

EXECUTIVE SUMMARY

1. INTRODUCTION

On April 13, 2001, Pacific Gas and Electric Company (PG&E) filed an application (A.01-04-012) with the California Public Utilities Commission (CPUC) for a Certificate of Public Convenience and Necessity (CPCN) for the Los Banos-Gates 500 kV Transmission Project (Proposed Project). According to PG&E, the Proposed Project is needed to decrease congestion on the electric transmission route known as "Path 15"¹. The Proposed Project is intended to improve system reliability by reducing or eliminating the need for load interruptions in Northern California due to constraints on Path 15, reduce overall energy supply costs to consumers in the Independent System Operator (ISO) grid, primarily in Northern California, and unify the California energy market by allowing increased power transfers between Northern and Southern California. According to PG&E's schedule, the Proposed Project would be built and operational by 2004.

As explained in the Draft Supplemental Environmental Impact Report (DSEIR), this document constitutes the Final Supplemental Environmental Impact Report (Final SEIR) for the Los Banos-Gates 500 kV Transmission Project proposed by PG&E in Application No. 01-04-012. This Final EIR has been prepared by the California Public Utilities Commission (CPUC) pursuant to the California Environmental Quality Act (CEQA; Section 21000 et seq. of the California Public Resources Code) and in accordance with the *Guidelines for the Implementation of the California Environmental Quality Act* (Section 15000 et seq. of the California Code of Regulations). The CPUC, as Lead Agency under the CEQA, will use this Final SEIR, the Draft SEIR, and comments on the Draft SEIR, and the evidentiary record developed during formal hearings on PG&E's Application in making any determination on the proposed transmission project. There is no further comment period after issuance of this Final SEIR.

2. ORGANIZATION OF THIS FINAL SEIR

The Final SEIR contains a shortened Executive Summary, Comments on the Draft SEIR, Responses to Comments, and Replacement Pages. This Final SEIR should be read in conjunction with the Draft SEIR, which includes the full description of the proposed project and alternatives, as well as environmental analysis.

The DSEIR Executive Summary explains why it is appropriate to prepare a Supplemental EIR for this proposed project, rather than an entirely new EIR. However, as shown below, the contents of information provided by the Draft and Final Supplemental EIRs are essentially as comprehensive in scope as would be covered by a full or new Final EIR.

CEQA Guidelines (§15132) specify the required contents of a Final EIR. Table ES-1 shows how this Final SEIR complies with those requirements.

¹ Path 15 is a series of high-capacity transmission lines that connect Northern and Southern California. These transmission lines also link the Pacific Northwest and Oregon to Southern California.

Table ES-1 Contents of the Final SEIR

CEQA Guidelines (§15132) Require that the Final EIR include:	Final SEIR Contents
(a) The Draft EIR or a revision of the draft.	This Final SEIR is intended to be inserted into the notebook that holds the Draft SEIR so both documents are located together. Changes to the Draft SEIR are described in the Final SEIR, and replacement pages for the Draft SEIR are provided.
(b) Comments and recommendations received on the Draft EIR either verbatim or in summary.	All comments are reproduced in their entirety in Section A (Comments on Draft SEIR).
(c) A list of persons, organizations, and public agencies commenting on the Draft EIR.	Table B-1 list all persons, organizations, and public agencies that commented on the Draft SEIR.
(d) The responses of the Lead Agency to significant environmental points raised in the review and consultation process.	Section B presents the responses to all comments on the Draft SEIR.
(e) Any other information added by the Lead Agency.	The Executive Summary provides background information on those actions that have taken place since publication of the Draft SEIR.

3. DESCRIPTION OF PROPOSED PROJECT AND ALTERNATIVES

3.1 PROPOSED PROJECT

The major elements of PG&E 's Proposed Project include:

- Construction of approximately 84 miles of 500 kV overhead transmission line following a route called the Western Corridor, between the Los Banos Substation and the Gates Substation;
- Realignment of the existing Los Banos-Midway No. 2 500 kV transmission line into Gates Substation;
- Modifications to Los Banos and Gates Substations to accommodate the new transmission line and realignment; and
- Reconductoring or upgrading portions of the Gates-Arco-Midway 230 kV transmission line.

