



# California Public Utilities Commission

505 Van Ness Ave., San Francisco

## FACT SHEET

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### **Pacific Gas and Electric's (PG&E's) Central California Clean Energy Transmission Line (C3ET) Project**

#### **I. Background**

PG&E proposes to construct, operate, and maintain the C3ET Project. According to PG&E, this project would serve four key objectives: (1) to enhance transmission reliability in the Fresno and Yosemite areas by increasing transmission capability in the local area; (2) to allow for efficient use of renewable, off-peak (nighttime) generation to support pumping at the Helms Pumped Storage Plant, which would allow Helms to use the stored water to generate and provide power during the high demand (daytime) periods to enhance system reliability; (3) to facilitate efficient management of renewable resources through increasing capability to transport clean, renewable electricity from planned generating facilities in Southern California; and (4) to increase reliability of the electric transmission grid by increasing transfer capability and relieving congestion on the existing Path 15.

PG&E's proposed C3ET Project would involve the construction of a single 500 kV transmission tower line with two installed 3-phase circuits. The tower line would begin west of Bakersfield near Buttonwillow and would end at a new substation proposed in the foothills to the northeast of Fresno near the existing PG&E Gregg Substation.



In order for the C3ET Project to be built, PG&E must first obtain approvals from the California Independent System Operator (CAISO) and the California Public Utilities Commission (CPUC). More details on the roles of the CAISO and the CPUC are given below.

## **II. Role of the California Independent System Operator**

The CAISO will generally approve a proposed transmission project if it determines that the project is needed. A proposed project will typically be found to be “needed” if either the project is required to be built in order to assure the continuing reliability of the transmission grid, or the project will be economically advantageous to a utility’s ratepayers (*i.e.*, the power delivered to the utility’s ratepayers will be, overall, less costly if the project is built than if it is not built).

In December 2007, PG&E applied to the CAISO for approval of a particular alternative for the C3ET Project. The CAISO agreed to study the need for the proposed alternative in comparison to a number of other alternative project configurations. In January 2008, the CAISO began an open stakeholder process in connection with its C3ET Project planning study. This planning study includes two steps: a reliability assessment and an economic assessment. The reliability assessment will determine which transmission system upgrades in the project study area will be necessary to meet reliability criteria as defined by the North American Electric Reliability Corporation (NERC), Western Electricity Coordinating Council (WECC), and CAISO planning standards. The economic assessment will quantify the project’s economic benefits in dollar numbers and will weigh project benefits against project costs to determine which of the alternatives identified by the reliability assessment is most cost-effective.

On October 21, 2008, the CAISO published the Draft Preliminary Study Report for the C3ET Project. This Study Report included the preliminary results from the reliability assessment as well as a dry run of the economic assessment. The CAISO is currently scheduled to release the final Study Report during the first quarter of 2009. This report will serve as the basis for the CAISO’s approval of the project and will identify one or



more project configurations that would be “needed” (from the standpoint of both reliability & economics). Once the CAISO has determined the need for the project, PG&E will apply to the CPUC for a Certificate of Public Convenience and Necessity (“CPCN”).

### **III. Role of the California Public Utilities Commission**

In order to construct the C3ET Project, PG&E must receive a Certificate of Public Convenience and Necessity (CPCN) from the CPUC. Before the CPUC can grant a CPCN, it must conduct a review of the need for the project in light of its economic, environmental, and societal costs. As part of the CPCN process, the CPUC must conduct an environmental review of the project under the California Environmental Quality Act (CEQA).

Public and governmental agency input about the project is vital. The public can participate in both the CPCN process and the CEQA process. Prior to PG&E’s filing of its application for a CPCN to the CPUC, the CPUC, with participation from CAISO, will hold public workshops in the project area in order to explain how the CAISO, CPCN and CEQA processes work, as well as how the public can become involved in these various processes.

