

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for a Permit to Construct Electrical Facilities with Voltages between 50 kV and 200 kV; Valley-Ivyglen 115 kV Subtransmission Line Project.

A.07-01-031, et al.
(Filed January 16, 2007)

And Related Matter.

A.07-04-028

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for a Certificate of Public Convenience and Necessity for the Alberhill System Project.

A.09-09-022
(Filed September 30, 2009)

**REPLY BRIEF OF FOREST RESIDENTS
OPPOSING NEW TRANSMISSION LINES ("FRONTLINES")**

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In accordance with Rule 13.11 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Forest Residents Opposing New Transmission Lines ("FRONTLINES") hereby submits this Reply Brief in proceeding A.09-09-022 pertaining to Southern California Edison's ("SCE's") application for a certificate of public convenience and necessity ("CPCN") for the Alberhill Project ("Alberhill") and in Proceedings A.07-01-031, and A.07-04-028 pertaining to SCE's Permit to Construct the Valley-Ivyglen Subtransmission Project ("Valley-Ivyglen"). This reply brief predominantly addresses errors and insubstantial arguments raised in the Opening Briefs filed by SCE and the Nevada Hydro Company ("TNHC"), though FRONTLINES takes issue with one aspect of the Opening Brief filed by The Utility Reform Network ("TURN"). This Opening Brief is organized topically to facilitate the Commission's review.

I. SCE HAS FAILED TO CONSTRUCT "TIE-LINES" TO THE VALLEY SOUTH SYSTEM AND THEREBY SECURE RELIABLE SERVICE FOR VALLEY SOUTH CUSTOMERS.

Beginning on page 2 of its Opening Brief, SCE claims that the Alberhill Project will benefit customers on the Valley South System by providing system "tie-lines" to permit the transfer of electrical demand because "there are no 115-kV system tie-lines that currently exist between the Valley South System and any other system", therefore "electric demand cannot be transferred out of the Valley South System to another compatible system in the event of an outage". As a result, SCE complains that the Valley South System is "islanded" and thus subject to involuntary load shedding (SCE Opening Brief Page 5) and that "the Valley South System is isolated at the southern end of SCE's system and it has no tie-lines" with the adjacent Valley North 115 kV System (SCE Opening Brief page 19). According to SCE, this configuration "severely limits the options to address contingencies, or to have sufficient operational flexibility to perform maintenance or construction" and operating a system in this manner "exposes an unacceptable number of customers to electrical service interruptions during unplanned outages or equipment failures" (SCE Opening Brief page 19).

All of this lamentation presented in SCE's Opening Brief ignores the material fact that Valley South System "tie-lines" can easily be established *without Alberhill* [Ex. FRONT-1; 2 at 16 and 25 at 2-11, Ex. FRONT-2; 4 at 6-10]. The evidentiary record demonstrates that

SCE has willfully and deliberately declined to develop "tie-lines" between the Valley North and Valley South Systems *even though* SCE could have done so at any time since these systems were "split" in 2004 and *even though* SCE's own adopted planning standards *mandate* creation of such system "tie-lines". The material facts in the evidentiary record reveal SCE's dreadful and intentional failure to provide Valley South System "tie-lines" and they demonstrate the extent to which SCE has jeopardized the reliability of electrical service to its Valley South customers for more than 13 years. They also refute SCE's fallacious, entirely unsupported and utterly mendacious statement that only the Alberhill Project provides the means of developing Valley South System "ties" which is claimed on page 20 of SCE's Opening Brief.

In fact, the evidentiary record, in combination with prior decisions issued by both the Commission and the Federal Energy Regulatory Commission ("FERC") reveal that it is SCE's standard practice to create connections between its subtransmission systems (aka tie-lines") and that SCE has particular experience and expertise in doing so (a fact which SCE affirmed in this proceeding [TR 143 at 14-20]). Taken together, the record evidence and prior Commission and FERC decisions demonstrate that SCE is perfectly capable of establishing Valley South System "tie-lines" without Alberhill using existing facilities and they reveal the utter mendacity of SCE's claim that Alberhill provides the only means of creating system "ties". Specifically:

- SCE's adopted "Subtransmission Planning Criteria and Guidelines" (hereafter referred to as "Planning Standards") compel SCE to manage the Valley South System as an "A-Bank" system as set forth on Section 2.3.1 of SCE's adopted Planning Standards provided in Ex. TURN-4C]. Section 2.2.1 of these Standards address "tie-line" capacity that is required for load rolling between "A" stations (like Valley South) and it specifies how these "tie-lines" are configured to pick up load that is dropped within a specified period of time. SCE claims that the development of Valley South "tie-lines" is a vital element of the Alberhill Project (page 20); if that is the case, then the "tie-line" configuration standards set forth in Section 2.2.1. of SCE's adopted Planning Standards make it abundantly clear that such tie-lines can be easily developed without Alberhill using with existing 115 kV vacant line positions on Valley North and Valley South substations. The evidentiary record clearly demonstrates that SCE has ignored its own adopted Planning Standards by failing to construct Valley South System "tie-lines" and thereby secure reliable service for its Valley South System customers.

