two new distribution line segments (totaling approximately 1.7 miles in length) and three new pad-mounted 21/12 kV transformers, a new distribution (70/21 kV) transformer within Estrella Substation and reconductoring of approximately eight miles of existing distribution lines. The location of these distribution lines is not known at this time and would be determined to serve customer needs as load growth occurs in the vicinity.

16. CEQA Guidelines §§ 15003(i) and 15151 articulate that CEQA does not require technical perfection, but rather adequacy, completeness and a good-faith effort at full disclosure.

17. The Commission's Energy Division prepared the FEIR in compliance with the applicable procedural requirements of CEQA and the CEQA Guidelines in the scoping process and in preparation of the FEIR.

18. To identify a reasonable range of potentially feasible alternatives for consideration in the DEIR, an ASR was prepared, and a draft was circulated for public review from March 28, 2019, to May 10, 2019; and the Energy Division considered the comments received on the Draft ASR and prepared a Final ASR.

19. In its diligence and to ensure the FEIR examined a reasonable range of alternatives, the Commission's Energy Division prepared and circulated the ASR, which was not required by CEQA.

20. The Commission held two public meetings during the comment period for the DEIR and received 131 letters during the extended DEIR public review period.

21. On November 18, 2021, the Energy Division published the RDEIR based on Horizon West's purchase of an additional five acres of land at the site of the Estrella Substation and based on CURE's comments regarding the DEIR's air quality analysis.

22. The RDEIR consists of certain sections of the DEIR that were recirculated for comment, namely Chapter 2 (Project Description), Section 4.2 (Agricultural Resources and Forestry Resources), and Section 4.3 (Air Quality) (such recirculated sections are the RDEIR).

23. The FEIR considered and included responses to all of the voluminous comments received during the public review period for both the DEIR and the RDEIR as well as the revisions in response to comments in accordance with § 15088 of the CEQA Guidelines.

24. The FEIR analyzed several potentially feasible alternatives in varied combinations of the elements of the Proposed Project to achieve project objectives and also considered the No Project Alternative, and screened out for one or more of the following reasons: (1) the alternative was infeasible; (2) the alternative failed to meet the basic project objectives; or (3) the alternative would not avoid or substantially reduce one or more significant impacts of the Proposed Project.

25. The FEIR identified each alternative's potential significant environmental impacts and the mitigation measures that would avoid or lessen them below the level of significance, and it identified Alternative Combination #2 as the environmentally superior alternative pursuant to CEQA.

26. Although the environmentally superior alternative, Alternative Combination #2, is not identical to the Proposed Project, as proposed by the Applicants, Applicants “accept and propose to build the Estrella Substation and Alternative PLR-1A that are selected as the environmentally superior alternative in the Final EIR.”

27. Alternative Combination #2 would provide the reliability solution identified and approved by the CAISO in its 2013-2014 Transmission Plan.

28. The environmentally superior alternative identified in the FEIR is feasible.

29. The FEIR in selecting the environmentally superior alternative (with Alternatives BS-2 and BS-3) complied with CEQA requirements.

30. The FEIR finds that the Proposed Project, as proposed, would result in six significant and unavoidable impacts in the areas of Aesthetics (Impact AES-3), Agricultural and Forestry Resources (Impact AG-1 and Impact AG-2), Air Quality (Impact AQ-2 and Impact AQ-3), and Noise and Vibration (Impact NOISE-1).

31. The FEIR finds that the environmentally superior alternative, Alternative Combination #2 (including Alternative PLR-1A) would reduce certain of those impacts when compared with the Proposed Project, as proposed.

32. The FEIR also identifies the APMs and MMs that substantially lessen the identified impacts but concludes that the impacts after implementation of the prescribed mitigation measures would be significant and unavoidable.

33. The FEIR examined the environmental impacts of the Proposed Project (as proposed) and a reasonable range of alternatives, including the No Project Alternative, as summarized above; and only after that, the FEIR selected Alternative Combination #2 – comprised of the Estrella Substation and

Alternative PLR-1A for the 70 kV transmission line – as the environmentally superior alternative.

34. Because the aboveground double-circuit 70 kV alignment described in Alternative PLR-1A provides the same electrical function as the original double-circuit 70 kV route proposed in the Application, Alternative PLR-1A will provide the same reliability-driven transmission solution that was identified by the CAISO, as described in the Application and the FEIR.