PG&E’s proposed project is not necessarily the project that will receive a CPCN. CPUC staff and its consultants will perform a detailed environmental review of the proposed project and will determine whether the proposed project or some alternative to it is environmentally superior.

#### **A. Environmental Review**

After PG&E submits its application to the CPUC, the CPUC will hold another series of public meetings related to the CEQA process in the project area. These meetings will provide an overview of the proposed project and will actively seek comments and recommendations regarding the scope of the environmental document that the CPUC will prepare. The CPUC will also consult with various local, state, and federal agencies to



determine their concerns and encourage their involvement in the project review process. The information gathered during this set of meetings will be compiled and made available to the public in the form of a Scoping Report.

Based on public comments and on information collected from the public meetings and from subsequent detailed, in-the-field environmental studies, the CPUC will prepare a Draft Environmental Impact Report (DEIR) as required under the CEQA. The DEIR will identify the “environmentally superior” alternative based on the CPUC staff’s analysis of the proposed project and a reasonable range of project alternatives. The projects identified in the final Study Report from the CAISO will be included among the alternatives that are reviewed during the screening process for the DEIR. The DEIR will be circulated to the public for 45 days of review and comment. During this period, the CPUC will once again hold several community meetings in the project area in order to obtain public comments on the DEIR.

Comments on the DEIR from the public will then be formally addressed and, along with the DEIR, will be incorporated into a Final Environmental Impact Report (FEIR). The FEIR will be circulated to all parties who commented on the DEIR. The CPUC will not make any decision on the proposed project until the FEIR has been completed and is available to the public. The FEIR will be included in the CPUC’s review of the need for the project in light of its economic, environmental, and societal costs as part of the CPCN process described below.

## **B. CPCN Process**

In addition to the environmental review discussed above, the CPCN process will also include a review of economic factors and societal costs as well as the “need” for the project. A prehearing conference will be held to discuss the scope of the issues to be addressed during the CPCN process, the need for evidentiary hearing, a schedule for the proceeding and other procedural matters. Information discussed during the prehearing conference will then be incorporated into a formal CPCN scoping memo that will outline issues, establish schedule and rule on other procedural matters. If deemed necessary, the



CPUC will also hold public participation hearings in order to allow CPUC decision makers to hear public comment on whether a CPCN should be granted.

Once the FEIR is circulated and all necessary public participation meetings have been held, an Administrative Law Judge (ALJ) will incorporate findings from the FEIR, the CAISO Study Report, and the economic and social issues addressed during the formal CPCN proceeding into a draft decision on PG&E’s proposed project. This draft decision may propose to approve the project as proposed by PG&E, to approve an alternative project, or not to approve any project. The draft decision will be circulated for 30 days to all parties to the proceeding. Also, one or more of the CPUC’s Commissioners may issue an alternate to the ALJ’s draft decision, which makes different recommendations than the ALJ’s. Such Commissioner-issued alternate draft decisions will also be circulated for 30 days to all parties to the proceeding. During this 30-day comment period, parties to the proceeding may submit formal written comments on the draft decision or on any alternate draft decisions. At any time after the end of this 30-day public comment period, the CPUC’s Commissioners may vote to approve either the ALJ’s draft decision or an alternate draft decision at a regularly scheduled public meeting. It requires a vote of at least three of the five CPUC Commissioners to approve a particular decision.

**Timeline - dates are approximate and subject to change:**

Public workshops in the affected area to explain the CAISO and CPUC process to the public. This meeting is for informational purposes only.	December 9, 2008
CAISO to release final study report.	First Quarter 2009
PG&E to file application for a Certificate of Public Convenience and Necessity (CPCN).	Late Second Quarter or Early Third Quarter 2009

For more information on the C3ET Project, as well as additional links to information regarding the CPUC’s transmission line permitting process, please visit [www.cpuc.ca.gov/Environment/info/esa/c3et/index.html](http://www.cpuc.ca.gov/Environment/info/esa/c3et/index.html).