- Vacant line positions are available on Valley North and Valley South 115 kV substations to create multiple system "tie-lines"[Ex. FRONT-20C]. Undisputed evidence in this proceeding show that minor modifications to SCE's existing 115 kV systems will provide Valley South System "tie-lines" [Ex. FRONT-1; 2 at 15] and SCE's Witness McCabe confirms that "numerous vacant bay positions could be created" to connect the Valley North and Valley South 115 kV substations [TR 117 at 12-16]. This is because SCE's 115-kV systems are geographically enmeshed and reconfigurable [Ex. FRONT-1; 10 at 19 to 11 at 3]. SCE even admits that it would not pursue the Alberhill Project if the purpose were merely to provide system "tie-lines", and that such a project would "have a scope that's different by creating new 115 kV system ties to somewhere". [TR 160 at 17-23]. *These facts remain unrefuted in the evidentiary record* and they demonstrate that Alberhill is not "needed" to create Valley South System "tie-lines" and that SCE could have initiated development of such "tie-lines" at any time, but has deliberately and willfully refrained from doing so.
- SCE does not and cannot explain why it has failed to take any steps to develop system "tie-lines" between the Valley South and Valley North systems in the 13 years that have passed since these two systems were split [TR 127 at 1- 4]. During the evidentiary hearings, FRONTLINES repeatedly asked Witness McCabe why there are no "tie-lines" to the Valley South System [from TR 116 at 6 and from TR 141 at 16]. He could not explain why, and merely said "there are currently no ties that are in existence" [from TR p.117 at 4] and that SCE determined "the Valley North system would retain the only system ties.... the Valley South System would not" [TR p.141 at 24] and that SCE did not intend to "live forever without those tie-lines. It was that the system needed to be split and needed to be split now because of the fourth transformer was placed in service" [TR142 at 28] and that tie-lines "did not get created upon the split of the two systems" [TR 143 at 12] *even though* SCE has particular experience in "splitting" 115 kV systems and developing system "ties-lines" between the "split" systems [TR 142 at 4; 143 at 14].

As the Commission is aware, it is SCE's standard practice to configure its subtransmission networks with system "tie-line" connections to permit load transfers between its various distribution systems, and that SCE has particular experience in establishing such "tie-line" configurations. These facts are evidenced by D.08-12-031 which approved SCE's El Casco 115 kV system by "splitting" the Vista and Devers 115 kV systems and providing system connections (aka "tie-lines") to permit load transfers between the Devers, Vista, and the El Casco 115 kV systems (see page A-2 of the EIR that the Commission certified by D.08-12-031). These facts are also evidenced by D. 10-06-014 which approved the Devers-Mirage "split" and created "normal open" system connections (aka "tie-lines") that can be closed to permit load transfers between the Devers and Mirage 115 kV systems (see Section 2 of the EIR certified by D.10-06-014). These facts are also evidenced by the Commission's

approval of Advice Letter 2789-E which authorized SCE to "split" the subtransmission system serving the East Kern Wind Resource Area and create system "tie-lines" between the split systems (see page 1 of Advice Letter 2789-E). Thus, the Commission is fully informed regarding SCE's expertise and experience in developing the system "tie-lines" mandated by its own adopted Planning Standards. The Commission is also informed by the evidentiary record that there are numerous vacant 115 kV positions available on the existing Valley North and Valley South substations to effect such "tie-line" connections [Ex. FRONT-20C]. These facts thus reveal that SCE's contention that system "tie-lines" can only be achieved via the Alberhill Project is *patently false*.

In 2015, SCE petitioned the FERC to issue a factual determination that all of its 115 kV facilities (including Valley South and Valley North) were all "local distribution" facilities. In its application to the FERC, SCE stated that " Each of these 115 kV local systems radiate from a single substation in the integrated transmission network. Each system has normally-open circuit breakers that maintain electrical isolation from neighboring systems. The normally-open circuit breakers exist solely for emergencies in order to transfer ("roll") load to a neighboring system." [Page 31 of SCE's application in FERC Docket RC15-1-000 submitted April 15, 2015]. FERC approved SCE's application, and in the order issued in Docket RC15-1-000 on December 15, 2015, FERC stated (paragraph 7 with emphasis added):

SoCal Edison operates its local distribution networks radially from the bulk electric system in order to maintain a high level of transmission network resiliency and distribution system operational flexibility. SoCal Edison asserts that this distinctive design, in which a single substation serves as the interface between the integrated transmission network and each radial local distribution system or facilities, maintains electrical isolation between SoCal Edison's radial local distribution systems. *SoCal Edison explains that each system has normally open circuit breakers that maintain electrical isolation from neighboring systems. The normally open circuit breakers exist to "roll" (i.e., transfer) load to a neighboring system.* According to SoCal Edison, this minimizes the impacts of any unforeseen forced outages on SoCal Edison's customers, and ensures that these distribution facilities do not negatively impact the reliability of the bulk electric system.

The 115 kV systems addressed by this FERC order are provided as Attachment 1 (compiled from SCE Exhibits 4-10 filed in FERC Docket RC15-1-000) which indicates that all of the 115 kV systems addressed in FERC Docket RC15-1-000 are configured with system "tie-

