September 18, 2023

Dustin Joseph
LS Power Grid California
6701 Kroll Center Parkway, Suite 250
Pleasanton, CA 94566

Re: Minor Project Refinement No. 3 for the Gates 500 kilovolt (kV) Dynamic Reactive Support Orchard Substation Project – (A.21-02-018)

Dear Mr. Joseph:

On December 15, 2022, the California Public Utilities Commission (CPUC) adopted the Final Initial Study and Mitigated Negative Declaration (IS/MND) for the Gates 500 kilovolt (kV) Dynamic Reactive Support Orchard Substation Project (Project) and approved the Project (Application 21-02-018). The decision granted LS Power Grid California (LSPGC) a Permit to Construct and approved the Project conditionally with the implementation of Applicant Proposed Measures (APMs) and Mitigation Measures adopted in the Mitigation Monitoring, Compliance, and Reporting Program (MMCRP). The CPUC issued a Notice to Proceed with construction of the Project on January 10, 2023. On April 28, 2023, LSPGC provided the CPUC with Minor Project Refinement Request No. 1 (MPRR1) which was approved on May 5, 2023. On June 26, 2023, LSPGC provided the CPUC with Minor Project Refinement Request No. 2 (MPRR2). On June 28, 2023, LSPGC provided the CPUC with a revised MPRR2, which was approved on June 30, 2024.

IS/MND APM AES-2 states that "structures and equipment at the proposed Orchard Substation would be a non-reflective finish and neutral gray color." On August 21, 2023, the CPUC Compliance Monitor observed that equipment parts such as the voltage transformer corona rings and the existing transformer covers have a reflective surface and therefore, could be interpreted as not complying with AMP AES-2. On September 11, 2023, LSPGC provided the CPUC with Minor Project Refinement Request No. 3 (MPRR3) to authorize the use of equipment components that contain a reflective finish that are not commercially available in a neutral gray color for construction of the Orchard Substation. The proposed clarifications are illustrated in **MPRR3 Attachment B, MPR-3 Site Photographs** and are summarized below.

Conditions of APM AES-2 were based on LSPGC's assumption that equipment's reflectivity and color specifications would be commercially available. For some minor equipment components, such as the voltage transformer corona rings and the current transformer covers (See Attachment B, MPR-3 Site Photographs), the component surfaces must be round and smooth/polished to reduce or eliminate corona discharges, thus enabling safe, efficient, and quiet operation of the equipment. As such, these and similar components are not available for purchase in a non-reflective finish. LSPGC submitted MPRR3 to clarify that the intent of APM AES-2 is to allow the use of select components with a reflective finish with the understanding that the Project remains consistent with the specifications in APM AES-2 under a reasonable interpretation of the measure. These pieces of equipment

represent the industry standard for substation construction throughout California and comprise only a small fraction of the total surface area of equipment being installed at the Orchard Substation. The majority of equipment at the Orchard Substation will be significantly non-reflective and neutral gray in color, which is LSPGC's intent for APM AES-2. The use of equipment components with a reflective finish discussed in MPRR3 would not result in new aesthetics impacts or increase the severity of the previously analyzed impact of glare or of any of the other environmental resources evaluated in the IS/MND. In addition, approval of MPRR3 does not result in alteration to APMs or existing Mitigation Measures, would not require new mitigation measures, and would not require new permits or new regulatory approval.

LSPGC is authorized to proceed with the minor project refinement identified in its September 11, 2023, MPRR3 to CPUC upon condition that all proposed actions and construction are carried out in accordance with the methods and conditions described in the IS/MND and the Notice to Proceed issued by CPUC.

Sincerely,

Boris Sanchez, AICP
CPUC Environmental Project Manager

cc: Mike Manka, ESA
Matt Fagundes, ESA