35. The City and all parties representing landowners and businesses in the areas near the Proposed Project as well as PG&E support Alternative Combination #2, which includes PLR-1A, as the appropriate alignment for the new double-circuit 70 kV line associated with the Proposed Project.

36. Alternative Combination #2 includes alternatives BS-2 (front of the meter battery storage) and BS-3 (behind the meter battery storage and solar), which are alternatives to distribution-voltage level components that PG&E identified as “reasonably foreseeable” in the Application in order to comply with the requirements of CEQA.

37. The distribution level components were not originally proposed as part of the Proposed Project, but as the CEQA lead agency preparing the EIR for the Proposed Project, the Commission also has a duty to review and consider “the whole of the action.”

38. The whole of the Proposed Project includes the reasonably foreseeable components of that project.

39. The Proposed Project, as proposed by PG&E, in the Application for PG&E’s 70 kV Substation, as demonstrated by the description of the ultimate substation buildout, above, is reasonably expected to result in additional distribution infrastructure originating from the substation.

40. The Commission's consideration of alternatives BS-2 and BS-3 in lieu of the Proposed Project's reasonably foreseeable components here is within the Commission's authority and is, therefore, required.

41. The Commission, as the lead agency, has broad discretion to identify a meaningful range of alternatives in performing its analysis under CEQA and is not restricted from exploring meaningful alternatives.

42. No party has identified any specific economic, social, or other condition that warrants the Commission's approval of the Proposed Project's reasonably foreseeable distribution elements nor an alternative other than alternatives BS-2/BS-3 in lieu of applicant PG&E's proposed reasonably foreseeable distribution infrastructure.

43. The distribution elements related to the Estrella Project will not become necessary for 5-15 years, at which time, more precise need, feasibility and cost information will be available.

44. For PG&E's reasonably foreseeable future distribution components of the Estrella Project, the process and approach taken in this decision aligns with the underlying intent of DIDF, to seek more non-wire solutions where appropriate.

45. The Commission has issued several decisions to encourage and explicitly order the development of additional battery storage solutions.

46. DIDF does not consider the site-specific environmental impacts of DER procurement and instead focuses on economic, policy, and engineering feasibility.

47. DIDF does not give the same weight to reducing environmental impacts when reaching a decision, contrary to the requirements of CEQA placed upon the Commission in this decision.

48. Simply deferring decision on implementing BS-2 and BS-3 to DIDF will not meaningfully address concerns of environmental impacts and siting of batteries which are not addressed in DIDF procurement processes.

49. All parties, other than CURE, support approval of Alternative Combination #2, which includes Alternative PLR-1A, which is feasible and meets the project objectives and is identified as the environmentally superior alternative.

50. CURE is the only party that opposes the environmentally superior alternative and argues that PG&E should underground both the entire new 70 kV transmission line (in an unspecified route), and the existing 70 kV transmission line that would be reconductored as part of the environmentally superior alternative.

51. CEQA does not require the Commission to evaluate more than the reasonable range of alternatives the FEIR reviewed nor to adopt CURE's proposed undergrounding of all 70 kV transmission line elements.

52. The FEIR was released examining the required reasonable range of alternatives to arrive at the environmentally superior alternative, following a thorough CEQA public comments process, the DEIR, comments to the DEIR, the RDEIR, and comments to the RDEIR.

53. The FEIR explains that strategic undergrounding was considered to avoid or reduce one or more of the originally Proposed Project's significant environmental effects, which is why the undergrounded portion was considered for the areas with the greatest aesthetic and other environmental impacts.

54. The FEIR concludes: "Therefore it would be improper to consider undergrounding or relocating poles for the reconductoring segment to address such existing concerns."

55. The FEIR evaluated strategic undergrounding as part of Alternative PLR-3 (Options 1 and 2) and determined that the undergrounding alternatives would not reduce all of the significant environmental effects of the Proposed Project, especially when compared with the environmentally superior alternative.

56. Strategic undergrounding would have significant and unavoidable impacts in the areas of air quality and noise, just like the originally proposed project and the environmentally superior alternative.

57. While strategic undergrounding lessens agricultural impacts of the transmission line component (one area of potential environmental improvement), this would not be true if the entire transmission line were undergrounded in the same route as Alternative PLR-1A as CURE suggests because that route has farmland impacts.

58. Undergrounding has other impacts due to the use of hazardous materials, greater ground disturbance, elevated noise levels, and potential biological and cultural resource impacts.