lines" *except Valley South* (identified as "Valley D Section"). It is not clear why SCE represented to the FERC that all of its radial 115 kV systems are configured with "tie-line" connections to roll load when in fact SCE has intentionally configured Valley South without such "tie-line" connections. What is clear from the figure depicting the "Valley D Section" provided in Attachment 1 is that the Valley South and Valley North 115 kV buses are located adjacently, and thus can easily be connected via "tie-lines" using the vacant line positions shown in Ex. FRONT-20C. All of these facts and all of SCE's prior representations to the FERC and the Commission reveal the material falsehood of SCE's claim on page 20 of its Opening Brief that only the Alberhill Project can provide Valley South with System ties. The evidentiary record does not demonstrate why SCE has continually failed to comply with its own Planning Standards by not constructing Valley South System "tie-lines" to secure reliable service for its customers. What is clear is that SCE's inexcusable and ongoing failure to provide Valley South System "tie-lines" is now being used to justify the Alberhill Project. FRONTLINES is frankly *appalled* by the manner in which SCE continues to ignore its own planning standards, and is equally appalled by the extent to which SCE has successfully leveraged its willful failure to act into an argument (which the FEIR bought "hook line and sinker") that the Alberhill Project is "needed". SCE has been so successful in this regard that the FEIR actually rejects all non-substation alternatives based on the artificial contrivance that they fail to provide Valley South System "tie-lines"! Fortunately, the full extent of SCE's improprieties is now properly exposed, and the falsity of SCE's claim that system "tie-lines" cannot be constructed without Alberhill is revealed by the evidentiary record through application of the following established facts:

1. Valley South System "tie-lines" could have been created by SCE at any time since 2004 by using existing vacant line positions to connect Valley North and Valley South substations, and thus can be developed irrespective of the Alberhill Project.
2. SCE openly admits that, if the project purpose were to develop Valley South System "tie-lines", it would not pursue a scope different from the Alberhill Project [TR 160 at 17-23]
3. The FEIR fails to consider that Valley South System "tie-lines" are addressed by SCE's Planning Standards and will be therefore be developed by SCE as required and irrespective of the outcome of the Alberhill CPCN proceeding.

4. The FEIR fails to recognize that that the "No Project" Alternative includes all activities mandated by SCE's Planning Standards, including the development of Valley South System "tie-lines", thus it erroneously concludes that the "no Project" alternative does not provide Valley South System "tie-lines".
5. The FEIR ignores the fact that Valley South System "tie-lines" can be developed without the Alberhill Project, and then it uses this artificial and unnecessary contrivance to reject non-substation alternatives (like demand shifting and adding a third transformer at the Valley South substation) which will successfully mitigate all of SCE's transformer overload concerns as discussed in Section 4 of FRONTLINES Opening Brief.

II. THE VALLEY SOUTH SYSTEM PEAK DEMAND WILL *NOT* EXCEED THE TRANSFORMER CAPACITY BY 2021 AND THE ALBERHILL PROJECT IS NOT NEEDED TO ADDRESS SCE'S PEAK DEMAND CONCERNS

On page 3 of its opening brief, SCE claims that the Alberhill project is needed because SCE's peak demand forecast on the Valley South system projects that the system transformer capacity will be exceeded by 2021. The record demonstrates this claim is incorrect; forecast projections prepared by the California Independent System Operator ("CAISO") show that the Valley South System transformers will not be exceeded even beyond 2026 [Ex. FRONT-1; 3 at 11], and evidence demonstrates that SCE's forecast projections are astoundingly inaccurate, unreliable and highly inflated. The record further establishes that it is the Commission's practice to rely on forecast projections prepared by the California Energy Commission ("CEC") that are imbedded in the CAISO's annual Transmission Planning Process ("TPP") to determine whether a new transmission substation is "needed" to address forecast demand growth in a radially served subtransmission system. Regarding such matters, the Commission *does not defer to a utility's demand forecast*, particularly when (as in this case) the evidentiary record reveals the extent to which the utility's demand forecast is heavily biased and completely unreliable.

A. Precedent Establishes that the Commission does not rely on Utility Forecasts to Determine Whether a New Transmission Substation is "needed" to Address Radially-Served Load Growth.

In D.16-12-064, the Commission considered whether a new transmission substation was "needed" to address projected load growth on a radially served subtransmission system

operated by San Diego Gas & Electric ("SDGE") in South Orange County (specifically, the "SOCRE Project" or "SOCREP"). The projected peak demand forecast prepared by SDGE indicated system overloads would occur within a few years, and on that basis, they claimed SOCREP was "needed" to serve the predominantly residential and large commercial customers in South Orange County. In that proceeding, SDGE's forecast ignored all distributed generation [Ex SDGE 1.3; 38 at 9] and demand response and energy efficiency resources entirely [Ex. SDGE 1.3; 99 at 22]. Conversely, CAISO's forecast included all of the energy efficiency, demand response, and distributed generation resources imbedded in the CEC forecast [Ex. CAISO 505; App A] and showed no overloads would occur on the radially-served system beyond a 10-year planning horizon. On that basis, the Commission deferred to the CEC-based CAISO forecast and determined that the SOCREP was not "needed" to address load growth. Specifically, the Commission states "It is accepted practice to utilize load forecasts prepared by the California Energy Commission as the basis of demand analysis" and thereby adopted Finding of Fact #1 that "Demand forecasts do not demonstrate need for a project in South Orange County".

Precisely the same elements that drove the Commission's decision to reject a utility's forecast and defer to the CEC-based CAISO forecast in determining SOCREP "need" in D.16-12-064 are present in the Alberhill proceeding. Like SDGE's South Orange County subtransmission system, SCE's Valley South subtransmission System is radially configured, it has a single CAISO connection, and it serves load that peaks at 5:30 PM [compare Alberhill Exhibit SCE-3 to Figure 3-2 of SOCREP Exhibit SDGE 2.2]. Like SDGE's South Orange County forecast, SCE's Valley South forecast discounts virtually all existing distributed generation and deems only a small fraction of less than 10% of distributed generation to be "reliable" " [TR 78 at 17-22]), it ignores all demand response and storage [TR 198 at 8-18'Ex. FRONT -9 page 2], and it incorporates negligible distribution generation and energy efficiency resource additions over the 10-year planning horizon [Ex. FRONT-9 page 2]. In fact, SCE's forecast assumes that distributed generation and energy efficiency resource additions will actually *drop precipitously* within the next few years [Ex. FRONT-9 page 2] and thus utterly contradicts the Commission's own Long Term

Procurement Plan as well as the CEC-based CAISO forecast.¹ The evidentiary record clearly proves that all the factors upon which the Commission relied to adopt Finding of Fact #1 in D. 16-12-064 are present in the instant proceeding, and there are no extant circumstances or material evidence to support a Commission decision which wavers in any way from the precedence established by D.16-12-064.

