PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

SENT BY E-MAIL

September 28, 2017

Mr. David Kraska
Law Department
Pacific Gas and Electric Company
dtk5@pge.com

Mr. Scott Castro
Senior Attorney
NextEra Energy Transmission West, LLC
scott.castro@nexteraenergy.com

SUBJECT: Third Proponent's Environmental Assessment (Revised PEA) completeness review for the NextEra Energy Transmission West, LLC and Pacific Gas and Electric Company (the Applicants) Estrella Substation and Paso Robles Area Reinforcement Project (A.17-01-023; Proposed Project)

Dear Mr. Kraska and Mr. Castro:

The California Public Utilities Commission's (CPUC's) Infrastructure Permitting and CEQA section has reviewed the Revised PEA. Table 1 summarizes Application and PEA action items.

Table 1. Schedule of Application and PEA Action Items (CPUC Application No. A.17-01-023)

Action Item	Date
Application and PEA (Application Exhibit B) filed at CPUC	January 25, 2017
PEA Deficiency Letter No. 1 requesting that PEA be revised and resubmitted and that all items be provided in full that were marked confidential or otherwise marked to be provided upon request	February 16, 2017
Horizon (Energy Division consulting team) contract in place	February 24, 2017
Revised PEA filed with CPUC Dockets Office; Revised PEA electronic filing includes five volumes (Volumes I–V) with Vol. III including all data marked confidential	May 18, 2017
Applicants' Motion for leave to file under seal and maintain confidentiality of entirety of Revised PEA Vol. III (GIS, cultural resources data)	May 18, 2017
Energy Division denies Applicants' 5/24/17 request that Horizon provide a signed NDA for access to confidential materials	May 24, 2017
Horizon received Revised PEA Vol. III DVD; FTP site provided by Applicants on 5/24/17 did not function due to filename lengths used, upload failures, or other issues	May 30, 2017
Energy Division staff received Revised PEA Vol. III DVD upon request made on 6/5/17	June 6, 2017
PEA Deficiency Letter No. 2 requesting, among other data, an updated Appendix G (Distribution Needs Analysis) based on 2016 data and other revisions.	June 29, 2017
Responses to Deficiency Letter No. 2 and Refiling of Appendix G with Dockets Office	August 28, 2017
Site visit with the Applicants	Sept. 21, 2017

PEA Deficiency Letter No. 3 requesting, among other data, that a fully updated and revised Appendix G (Distribution Needs Analysis) be submitted to the CPUC Dockets Office with all data responses be included with the filing	Sept. 28, 2017

Prepared by Energy Division, Infrastructure Permitting and CEQA Section

We are unable to deem the PEA complete at this time. A list of deficiency items is attached to this letter (Attachment 1). Additional information submitted in response to this letter should be filed as supplements to the Revised PEA. Responses to each item should be provided within 60 days. Please carefully consider the Commission's recent discussion on confidentially declarations from the R-14.11.001 proceeding. We will follow this guidance when considering whether to deem the Revised PEA complete. If the Applicants believe that any part of a deficiency response is confidential, provide a redacted version of the document that can be made public. If confidentially designations are misapplied, we may require resubmittal, which could delay our review of PEA adequacy.

Additionally, all Appendix G deficiency response should be provided as updates within Appendix G when refiled (see Deficiency Item G 1.1). A track-changes version must also be submitted to Dockets Office. Use the May 2017 version of Appendix G to show track changes. If these instructions are closely followed, it will allow us to timely process your application. Upon receipt of complete responses to each deficiency item, we will complete our review of PEA adequacy and issue a determination.

In closing, the CPUC is investigating battery storage options with the utilities it regulates and has worked with the utility companies to define appropriate targets (PU Code Sections 2835–3839, Assembly Bill 2868, and Senate Bill 350). PG&E is currently required to procure 580–746 MW of storage capacity by 2020. As of February 2017, PG&E reported that it had procured about 75 MW (CPUC Decisions D.13-10-040, D.14-10-045, and D.17-04-039; and Assembly Bill 1868). We request that the Applicants meet with our team to discuss the deficiency items that address: (1) potential Battery Storage Alternative(s), and (2) the Templeton Substation Expansion Alternative. We will also be contacting the CAISO to further discuss these alternatives. Please coordinate with Rob Peterson with questions and to set up a time for the meeting at (916) 823-4748 or robert.peterson@cpuc.ca.gov.