59. The Commission is not required to consider undergrounding as an alternative or as mitigation.

60. Undergrounding “creates impacts of its own,” because trenching along the length of an undergrounding alignment can loosen soils and would involve use of hazardous materials (e.g., fuel and oil in construction equipment), which would create potential for off-site movement of pollutants to waterbodies or discharges into soil and groundwater.

61. Undergrounding a power line would require additional excavation compared to overhead line construction and (if installed within the roadway) would use some pieces of equipment (e.g., asphalt saw) that generate elevated

noise compared to the construction equipment necessary for overhead power line construction.

62. Undergrounding also generally involves greater amounts of ground disturbance during construction, as compared to overhead line construction, which could potentially impact biological and cultural resources.

63. Undergrounding the entire transmission line, including the existing portions that would be reconducted under the environmentally superior alternative, would have severe economic effects that make it infeasible.

64. The MMRP section of the FEIR (Attachment A of this decision) describes all feasible measures that could minimize significant adverse environmental impacts of the Proposed Project.

65. With the mitigation measures identified in the MMRP, the Alternative Combination #2 to the Proposed Project will avoid or substantially lessen the significant environmental impacts of the Proposed Project, however some of the significant environmental impacts are unavoidable after application of all feasible mitigation measures.

66. The electric reliability, policy and economic benefits of approving the Alternative Combination #2 to the Proposed Project outweigh the unavoidable significant impacts.

67. The record does not support selection of an action that is not the environmentally superior alternative and record lacks adequate evidence regarding the cost of battery storage.

68. We have reviewed and considered the information contained in the FEIR, and it reflects our independent judgment.

69. The Commission has examined EMF impacts in numerous proceedings and consistently found the scientific evidence presented in those proceedings was uncertain as to the possible health effects of EMFs.

70. The Commission does not consider EMFs in the context of CEQA review.

71. CURE provided comments regarding its EMF objections during the CEQA public comment process for the Proposed Project, which the FEIR addressed correctly by reiterating that EMFs are not an environmental issue in the context of CEQA and that no further response is required.

72. Separate from the CEQA public comment process and recognizing that public concern remains, in D.06-01-042, the Commission adopted EMF policies that require utilities to consider “no-cost” and “low-cost” measures, where feasible, to reduce magnetic field exposure from new or upgraded utility facilities.

73. The Applicants evaluated no-cost and low-cost EMF mitigation measures and designed the Proposed Project in compliance with the Commission’s EMF Policies.

74. PG&E prepared a Revised EMF Field Management Plan for Alternative PLR-1A (the environmentally superior alternative) and identified the no-cost and low-cost measures that are incorporated into PG&E’s portion of the Proposed Project.

75. The EMF Field Management Plan includes the required potential no-cost and low-cost magnetic field reduction measures available for the substation; all of these no-cost and low-cost measures were adopted into the design of the substation portion of the Proposed Project; and all of these measures incorporate all substation measures identified in the Commission’s EMF Design Guidelines for Electrical Facilities.

76. Horizon West and PG&E designed their respective components of the Estrella Substation to be consistent with industry standards and clearance requirements.

77. CURE's proposal to underground the 70 kV transmission line is not a low-cost mitigation measure for EMFs.

Conclusions of Law

1. Applicants should be granted PTCs to construct their respective components of the Proposed Project, as configured as the environmentally superior alternative, Alternative Combination #2, with the mitigation measures identified in the MMRP, attached as Attachment A to this decision.

2. The Commission was presented with the FEIR and reviewed and considered the information in the FEIR before approving the Proposed Project, as modified.

3. The FEIR was prepared and completed in compliance with CEQA.

4. The FEIR reflects the Commission's independent judgment and analysis on all material matters.

5. The FEIR should be certified as having been prepared in compliance with CEQA.

6. The environmentally superior project alternative (Alternative Combination #2) identified in the FEIR should be approved.

7. The MMRP section of the FEIR (Attachment A of this decision) and the mitigation measures identified in it should be adopted.

8. The benefits of the Proposed Project, as configured as the environmentally superior alternative, Alternative Combination #2, with the mitigation measures identified in the MMRP, attached as Exhibit A to this decision, outweigh the unavoidable and adverse environmental effects of the Proposed Project.

9. The overriding considerations merit granting the PTCs for the Proposed Project, as configured as the environmentally superior alternative, Alternative Combination #2, with the mitigation measures identified in the MMRP, attached as Attachment A to this decision.