B. SCE's forecast projections are inaccurate, unreliable and highly inflated.

SCE's Opening Brief points to SCE testimony to support its claim that SCE's forecast is "the product of a detailed planning methodology that incorporates a number of relevant factors to ensure that projections are as accurate as possible" (page 17) and it "incorporates an array of factors that are combined to compile a reasonable, trustworthy and reliable estimate of future demand". However, and contrary to what SCE claims, the evidentiary record proves SCE's forecasts are persistently, consistently, and substantially over predictive by a significant amount. For example, SCE has claimed for nearly a decade that, due to peak demand growth on the Valley South system, the Valley South transformers are facing imminent overloads, yet record evidence proves that actual ("raw") peak demand has remained at or near the 2007 Peak Demand value of 888 MW [Ex. FRONT-4]. As another example of just how inaccurate SCE's forecast methodology is, consider that, in 2009, SCE claimed that the 1119 MVA transformer capacity would be exceeded by 2011 [SCE PEA Table 1.1 provided in Ex. FRONT-23] however the actual Valley South peak demand in 2011 was only 875 MW *which was less than the 2007 peak demand value of 888* MW [Ex. FRONT-4]. SCE's forecast presented in the DEIR projected that the 2017 peak demand would be 1090 MVA and that the 1119 MVA transformer capacity would be exceeded by 2018, however, the peak Valley South load in 2017 barely cracked 1,000 MVA, and even that was a solitary fleeting event that occurred for mere moments on August 30, 2017 [Ex. SCE-3].

¹ The CEC-based CAISO forecast assumes increasing distribution generation resource additions through 2026 [Ex. FRONT-16 Tables 2.3-1 and 2.3-2] and steady energy efficiency resource additions through 2026 [Ex. FRONT-16 Tables 2.6-5]. In fact, and as set forth in detail in Section 2.2.4 of FRONTLINES opening brief, the only real difference between the CEC-based CAISO forecast and the SCE forecast is that the CAISO forecast properly accounts for energy efficiency, distributed generation and demand response, while the SCE forecast discounts and therefore ignores all of these resources.

As set forth in FRONTLINES' testimony [FRONT-1 Section 2.1.2 and Figure 1] and in FRONTLINES Opening Brief [Section 2.2 and Table 1], SCE's forecast methodology persistently overpredicts peak demand by substantial amounts because it discounts distributed generation, energy efficiency, and demand response resources. The "starting point" for SCE's forecast methodology is a value that SCE refers to as a "Recorded Peak Demand" [Ex. SCE-2; 13 at 20] but which is in fact a calculated number that is artificially inflated by adding back in renewable generation and demand response [TR 56 at 17-23] and making other "adjustments" for "anything but temperature" [TR 298 at 1-6]. SCE's forecast methodology also assumes negligible increases in distributed generation and energy efficiency resources [Ex. FRONT-9] and it substantially overstates the amount of peak electric vehicle ("EV") charging that will occur [Ex. FRONT-9 and FRONTLINES' Opening Brief FN10]. It is these unreasonable and insupportable assumptions that form the foundation for SCE's forecast methodology, and it is because of these assumptions that SCE has failed to accurately predict one single peak demand value in more than 13 years [FEIR Table 1-1].

The evidentiary record provides abundant evidence that SCE discounts virtually all distributed generation (which SCE refers to as "non-dependable generation") and ignores all demand response resources by "adding" such resources to the peak value [TR 56 at 17-23]. This is because SCE claims that these resources "suppress" the peak, thus SCE "adds them "back into" the peak value [TR 195 at 17-22]. It is these "adders" which artificially inflate SCE's "Recorded Peak Demand Values" that provide the basis for SCE's forecast. And, as set forth in painstaking detail in Section 2.2 of FRONTLINES Opening Brief, when distributed generation, energy efficiency and demand response resources are properly accounted for, SCE's forecast for the Valley South system is similar to CAISO's. Incredibly, SCE's Opening Brief ignores all of this evidence, and it ignores all of its own oral testimony, and merely points to its own rebuttal testimony to claim that SCE "accounts" for distributed generation and energy efficiency (see pages 17 and 18). The evidentiary record explicitly proves that the manner in which SCE "accounts" for these resources is by *adding them* back into its calculated "Recorded Peak Demand" values and thus artificially inflating the very foundation of its own forecast methodology.