The Proposed Project would be located in the western portion of the San Joaquin Valley. The Los Banos Substation, the northern terminus, is approximately 10 miles west of the City of Los Banos, just south of State Route 152 (SR-152) near San Luis Reservoir in western Merced County. The Gates Substation, the southern terminus of the new 84-mile transmission line, is approximately 5 miles southwest of Huron, in southern Fresno County. Upgrades to the existing Gates-Arco-Midway 230 kV transmission line are within Kings and Kern Counties. The Proposed Project area is mostly grassland and generally parallels the foothills of the Coast Range, Interstate 5 (I-5), and two existing 500 kV lines known as the Pacific Intertie. The straight-line distance between the Los Banos and Gates Substations is approximately 80 miles.

The Western Corridor that is studied in this SEIR is approximately 1,500 to 2,000 feet wide, but the actual right-of-way that PG&E will use for project construction and operation will be 200 feet wide.

3.2 ALTERNATIVES

Two alternatives, in addition to the No Project Alternative, were analyzed for the Draft SEIR. The Eastern Corridor Alternative would connect the Los Banos and Gates Substations by following a path that is generally located on the east side of I-5 on the western fringe of the San Joaquin Valley. This entire route is also approximately 84 miles long. The primary objective in the design of this alternative corridor was to parallel existing 230 kV transmission lines to the extent possible.

The Western Corridor Segment Alternatives are four alternative route segments that would replace segments of the Proposed Project along the Western Corridor. These segment alternatives are proposed to avoid specific resource areas traversed by the Proposed Project:

- Segment 2A is 12.9 miles long and provides a route option avoiding the Los Banos recreation area while maintaining adequate separation from the Intertie.
- Segment 4A is 9.0 miles long and provides a route option to the west of Little Panoche Reservoir.
- Segment 6A is 10.3 miles long and provides the easternmost routing option through the southern terminus area.
- Segment 6B is 11.7 miles long and represents the westernmost routing option in the southern terminus area.

For the No Project Alternative two possibilities were considered in the Draft SEIR:

- **No Action Taken by PG&E.** In this scenario, authorization would not be granted for construction of the Proposed Project or any of the project alternatives. Although project objectives would not be achieved, no environmental impacts would occur since there would be no new construction.
- **Reasonably Foreseeable Actions.** If neither the Proposed Project nor any alternative were approved by the CPUC, PG&E or other entities could implement alternative courses of action intended to improve Path 15 capacity constraints. These actions are speculative at this time; however, PG&E has identified the following actions that could be considered: (1) New generation projects (power plants) could be constructed North of Path 15; in fact, several projects are currently under construction, or (2) Smaller Transmission System Upgrades could occur, in which a 400 to 500 MW capacity increase to Path 15 could be obtained by installation of a second 500 kV/230 kV transformer bank at the Gates Substation and reconductoring of the Gates-Panoche 230 kV transmission line.

4. CONCLUSION REGARDING ENVIRONMENTALLY SUPERIOR ALTERNATIVES

CEQA requires that an EIR determine which of the Proposed Project or Alternatives is environmentally superior. The Draft SEIR applied an assessment methodology to achieve this goal, which included establishing an environmental baseline, updating information in the 1988 FEIS/EIR regarding environmental impacts of the Proposed Project and Alternatives, evaluating feasible mitigation measures, and comparing this information to reach a conclusion. The conclusions of the Draft SEIR have not been modified in this Final SEIR; they are summarized below. Therefore, consistent with the conclusion of the Draft SEIR, the environmentally superior project is the Western Corridor (proposed route) with the specific segments as defined below.

4.1 WESTERN CORRIDOR VS. EASTERN CORRIDOR

Both the Western Corridor and the Eastern Corridor Alternative were designed to follow established transmission corridors. The Proposed Western Corridor was developed in order to minimize impacts on agricultural land and to parallel, but maintain a safe (2,000 foot) distance from, the existing 500 kV lines. This corridor is generally described as non-cultivated/non-irrigated hilly land used primarily for livestock grazing. The Eastern Corridor Alternative was designed to follow existing transmission corridors (primarily, a 230 kV line) and to minimize impacts to recreation, waterways, and cultural and biological resources. This corridor is primarily agricultural, and crosses more roadways and major travel corridors.

The strongest preferences in favor of the Eastern Corridor are in biological and cultural resources. Based on available information, most impacts in these two issue areas are mitigable to less than significant levels if mitigation recommended in Section C of the Draft SEIR (and modified herein) is implemented. However, without completion of site-specific biological surveys at defined tower sites and access roads, the effectiveness of mitigation for impacts on special status wildlife species is not assured so a significant impact on special status species is identified in this SEIR. Despite this, the significant land use and safety impacts on the Eastern Corridor result in this SEIR confirming the conclusion of the 1988 FEIS/EIR in finding the Western Corridor to be the environmentally superior alternative.