10. Applicants' EMF Field Management Plan complies with the Commission's EMF low-cost/no-cost measures.

11. PG&E should be ordered to implement BS-2 and/or BS-3 and seek Commission approval of the procurement in compliance with the below process:

PG&E must file in the current Distribution Investment Deferral Framework (DIDF) proceeding or a successor proceeding when those distribution elements associated with the Estrella Project become necessary (expected approximately 5-15 years). If DIDF procurement is successful, a Tier 1 advice letter to Energy Division referencing the instant proceeding would be filed to document the completion. If DIDF procurement is not successful, PG&E shall file a petition for modification in this instant proceeding to address the distribution elements for the Commission to review the feasibility of the battery storage components and/or distribution elements in light of the record developed as part of the DIDF process and any further record as necessary to examine the issue at that time.

12. CURE's argument that PG&E should underground both the entire new 70 kV transmission line (in an unspecified route), and the existing 70 kV transmission line that would be reconductored as part of the environmentally superior alternative lacks merit.

13. CURE's request that the FEIR "should be revised and recirculated to include undergrounding the entire transmission line as a component of the Environmentally Superior Alternative" is unwarranted.

14. The FEIR adequately analyzed the Proposed Project's impacts in each area of continued objections raised by CURE.

15. This decision should affirm all rulings made to date in this proceeding and deny all pending motions not expressly ruled on to date.

16. Application 17-01-023 should be closed.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company and Horizon West Transmission, LLC are each granted a permit to construct for their respective component of the Estrella Substation and Paso Robles Area Reinforcement Project, configured as the Alternative Combination #2, with the mitigation measures identified in the Mitigation Monitoring and Reporting Plan, attached as Attachment A to this decision.

2. The Final Environmental Impact Report for the Estrella Substation and Paso Robles Area Reinforcement Project published on April 3, 2023, is certified as having been prepared in compliance with the California Environmental Quality Act.

3. The Mitigation Monitoring and Reporting Plan (MMRP) attached as Attachment A to this decision that is a section of the Final Environmental Impact Report and the mitigation measures identified in the MMRP are adopted.

4. Energy Division may approve requests by Pacific Gas and Electric Company and Horizon West Transmission, LLC for minor project refinements that may be necessary due to final engineering of their respective components of the Estrella Substation and Paso Robles Area Reinforcement Project, configured as the Alternative Combination #2 and as approved in this decision, so long as such minor project refinements are located within the geographic boundary of the study area of the Final Environmental Impact Report (FEIR) and do not, without mitigation, result in a new significant impact based on the criteria used

in the FEIR; substantively conflict with any mitigation measure or applicable law or policy; or trigger an additional discretionary permit requirement. A minor project refinement should be strictly limited to a minor project change that will not trigger other discretionary permit requirements, that does not increase the severity of an impact or create a new impact, and that clearly and strictly complies with the intent of the mitigation measure. The applicants shall seek any project changes that do not fit within these criteria by a petition to modify this decision.

5. Pacific Gas and Electric Company and Horizon West Transmission, LLC shall report any proposed deviation from the approved project and adopted applicants' proposed mitigation measures or mitigation measures we adopt in this decision, including the correction of such deviation, immediately to the Commission's Energy Division for its review and approval.

6. Pacific Gas and Electric Company (PG&E) shall comply with the below process to accommodate expected future increased electric distribution demand in the Paso Robles Distribution Planning Area, consistent with the requirements of Alternative Combination #2:

PG&E must file in the current Distribution Investment Deferral Framework (DIDF) proceeding or a successor proceeding when those distribution elements associated with the Estrella Project become necessary (expected approximately 5-15 years). If DIDF procurement is successful, a Tier 1 advice letter to Energy Division referencing the instant proceeding would be filed to document the completion. If DIDF procurement is not successful, PG&E shall file a petition for modification in this instant proceeding to address the distribution elements for the Commission to review the feasibility of the battery storage components and/or distribution elements in light of the record developed as part of the DIDF process and any further record as necessary to examine the issue at that time.

7. Pacific Gas and Electric Company shall file a Tier 1 advice letter with the Commission's Energy Division annually on the anniversary of this decision to report its progress on construction of the Alternative Combination #2 until the reasonably foreseeable future distribution components are completed.

8. This decision affirms all rulings made to date in this proceeding and denies all pending motions not expressly ruled on to date.

9. Application 17-01-023 is closed.

This order is effective today.

Dated April 18, 2024, at Sacramento, California.

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

Commissioners

Commissioner Matthew Baker recused himself from this agenda item and was not part of the quorum in its consideration.

ATTACHMENT A
Mitigation Monitoring and Reporting Plan