Not to put too fine a point on it, but the evidentiary record clearly establishes the extent to which SCE artificially manipulates and inflates its historic "Peak Demand" data, and it proves that this parameter is changeable, fluid, artificially contrived, and thus provides an indefensible basis for SCE's forecast methodology. For instance, SCE's PEA submitted for the Alberhill Project reports that peak demand values in 2005, 2006, 2007 and 2008 were 777 MVA, 907 MVA, 944 MVA and 971 MVA, respectively [PEA Table 1.1 in Ex. FRONT-23]. However, the FEIR reports different "peak demand values" for these years: specifically, it states that for 2005, 2006, 2007 and 2008, the peak demand values were 753 MVA, 853 MVA, 909 MVA and 787 MVA, respectively [FEIR Table 1-1]. Notably, the *actual* peak demand values that occurred in these years was 750 MW, 839 MW, 888 MW, and 768 MW, respectively [Ex. FRONT-4]. Clearly, what SCE identifies as a "Peak Demand" value is a contrived, manipulated and ever-changing parameter that is neither recorded nor fixed, and it is certainly not an *actual* value. Thus, the entire basis for SCE's forecast methodology is fraudulent and artificially inflated, and it certainly cannot be relied upon by the Commission to approve a nearly \$600 million transmission project.

C. FRONTLINES Evidence that SCE's forecast is Artificially Inflated Remains Unrefuted in the Record.

At every turn in this proceeding, FRONTLINES has shown that the "projected peak demand" arguments that SCE proffers on page 3 of its Opening Brief (and elsewhere) are at best specious, and at worst, materially and factually incorrect. SCE has never challenged the validity of the FRONTLINES' data which explicitly contradicts SCE's claims, and SCE did not even bother to cross examine FRONTLINES' witness during the evidentiary hearings. In fact, the only real challenge to FRONTLINES' testimony that SCE mounted was a claim that it went beyond the "scope" of permissible testimony [See SCE's motion to strike filed September 11, 2017].

For example, through testimony and witness examination, FRONTLINES has conclusively proven that SCE has misrepresented the historic "recorded peak demand" levels that form the basis of SCE's peak demand forecast which SCE cites as the sole justification for Alberhill "need"²:

- SCE testifies that the "recorded and unadjusted peak demand value" on August 28, 2017 was 1,015 MVA [Ex. SCE-2; 10 at 10], and describes this value as "preliminary unadjusted raw data" [Ex. SCE-2; 18 at 10]. Under examination, FRONTLINES proved this testimony to be patently false, because the actual recorded "unadjusted, raw" peak demand data from August 28, 2017 was only 894 MVA [TR 64 at 18-20; also Ex. FRONT-7 response to question (h)]. SCE artificially "inflated" the *actual* ("raw") peak demand value of 894 MVA by 14% to calculate a 1,015 value that SCE calls a "recorded peak demand" but which is entirely contrived and neither a "recorded" value nor a "peak demand" value. Eventually, SCE admitted this, and stated that this "Recorded Peak Demand" value was an extrapolation [TR 244 at 9-13] and that "recorded peak demand" values are actually "calculated" numbers that are merely "recorded as a record of data" [TR 296 at 23].
- SCE testified that the recorded peak demand in 2016 was 934 MVA "prior to any adjustments"[Ex. SCE-2; 10 at 1]. However, FRONTLINES demonstrated that the actual "recorded peak demand" in 2016 was only 899 MW [Ex. FRONT-4]. When FRONTLINES asked SCE's Witness McCabe to explain why his testimony states the 2016 peak was 934 MVA when the actual peak was only 899 MW in 2016, he does not answer; instead, he merely states that the 934 represents a value "on the chosen peak day" [TR 89 at 5-13]. When asked whether "peak day" meant the day that the "most amount of power flowed through the transformers", Witness McCabe responded (with emphasis added) "that is *a* definition of *a* peak day in that context" [TR 90 at 28]. SCE's testimony that "context" determines the "peak demand" values was so convoluted that ALJ Yacknin cautioned parties to clarify the "context" of any "peak data" that is briefed [TR 91 at 5-15] and to "be specific" in briefs regarding the type of "peak demand" that is being addressed [TR 318 at 19].
- SCE's Witness McCabe testified that the 2012 "recorded non-weather adjusted peak demand" is 928 MVA [TR 263 at 5 to 265 at 6] and that this 928 MVA value has been adjusted for "abnormal system conditions, nondependable generation, data capture errors, any of those things go into the adjustments before you do temperature adjustments" [TR 265 at 11]. Under subsequent examination by FRONTLINES, Witness McCabe finally admitted that the actual ("raw") peak demand which occurred in 2012

² SCE does not cite the creation of Valley South system "tie-lines" as a basis for claiming that Alberhill is "needed"; to the contrary, SCE admits that it would pursue a different project if the sole purpose were to provide Valley South system "tie-lines" [TR 160 at 17-23].

was only 873 MW [TR 318 at 1-3]. He could not explain the difference between these two values while on the stand [TR 318 at 21 to 319 at 19], so FRONTLINES requested that the record be left open to give SCE the opportunity to provide this missing information in the form of an exhibit that would identify the adjustments made to the actual "raw" peak demand value of 873 to "add up to" the 928 MVA "recorded peak demand" value [TR 321 at 2-24]. In response, SCE prepared Exhibit SCE-7. Notably, Exhibit SCE-7 fails to reconcile the 873 value with the 928 value. Worse yet, *Exhibit SCE-7 contradicts all of SCE's oral testimony* because it portrays 928 MVA value as a "raw, recorded, and unadjusted" value that is subsequently "adjusted" for "abnormal system conditions", "nondependable generation", and "data capture errors". This is explicitly contrary to Witness McCabe's statement that the 928 MVA value has already been adjusted" for "abnormal system conditions", "nondependable generation", and "data capture errors" [TR 265 at 11].

