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STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, *Governor***CALIFORNIA STATE LANDS COMMISSION**100 Howe Avenue, Suite 100-South
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April 10, 2008

File Ref: SCH# 2006091071

Billie Blanchard, CPUC
Lynda Kastoll, BLM
c/o Aspen Environmental Group
235 Montgomery Street, Suite 935
San Francisco, CA 94104-3002**SUBJECT: Draft EIR/EIS - Sunrise PowerLink Project**

Dear Ms. Blanchard and Ms. Kastoll:

This letter is sent in response to your request for comments pertaining to the draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) and Proposed Land Use Amendment for the Sunrise PowerLink Project (Project). Staff of the California State Lands Commission (CSLC) has reviewed the draft EIR/EIS and Proposed Land Use Amendment. Under the California Environmental Quality Act (CEQA), the California Public Utilities Commission is the Lead Agency for the Project and the CSLC is a Responsible and/or Trustee Agency.

As general background, the State of California acquired sovereign ownership of all tidelands, submerged lands, and the beds of navigable waters upon its admission to the United States in 1850. The State holds these lands for the benefit of all the people of California for statewide Public Trust purposes (waterborne commerce, navigation, fisheries, water-related recreation, habitat preservation, and open space). The State's sovereign land interests are under the jurisdiction of the CSLC.

School lands were granted to the State of California under the School Land Grant of 1853. The CSLC, through its State School Lands Management Program, manages approximately 469,000 acres of school lands held in fee ownership by the State and the reserved mineral interests on an additional 790,000± acre, where the surfaces estates previously have been sold. In 1984, the State Legislature approved the School Land Bank Act (Act) that created the School Land Bank Fund and appointed the CSLC as trustee. Through the establishment of the Act, the Legislature directed the CSLC to manage the remaining school lands to provide an economic base for support of the public school system. The CSLC is responsible for developing school lands into a permanent and productive resource base for revenue generating purposes.

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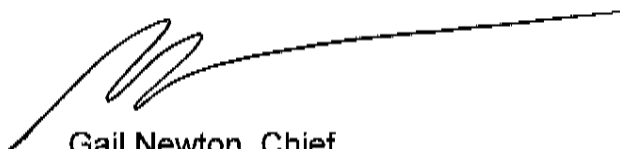
The use of any sovereign or school lands for any part of the Project requires that the applicant first obtain a lease from the CSLC. Based on the information and maps you provided in the draft EIR/EIS, it is apparent that at least one school lands parcel lies within a proposed alternative route, the "Environmentally Superior Alternative." Based on the size and scope of the Project, it is impossible to determine at this time if any other sovereign lands or school lands lay within the Project area. Therefore, staff of the CSLC is requesting that more detailed project maps be provided for our review as they become available.

In the event the "Environmentally Superior Alternative" is chosen, the CSLC recommends that any of the proposed mitigation and project construction activities consider timing of the proposed work to account for state and federally listed endangered species. All arrangements with pertinent regulatory agencies should coincide with specific protection policies regarding incidental take and avoidance measures. Consideration should include, but not limited to, seasonality of migratory or nesting species within the footprint of the project. Any construction activities along the project corridor shall consider best management practices for water quality issues during construction of the proposed project and make all the necessary arrangements to reduce or mitigate for these concerns by the applicant's selected contractor for the construction.

In the event the "Environmentally Superior Alternative" is not chosen as the project, it is difficult to determine at this time if any other significant environmental impacts which will be affected by the other alternatives. In the event sovereign lands or school lands lay within the final selected Project, activities will need to be evaluated for CSLC lease and environmental compliance requirements for the proposed route.

If you have any questions relating to school lands issues, please feel free to call Jim Porter at (916) 574-1865. If you have any questions with the environmental review, please contact Christopher Huit, Staff Environmental Scientist, at (916) 574-1938.

Sincerely,



Gail Newton, Chief
Division of Environmental Planning
and Management

cc: Barbara Dugal, CSLC
Colin Connor, CSLC
Jim Porter, CSLC
Marina Brand, CSLC