4.2 WESTERN CORRIDOR ALTERNATIVE SEGMENTS

Alternative Segment 2A is Preferred to Proposed Segment 2. The FEIS/EIR determined that Proposed Segment 2 was preferred over Western Corridor Alternative Segment 2A. This SEIR does not identify any significant unmitigable impacts associated with either segment. However this SEIR concludes that Alternative Segment 2A is preferred because of the potential long-term impacts of Proposed Segment 2 to recreation and visual resources.

Proposed Segment 4 is Preferred to Alternative Segment 4A. Both this SEIR and the FEIS/EIR determined that Proposed Segment 4 was preferred and that no significant unmitigable impacts occur on this segment. Alternative Segment 4A would have somewhat greater biological and geologic impacts and is one-half mile longer than the proposed segment, increasing overall construction impacts and imposing additional towers on permanent views.

Proposed Segment 6 is preferred to Alternative Segments 6A and 6B. Both this SEIR and the FEIS/EIR determined that Proposed Segment 6 is preferred over the two alternative segments. The diverse land uses in these segments make analysis difficult: Alternative Segment 6B (in the oil fields and west of agricultural lands) is preferred in Land Use, Public Safety, and Socioeconomics because it avoids agricultural land uses which have associated significant and unmitigable (Class I) impacts related to Alternative Segment 6A's potential effects on agricultural operations/equipment and aerial spraying. Segment 6A (in agricultural land) is preferred in biological and cultural resources, geology, and hydrology because it would avoid the oil field and habitat impacts of Alternative Segment 6B. The FEIS/EIR selected Proposed Segment 6 because it offered an opportunity to minimize impacts on both

agricultural land and oil operations. Proposed Segment 6 may have a significant unmitigable impact related to aerial spraying, but Segment 6B is 1.2 miles longer than Proposed Segment 6, requiring additional construction impacts and long-term visibility of more towers. Overall, Proposed Segment 6 appears to be the best solution to minimizing impacts in this area. Therefore, Proposed Segment 6 is environmentally superior to Alternative Segments 6A and 6B.

4.3 WESTERN CORRIDOR VS. NO PROJECT ALTERNATIVE

Two courses of action are currently envisioned as possible under the No Project scenario: the construction of new generation north of Path 15 and smaller transmission upgrade activities.

The environmental impacts of large thermal (natural gas fired) power plants can be significant, especially with respect to air quality, water resources, biological resources, and visual resources. By contrast, the environmental impacts of constructing a transmission line are substantially less because the operational impacts are insignificant. Therefore, the Proposed Project (or any transmission related alternative) is environmentally superior to the new generation option under the No Project Alternative.

The environmental impacts of transmission upgrades would have impacts that are much less extensive and severe than those of the Proposed Project, particularly for smaller upgrades to provide an additional 400 to 500 MW of capacity. Therefore, if the need is justified for only 500 MW or less, this alternative is environmentally superior to the Proposed Project.

5. SUMMARY ENVIRONMENTAL IMPACTS AND MITIGATION MEASURES

This Final SEIR includes modifications to several mitigation measures in response to comments on the Draft SEIR (see Sections A and B). However, the Draft SEIR's conclusions regarding the level of environmental impact remain unchanged.

This SEIR has evaluated the potential environmental impacts of the proposed project and alternatives in the following 10 environmental issue areas:

- Air Quality
- Biological Resources
- Cultural Resources
- Geology, Soils, and Minerals
- Hydrology and Water Resources
- Land Use and Recreation
- Public Safety, Health, and Nuisance
- Socioeconomics and Public Services
- Transportation and Traffic
- Visual Resources

The following significant and unmitigable impacts have been identified for the proposed Los Banos-Gates 500 kV Transmission Project:

- **Air Quality:** Construction equipment exhaust emissions of ozone and ozone precursors.
- **Biological Resources:** Potential habitat removal or disturbance of special status plant and wildlife species.
- **Land Use:** Long-term conversion/loss of productive agricultural land.
- **Public Safety:** Transmission line hazard to aerial applicators.

In addition, as shown in Draft SEIR Table ES-2 (Summary of Impacts), there were numerous impacts identified for which mitigation, if implemented as recommended, would reduce impacts to less than significant levels. A total of 59 mitigation measures are recommended in 10 environmental disciplines; the mitigation measures are also presented in Draft SEIR Table ES-2.