SCE has successfully "muddied the waters" regarding what is meant by the term "peak demand", and the evidentiary hearings revealed that SCE recognizes many different types of "peak demand" values which can have vastly different meanings³. Indeed, SCE's "peak demand" evidence was so convoluted that ALJ Yacknin was puzzled by SCE's testimony [TR 68 at 21], and at one point she had to ask SCE's witness to identify what "peak" he was referring to [TR 120 at 20].

³ For instance, there was "recorded" peak demand [TR 203 at 26], "unadjusted recorded" peak demand [TR 265 at 26], "raw" peak demand [TR 63 at 27], "recorded and unadjusted" peak demand [TR 44 at 19], "recorded and unadjusted for time" peak demand [TR44 at 27], "recorded and adjusted for anything but temperature" peak demand [TR 298 at 6], "peak demand value recorded and adjusted for non-dependable generation" [TR 46 at 2], "recorded and unadjusted for temperature" peak demand [TR 252 at 6], "adjusted for things other than temperature" peak demand [TR 260 at 12], "recorded-non-weather adjusted" peak load [TR 264 at 28], "adjusted but not for weather" peak demand [TR 265 at 22], "recorded but not weather adjusted" peak demand [TR 266 at 6], "extrapolated recorded peak demand" [TR 293 at 7], "adjusted for the anomaly of weather" peak demand [TR 296 at 6], "recorded annual" peak demand [TR 46 at 16], "peak demand adjusted" [TR 55 at 11], "peak demand adjusted 1-in-5" [TR 55 at 12], "historical peak demand in megawatts recorded" [TR 55 at 20], "raw and unadjusted recorded demand" [TR 55 at 26], "actual recorded peak demand value unadjusted for temperature" [57 at 4], "appropriately recorded number" [TR 57 at 16], "actual peak demand values" [TR 58 at 4], "peak demand that was recorded" [TR 61 at 26], "highest peak recorded value" [TR 89 at 24], "recorded-temperature adjusted in 1 in 5" [TR 120 at 25], "temperature normalized value" [TR 121 at 1], "raw recorded value" [TR 121 at 3], "temperature normalized for a normal weather year" [TR 121 at 4], "peak electrical demand recorded" [TR 144 at 17], and "SCADA recorded values" [TR 195 at 5].

Notably, FRONTLINES testimony that SCE's forecast substantially understates the amount of distributed generation, energy efficiency, and demand response resources that will be added over the next 10 years has not been refuted. The only evidence that SCE offers to counter FRONTLINES testimony is a statement that "SCE appropriately includes peak demand offsets due to DERs in its forecasts" and a vague reference to SCE's 2018 General Rate Case ("GRC") Application [Ex. SCE-2; 13 at 14]. Ironically, *SCE's 2018 GRC application supports FRONTLINES' testimony* because it shows that more than 2,500 MW of new distributed generation resources will be added to SCE's system between 2017 and 2020 [Ex. FRONT-10; page 4], yet SCE's Valley South forecast assumes distributed generation resource additions will *drop substantially* after next year [Ex. FRONT-9].

SCE also testifies that distributed generation resources currently in place are "considered already represented in the recorded annual peak demand values" [SCE-2; 13 at 18].

However, the evidentiary record demonstrates this statement is factually erroneous because SCE designates all but a small fraction of distributed generation to be "non-dependable" generation [TR 78 at 17-22] which is deemed to be "suppressing" the peak, and is therefore "added back" into the peak [TR 195 at 17-22]. Accordingly, the evidentiary hearings revealed that distributed generation resources are not "already represented in the recorded annual peak demand value"; to the contrary, they are explicitly factored out from the "recorded annual peak demand value".

Taken together, the material facts presented in the evidentiary prove that SCE's forecast is artificially inflated and thus not reliable for the purpose of determining Alberhill Project "need".

III. THE ALBERHILL PROJECT CONFIGURATION IS NOT RELIABLE AND IT DOES NOT EVEN MEET SCE'S PLANNING STANDARDS.

On page 12 of its Opening Brief, SCE asserts that the Alberhill Project will "reliably serve current and long-term forecasted electrical demand throughout the Electrical Needs Area ("ENA"). However, and as set forth in detail in Section 3.2.2. of FRONTLINES' Opening Brief, the evidentiary record reveals that the Alberhill Project is not configured in a reliable manner. First, it is noted that the Alberhill Project serves the Ivyglen substation from a single source (Alberhill). Correspondingly, any event which removes the Alberhill

substation from service will drop Ivyglen, and Ivyglen load will remain dropped until Alberhill is back online [Ex. FRONT-1; 14 at 2]. Second, the evidentiary record reveals that the Alberhill system will be far more susceptible to "Fault induced Delayed Voltage Recovery" ("FIDVR") events and voltage collapse than the Valley South system because Alberhill is served by only two 500 kV lines, it has a large induction motor (air conditioning) load, and at "full build-out" it will serve a much higher load than Valley South (up to 1,680 MVA) via three 560 MVA transformers plus one spare [FEIR 2-12 at 4-6; also TR 130 at 1-8]. Taken together, these material facts demonstrate that SCE has designed Alberhill in a manner that risks Ivyglen load and poses a substantial FIDVR/voltage collapse risk to SCE customers served by the Alberhill system.

Moreover, the Alberhill substation proposed by SCE includes only 3 transformers at "full build-out" and thus does not comply with Section 2.6.1.1 of SCE's adopted Planning Standards [see the last sentence on Page 2-22 of Ex. TURN-4C]. The Alberhill substation is not designed in a manner consistent with SCE's Planning Standards. Additionally, the Alberhill Project more than triples the source line length to the Newcomb substation [Ex. FRONT-1; 22 at 18], which is the most heavily loaded substation on the proposed Alberhill System. Thus, the Alberhill Project actually *reduces* service reliability to all the customers that comprise one-third of the entire Alberhill System load [Ex. FRONT-1; 22 at 19-22].