Please note that a full response to many of the deficiency items will be required at least two weeks prior to meeting with our team to allow time for review (e.g., items 4-3.2 and G3.1).

Sincerely,

Rob Peterson
Energy Division, Infrastructure Permitting and CEQA

cc:
Tracy Davis, Attorney, NEET West
Andy Flajole, Environmental Licensing Lead, NEET West
Tom Johnson, Principal Land Planner, PG&E
Megan Peterson, Director, SWCA
Martin Nakahara, Docket Office, CPUC

Simon Baker, Deputy Director, Energy Division, CPUC
Molly Sterkel, Program Manager, Infrastructure Planning and Permitting, CPUC
Gabe Petlin, Supervisor, Grid Planning and Reliability
Lonn Maier, Supervisor, Infrastructure Permitting and CEQA, CPUC
Jack Mulligan, Attorney, CPUC
Tom Engels, Principal, Horizon Water and Environment

Attachment

Attachment 1 (September 28, 2017) to PEA Deficiency Letter No. 3 for the Estrella Substation and Paso Robles Area Reinforcement Project (A.17-01-023)

#	Resource Area / Topic	Source / PEA Page	Deficiency Item	Request Date	Reply Date	Status	Notes
2-19.1*	Project Description	Figure 2-5; Def. Letter No. 1, Item 20.0/21.0	Identify facility ownership in the future buildout on Figure 2-5b. If PG&E would own the items within PG&E's fence line, use a light blue instead of green to make this clear. Clarify whether each facility company would own all components within their respective fence lines. If this is not the case, use color to show, clearly, which components would be owned by NextEra and which components would be owned by PG&E. A footnote may be added to the figure if the use of colors is not sufficient to make the figure clear but please try to use color to the extent possible.	6/29/17	8/28/17	Incomplete	
3.4-1.1	Biological Resources		CPUC has initiated discussions with the U.S. Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW). CPUC and these agencies are concerned about potential impacts of the proposed project on special-status species, including golden eagles and the San Joaquin kit fox. Avoidance of impacts is the preferred approach to mitigation. However, the lack of detailed surveys for these species within at least a portion of the project area makes such an approach difficult. Given the existence of suitable habitat, species presence would be presumed in the absence of sufficient data demonstrating otherwise. The wildlife agencies recommend conducting the site assessments/early evaluations following the guidance listed at the following URL: https://www.fws.gov/ventura/endangered/species/surveys-protocol.html. After completion of these evaluations, the USFWS and CDFW will review the results to determine if additional surveys are needed to determine potential effects on listed species.				
3.4-2.2	Biological Resources		CPUC, USFWS, and CDFW are concerned about the lack of focused surveys for San Joaquin kit fox along the proposed project alignment. Barriers to migration are not the only potential impacts of the proposed project on the kit fox. Please see deficiency item above (#3.4-1.1) for further details.				
3.4-4.1	Biological Resources	3.4-15	Please provide CPUC with the wetland delineation report prepared for the proposed project that is referenced in the PEA.	6/29/17	8/28/17	Incomplete	
4-3.1	Alternatives, Project Description	2-21 to 2-22, Chapter 4, and PEA Appendix G	Please update the PG&E estimates provided with a separate estimate that only assumes the existing Templeton–Paso Robles 70-kV ROW would be used or that is would be used with minimal expansion as required. If a shoo-fly line would be required to facilitate construction, include this in the estimate. Insert this estimate as a new column within the table provided. In addition to updating the table, explain whether the replaced 70-kV line	6/29/17	8/28/17	Incomplete	

*Note: Deficiency numbers with decimals (e.g., 2-19.1) are follow-up requests to a 6/29/17 deficiency (e.g., 2-19)