6. EVENTS OCCURRING AFTER PUBLICATION OF THE DRAFT SEIR

The Draft SEIR was published on October 5, 2001, and its release was followed by a 45-day comment period that ended on November 29, 2001.

6.1 NEPA PROCESS

As described in Section A.1.4 of the Draft SEIR, the Western Area Power Administration (WAPA) undertook an environmental review process under the National Environmental Policy Act (NEPA) concurrent with the CPUC's CEQA analysis. The NEPA process ended with the publication of a Supplement Analysis on August 24, 2001 and WAPA's determination that an Environmental Impact Statement was not required for compliance with NEPA.

On October 16, 2001, WAPA, PG&E and six other entities² entered into a Memorandum of Understanding (MOU) to finance and co-own the Path 15 transmission upgrade. By agreeing to enter into the MOU, the entities:

"... represent their intent to participate in the Project and their commitment to jointly develop additional contractual documents that will address responsibilities, financial contributions, ownership rights, and operational details of the project."

A Record of Decision (ROD) was issued on December 20, 2001 by the Department of Energy (DOE)/WAPA declaring federal level intent to construct the Los Banos-Gates Transmission Project through a public/private partnership. The ROD indicates that future project actions are contingent upon:

1. Completion of Endangered Species Act Section 7 consultation with the U.S. Fish and Wildlife Service;
2. Completion of National Historic Preservation Act Section 106 consultation with the California Historic Preservation Office; and
3. Consultation with Native American tribes.

WAPA identified certain new mitigation measures in its Supplement Analysis, in addition to the 1988 Final EIR mitigation measures that were recommended in most environmental disciplines. WAPA intends to prepare a mitigation plan to ensure that mitigation measures identified in the 1988 Final EIR and the Supplement Analysis are incorporated into the project.

² Besides PG&E and WAPA (the Sierra Nevada Region Marketing Function), the MOU participants are: Kinder Morgan Power Company, Mirant Americas Development, Inc., PG&E National Energy Group, Transmission Agency of Northern California, Trans-Elect, and Williams Energy Marketing and Trading Company.

6.2 PG&E MOTION TO WITHDRAW CPCN APPLICATION

On November 6, 2001, PG&E submitted to the CPUC a “Notice of Withdrawal of Conditional Application No. 01-04-012”. On November 30, 2001, by Assigned Commissioner ruling, PG&E’s motion was denied.

“PG&E has stated that it will not build a standalone Path 15 project. Therefore, pursuing A.01-04-012 is arguably moot. However, PG&E states its intent to participate in the MOU project, which we understand to encompass the same (or very similar) physical project as proposed in A.01-04-012, with a lesser ownership responsibility for PG&E. In order to understand the impact on PG&E’s ratepayers of potential participation in the MOU project, we [the CPUC] must have a clearer understanding of the MOU project and its allocation of costs, benefits, and responsibilities and the resulting economic need for the project.”

In addition, the Commissioner’s ruling determined that an ongoing CPUC investigation (Order Instituting Investigation Into Implementation of Assembly Bill 970 Regarding the Identification of Electric Transmission and Distribution Constraints, Actions to Resolve Those Constraints, and Related Matters Affecting the Reliability of Electric Supply, I.00-11-001) provided “a logical forum to further explore the issue of project economics and to examine the allocation of benefits among the project participants under the MOU development approach.” As a result, the Los Banos-Gates CPCN Application (A.01-04-012) and the transmission investigation (I.00-11-011) were consolidated to address these issues.

In the CPUC’s general proceeding on the Application, the Administrative Law Judge is scheduled to receive additional direct and rebuttal testimonies at the end of January and beginning of February 2002, with evidentiary hearings to begin at the end of February 2002. This proceeding is anticipated to address several key issues, including: (1) the need for the proposed project; (2) whether this SEIR (including the Draft SEIR) should be certified as adequate under CEQA (“EIR certification”); and (3) whether the project as proposed, or with alternatives as analyzed in the EIR, should be approved by the CPUC, and if so, with what conditions or mitigation measures.

Although under CEQA there is no comment period following publication of the Final SEIR, once a proposed decision is issued by the Administrative Law Judge for PG&E’s Application, there is a public comment period for the entirety of that proposed decision. After the comment period, the Proposed Decision will be submitted to the entire five-member Commission for consideration, and a vote will be conducted during a public meeting. The CPUC’s Internet Home Page lists Commission meeting agendas: <http://www.cpuc.ca.gov>.