IV. IF SCE SIMPLY FOLLOWS ITS OWN PLANNING STANDARD UNDER THE "NO PROJECT" ALTERNATIVE, THE VALLEY SOUTH SYSTEM WILL BE RELIABLY SERVED BEYOND A 10 YEAR PLANNING HORIZON WITHOUT THE ALBERHILL PROJECT.

On page 20 of its Opening Brief, SCE claims that "many of the existing 115 kV lines in the Valley South System are only able to be removed from service for short periods, and only during small windows of time throughout the year" and that "tie-lines" provide by the Alberhill Project will address this concern. On page 12, SCE claims that the Alberhill Project will allow SCE to "reliably serve current and long-term forecasted electrical demand throughout the ENA" and "provide system 'tie-lines'" to Valley South for "operational flexibility to transfer load". However, FRONTLINES unrefuted testimony proves that SCE falsely claims that Valley South system lines can only be removed from

service for "short periods" and "small windows of time" [Ex. FRONT-1; 24 at 15 to 25 at 29], and the evidentiary record further proves that the benefits of reliably serving "current and long-term forecasted electrical demand" and providing "tie-lines" for "operational flexibility to transfer load" can all be attained without the Alberhill Project [Ex. FRONT-1; 2 at 16 and 25 at 2-11, Ex. FRONT-2; 4 at 6-10] and in fact will be attained without the Alberhill Project *if SCE just follows its own adopted Planning Standards* (Sections 3 and 4 of FRONTLINES Opening Brief).

For instance, and as set forth in Section 3 of FRONTLINES Opening Brief, SCE can easily develop system "tie-lines" to Valley South to provide "operational flexibility" by using existing vacant 115-kV line positions to connect Valley South substations with Valley North substations. Record evidence shows that SCE could have (and *should* have) created these Valley South System "tie-lines" more than a decade ago, and there is no evidence to contradict this assertion. And, as discussed on page 28 of FRONTLINES Opening Brief, SCE's Witness could not explain why "tie-lines" were not created when the Valley South system was "split" from the Valley North system in 2004; he could only confirm that such ties "did not get created".

Furthermore, the record demonstrates that SCE can shift demand among the existing Valley North, Valley South and Vista 115 kV subtransmission systems and eliminate *all* transformer overload concerns even if SCE's inflated, biased, and unrealistic peak loads come to fruition. FRONTLINES' unrefuted testimony conclusively proves that "demand shifting" eliminates the "need" for Alberhill [Ex. FRONT-1; 14 at 17 and 21 at 12], it is mandated by SCE's own adopted Planning Standard [Ex. FRONT-1; 11 at 11 and 14 at 11 and 18 at 16], and it will be implemented as part of the "No Project" Alternative [Ex. FRONT-1; 14 at 14]. As set forth in detail in Section 4.1 of FRONTLINES' Opening Brief, the 2800 MVA of transformer capacity within SCE's existing Valley North, Valley South, and Vista 115-kV systems is more than sufficient to accommodate all of SCE's projected peak demand for all these systems through and beyond the 10-year planning horizon [Ex. FRONT 21]. Moreover, FRONTLINES has revealed substantial deficiencies in the FEIR's analysis of this "demand shift" strategy, and has shown that this alternative was wrongly rejected by the FEIR [FRONTLINES Opening Brief – pages 76-77].

The evidentiary record demonstrates that the Alberhill project "benefits" claimed by SCE on page 12 of its Opening Brief can be achieved by SCE without the Alberhill Project by simply following its own adopted Planning Standards. The record also demonstrates that, under the "No Project" Alternative, SCE will implement its adopted Planning Standards [Ex. FRONT-1; Section 4] and thereby garner these project benefits without Alberhill. These simple and inescapable facts are clearly and substantially supported by the evidentiary record, and it eliminates any basis for the Commission to approve the Alberhill Project.

V. ADDING A THIRD TRANSFORMER AT VALLEY SOUTH WILL ADDRESS SCE'S CLAIMED "NEED" FOR ADDITIONAL TRANSFORMER CAPACITY AND AVOIDS SIGNIFICANT ADVERSE ENVIRONMENTAL IMPACTS.

On page 15 of its Opening Brief, SCE claims that additional transformer capacity is needed to accommodate its projected Peak Demand Forecast. However, this statement can only be rendered true in the unlikely event that SCE's highly inflated and heavily biased "peak demand" forecast actually comes to fruition. The evidentiary record demonstrates that "peak demand" events are rare, momentary, and fleeting [Ex. FRONT-1; 8 at 4], and even SCE admits that "peak load" data are "not representative of system conditions but for a few seconds at a time"⁴. The rare and fleeting nature of peak demand on the Valley South system is confirmed by the 2016 "load duration curve", which shows that, more than 99% of the time, Valley South stays well below 800 MW⁵.

The evidentiary record demonstrates that it is neither fiscally prudent nor environmentally acceptable to approve the nearly \$600 million Alberhill Project merely as a "hedge" against the highly unlikely possibility that a fleeting "peak demand" event exceeding 1,119 MVA could potentially occur in the next 10 years, because the record proves that this unlikely and fleeting concern is easily addressed by simply adding a third transformer at the Valley South substation (referred to as the "third transformer element"), to wit:

⁴ SCE response to a FRONTLINES discovery request provided as an attachment to FRONTLINES Opening Testimony [Ex. FRONT-1] that is labeled "Exhibit 8"- See page 1 paragraph 4.