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			would be double or single circuit and why. Discuss the extent to which each routing option would meet the identified NERC violations that are mandatory to address (i.e., Category B contingency due to loss of either the Templeton 230/70 kV #1 Bank or the Paso Robles-Templeton 70 kV Line).				
4-3.2	Alternatives, Project Description	2-21 to 2-22, Chapter 4, and PEA Appendix G	*Templeton Expansion Alternative* Please resubmit the 8/28/17 response to 4-3(A) in a public format. Confidential cost information may be submitted separately as needed. This alternative will be disclosed to the public during the CEQA review process. Please update the response submitted such that a full environmental analysis can be completed on this alternative and the two 70-kV alignments described. In addition to the two alignments already provided, provide an alignment that assumes only the existing Templeton–Paso Robles 70-kV ROW would be used or would be used with minimal expansions as required. Shoo-fly line use should also be discussed as needed and an alignment(s) provided. Provide a timeframe for the submittal of environmental data of the same quality and level of detail as provided for the proposed project for this alternative and the three 70-kV alternative alignments. Include all GIS data. Provide these data as soon as possible so that we can proceed with deeming the PEA complete.	6/29/17	8/28/17	Incomplete	
Appendix G (1.1)	Distribution Need Analysis	Appendix G	a. Please recompile and resubmit Appendix G. Include a table that lists deficiency items G1–G16 and all follow-up requests in the current deficiency letter and identifies where updates to Appendix G were made in response to the deficiency items. The responses to the deficiency items must be included within the body of the report. This was the intention of the as request on 6/29/17. The request was apparently misunderstood. Provide a track-changes version of the fully updated report (and a clean version) with the table of updates when submitting it to Dockets Office. Use the May 2017 version of Appendix G (the first version) to show track changes. Include Attachment G(4), the PG&E standard, as an attachment to the updated report.	6/29/17	8/28/17	Incomplete	

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			b. File the fully updated PEA Appendix G and all attachments to the Appendix G study with the CPUC's Docket Office.				
Appendix G (2.1)	Distribution Need Analysis	G-9 to G-10 and Aug. 2017 vers. figures and tables	a. We acknowledge the Commission's directive to use the IEPR Mid-case DER forecasts in PG&E's A.15-07-006 proceeding, which are currently based on the 2016 IEPR update. Please clearly list the "certain adjustments" PG&E made to the IEPR forecast based on data concerning local load growth, solar energy assumptions, and any other affecting factors. b. Provide the step-by-step methodology used for deriving the updated load growth curve in Figure 5 of the Updated, august 2017, PEA Appendix G. Include the methodology used to determine the reduction in assumed solar PV. Please provide an accompanying table showing the load components (i.e. initial IEPR forecast figure, assumed DERs, New Loads, etc.) which should sum to the given year's total LoadSEER Forecast. c. Please plot the new load forecast curve against the now removed May 2017, Appendix G, Figure 5, which showed the increments of DER forecasts under the "prior" DRP methodology. This will allow for visual comparison of the May 2017 Appendix G results and August 2017 Appendix G results. d. What "type" of load forecast are they using in the LoadSEER? Coincident peak? Non-Coincident? Data taken directly from IEPR? We assume, Non-Coincident Peak, but please verify. e. Provide a chart similar to the Updated LoadSEER Forecast in Figure 6 (August 2017 Appendix G) but for each substation in the Paso Robles DPA, including the available capacity of each substation. The available capacities listed should add up to 212.55 MW. If not, please explain why. Note that the capacity values in the legends provided with some of the figures submitted with the May 2017 version do not add up to 212.55. Provide an unlocked Excel spreadsheet of the values used to create Figure 6 and each of the substation figures provided (all the charts included in the updated report). This should be submitted with the refilled Appendix G. f. *Historical Recorded Peak Loads*: Provide a table outlining the available	6/29/17	8/28/17	Incomplete	

#	Resource Area / Topic	Source / PEA Page	Deficiency Item	Request Date	Reply Date	Status	Notes
			capacity and load similar to the Forecasted Load table accompanying the chart in Figure 6 (August 2017 Appendix G) but for each year since 2007 (2007, 2008, 2009, through 2016).				
Appendix G (3.1)	Distribution Need Analysis	G-10	a. *Distribution Data:* It appears that this deficiency item was unclear. Please respond to this updated request in full. Provide data on the feeder lines out of the existing Paso Robles Substation, preferably in a form that can be read by the PowerWorld powerflow model, PWD or EPC (GE) files. Please include projected loads at each delivery point, conductor impedance data, line lengths, conductor size, etc. Please provide a one-line diagram and location map as well. Please provide details of how feeders from the proposed Estrella Substation would re-connect to the existing feeders and distribution points. Include powerflow data for 230-kV system serving the area. File these data with the fully updated Appendix G. As needed, identify the data that the Applicants believe are confidential and explain why. b. *Templeton Alternative:* Please advise on possibility (or difficulties) of supporting the potential feeder overloads from the Templeton Substation to the south. Include this discussion in the fully updated Appendix G. c. *Battery storage alternative:* Please advise on location and necessary size of battery storage sites that could delay the need for distribution re-enforcement. See also Deficiency Items G-14 to G-16.	6/29/17	8/28/17	Incomplete	
Appendix G (4.1)	Distribution Need Analysis	G-10, G-13	a. Please incorporate this response into the fully updated Appendix G as requested under deficiency item G (1.1), In addition, provide the estimate ultimate capacity of the proposed distribution facilities. We assume this would be greater than 90 MW. Please provide the correct estimate in an updated Appendix G. b. The proposed substation would be constructed in a Rural Area (about a mile from the Paso Robles city limits). Please define Rural and Urban as used in the PG&E standard provided (Utility Procedure TD-3350P-09,07/14/2014, Rev 3). Update Appendix G with the definitions and cite and attach the PG&E standard to the updated report. c. Define “sphere of influence” as used in the PG&E standard provided.	6/29/17	8/28/17	Incomplete	

#	Resource Area / Topic	Source / PEA Page	Deficiency Item	Request Date	Reply Date	Status	Notes
Appendix G (6.1)	Distribution Need Analysis	G-3, G-12, G-13 to G-14, and throughout the Appendix	Include the responses to "a," "b," and "c" within the body of the updated Appendix G as requested under deficiency item G (1.1). In addition, is there a distribution standard that determines whether or not a feeder is "too long" to provide reliable service? Defines how much risk of car into pole accidents is acceptable? How would feeders stemming from the Templeton substation compare to PG&E's current practice in rural to urban areas? Include these response in the updated Appendix G.	6/29/17	8/28/17	Incomplete	
Appendix G (7.1)	Distribution Need Analysis	G-5 and Aug. 2017 vers. Figure 7 and Table 3	The August 2017 Appendix G, Figure 7 shows the locations of Future Load Centers. If so, provide an updated Figure that labels the Future Load Centers with the Large-Load Adjustments from Table 3. In addition, please add two columns to Table 3, "Year Received/Approved" and "Expected Completion Date." Use "Approved YEAR" if already approved or just list "Received YEAR." Label each item with an ID letter or number and insert the ID onto Figure 7 (Future Estrella load centers). Be sure to include and identify any Large-Load Adjustments that have arisen or completed since 2013 (i.e., 2013/2014 TPP approval timeframe) within the updated Table 3. We'd like to better understand how recent projects that have come online have affected loads compared to what was forecast at the time of CAISO TPP approval. In addition, what about the impact of recent solar projects on loads? Why weren't solar projects listed in Table 3? Please list the solar projects in Table 3 too if this makes sense and/or see also Def. Item G 16. The Solar Projects would also add load to the distribution line loadings if connected at this voltage.	6/29/17	8/28/17	Incomplete	
Appendix G (8.1)	Distribution Analysis	G-6	Include the response within the body of the updated Appendix G as requested under deficiency item G (1.1).	6/29/17	8/28/17	Incomplete	
Appendix G (9.1)	Distribution Need Analysis	G-8, Figures 1, 2, and 4	Include the response within the body of the updated Appendix G as requested under deficiency item G (1.1). PG&E describes three additional pad-mounted transformers for the proposed Estrella Substation and four additional transformers for an alternative if constructed at Templeton Substation. Provide a map showing each of the seven locations. GIS data is preferred with the caveat that the precise location (e.g., which side of the street) may not yet be known at this time.	6/29/17	8/28/17	Incomplete	

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#	Resource Area / Topic	Source / PEA Page	Deficiency Item	Request Date	Reply Date	Status	Notes
Appendix G (10.1)	Distribution Need Analysis	G-8, Figures 2 and 4 and UG-14, Aug. 2017 vers. Figure 7	CPUC believes the requested figure updates are relevant. Include the response and updated figure within the body of the updated Appendix G as requested under deficiency item G (1.1).	6/29/17	8/28/17	Incomplete	
Appendix G (11.1)	Distribution Need Analysis	G-8, Figure 4	a. Provide GIS data down the road centerline if needed (e.g., state that the new line could go on either side of the road). The requested GIS data must be provided. b. Complete c. Complete	6/29/17	8/28/17	Incomplete	
Appendix G (12.1)	Distribution Need Analysis	G-10, Figure 5	Please respond to the prior deficiency item (6/29/17; item G 12 a and b) and update the text in Appendix G accordingly with the response. The prior (May 2017) Figure 5 and Table 2 must be included in the requested Appendix G update (Def. Letter No. 3). The prior results (May 2017) must be compared to the new results in the refiled update to Appendix G.	6/29/17	8/28/17	Incomplete	
Appendix G (13.1)	Distribution Need Analysis	G-1	The potential new line to Cholame Substation will be included within the cumulative analysis for the EIR. If the Estrella Substation is constructed, what is a reasonable timeframe to assume that a 70-kV line to Cholame Substation would be constructed. For analysis purposes in the EIR, only the new transmission voltage line will be assumed.	6/29/17	8/28/17	Incomplete	
Appendix G (14)	Distribution Need Analysis	Appendix G, Section III	Have NEET West or PG&E evaluated battery storage as a potential alternative to the proposed Estrella Substation or certain components of the substation? If so, please provide a full update on the analysis performed and results.	9/29/17	—	NEW	
Appendix G (15)	Distribution Need Analysis	Appendix G, Section III	a. Identify a size range in MWs for a battery storage alternative sufficiently sized to meet the distribution system demand forecasted under the mid IEPR 2016 case cited in the updated August 2017 Appendix G. b. Describe how the battery storage facility would need to be sited. c. Include the response to all parts of this deficiency item within the body of the updated Appendix G as requested under deficiency item G 1.1. In addition, please include a battery storage alternative discussion in Appendix G, Section V (Additional Distribution Q & A).	9/29/17	—	NEW	
Appendix G (16)	Distribution Need Analysis	Appendix G, Section III	a. Identify all expected solar projects to come online in the next 10 years (e.g., 280 MWs California Flats Solar Project) and identify those that have come online in the last 5 years (e.g., the roughly 15-acre site adjacent to Templeton Substation).	9/29/17	—	NEW	

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#	Resource Area / Topic	Source / PEA Page	Deficiency Item	Request Date	Reply Date	Status	Notes
			b. Discuss the benefits of one or more battery storage sites with respect to the solar projects discussed in response to item “a” and how battery storage would be ideally sited and sized. c. Discuss the contribution that a battery storage alternative sized to delay construction of the known and full-build-out distribution components of the proposed project would make with respect to the solar projects discussed in response to item “a”. Note: We realize that some of the solar projects identified would connect to the transmission system and not the distribution system. Please provide the full discussion within Appendix G regardless of this fact.				

*Note: Deficiency numbers with decimals (e.g., 2-19.1) are follow-up requests to a 6/29/17 deficiency (e.g., 2-19)