⁵ See Valley South Load Duration Curve provided as an attachment to FRONTLINES Opening Testimony [Ex. FRONT-1] that is labeled "Exhibit 9".

- During brief and fleeting peak load intervals on the Valley South system, SCE can deploy a third transformer to serve Valley South load without complications or difficulty, and in fact SCE already does so [Ex. SCE 3 page 1]. The fact that the third transformer deployed by SCE in such circumstances is a designated "spare" is immaterial; it does not matter what SCE "calls" the third transformer, it only matters whether the third transformer can occasionally be deployed in a timely manner without adverse system impacts. Exhibit SCE-3 shows that SCE can easily and quickly deploy a third transformer to address fleeting circumstances without difficulty or adverse consequences, thus the addition of a third transformer is a feasible, reasonable, and cost-effective alternative to "hedge" against the highly unlikely event that SCE's inflated peak demand forecast actually comes to pass.
- The addition of a third transformer at Valley South will occur within the existing footprint of the substation with minimal impacts, and thereby eliminate all the significant adverse environmental impacts created by the Alberhill Project.
- The CAISO affirms that the addition of a third transformer at Valley South will cost less than \$50 million [Ex. FRONT-1; page 4 of Attachment labeled "Exhibit 18"].
- SCE confirms that the operation of a third transformer on the Valley South System will not result in any short-circuit duty cycle concerns. Specifically, SCE testifies that operating a third transformer "is not projected to exceed the limitations of the circuit breakers" [Ex. SCE-1; 12 at 6] and that "The short-circuit duty values of the Valley South System with the hypothetical addition of a third load-serving transformer, and consideration of the generation projects that are currently in the interconnection queue, would be expected to be remain below 50 kA" [Ex. SCE-2; 22 at 24].

These material facts demonstrate that the addition of a third Valley South transformer is feasible, it can be accomplished in a reasonable amount of time, it will not create adverse system impacts, and it is more than sufficient to address unlikely and fleeting "peak demand" events in the event that SCE's inflated forecast actually occurs. The addition of a third Valley South transformer is a reasonable and cost-effective approach to "hedge" against the possibility claimed by SCE that CAISO's forecast is incorrect. Equally important, the addition of a third transformer at Valley South eliminates all the significant adverse impacts created by the Alberhill Project, and costs a fraction of the nearly \$600 million price tag associated with Alberhill. Combining the "No Project" Alternative (which provides Valley South System "tie-lines" in accordance with SCE's adopted Planning

standard) with the addition of a third Valley South transformer achieves all the legitimate Alberhill project objectives⁶.

Finally, the evidentiary record demonstrates that it is not uncommon for SCE to construct and operate a 500/115 kV substation which has three operating transformers and a "spare" and is capable of serving load exceeding 1119 MVA. For example, the Alberhill substation itself will, at "full build out", be configured with three 500/115 kV transformers and a "spare" [TR 130 at 1-8] operated in parallel [Ex. NH-1; Appendix 2] with a combined capacity up to 1,620 MVA [FEIR 2-12 at 4-6, TR 130 at 22-26].

Based on this evidence, the clear choice for addressing the unlikely possibility that CAISO'S forecast is wrong and SCE's inflated forecast actually comes to pass is to install a third transformer to accommodate possible rare and fleeting "peak demand" events that exceed 1119 MVA. This choice is clearly superior to the Alberhill Project, which will cost nearly \$600 million and create significant adverse environmental impacts.

VI. THERE ARE NO OVERRIDING CONSIDERATIONS THAT WARRANT COMMISSION APPROVAL OF A CPCN FOR THE ALBERHILL PROJECT.

Beginning on page 11 of its opening Brief, SCE claims that the Alberhill Project provides "benefits", and that these benefits constitute "overriding considerations" that warrant approval of the Alberhill CPCN despite the significant, adverse, and unavoidable impacts to aesthetics, air quality, and noise (not to mention the cumulative impacts) created by the Alberhill Project. SCE cites specific CEQA provisions to support its argument that the Commission should approve the Alberhill CPCN. However, SCE's arguments are technically

⁶ The Alberhill Project Objectives that are set forth in the FEIR embody three essential elements: 1) Relieve projected electrical demand that may exceed the Valley South system transformer capacity; 2) Provide safe and reliable electrical service; and 3) Develop and maintain system ties between the Valley South 115-kV System and another 115 kV system to provide electricity to Valley South during maintenance, emergency events, or to address other operational issues. The FEIR also imbeds within Objectives 2 & 3 a requirement that a new 500 kV substation be constructed, however (and as discussed in detail in Section 14.1 of FRONTLINES Opening Brief) this requirement explicitly violates CEQA and it will not withstand legal challenge. Therefore, the only legitimate and CEQA-compliant project objectives are: 1) Relieve projected electrical demand that may exceed the Valley South system transformer capacity; 2) Provide safe and reliable electrical service; and 3) Develop and maintain system ties between the Valley South 115-kV System and another 115 kV system.

deficient because they ignore environmentally superior alternatives that the evidentiary record demonstrates will achieve all the "benefits" that SCE ascribes to the Alberhill Project. SCE's arguments are also legally deficient because they present an incomplete and fragmented review of relevant CEQA provisions, and they reveal SCE's lack of understanding of how CEQA works.

A. The Alberhill Project does not "Strike a Balance" Between the Project's Significant Adverse Environmental Impacts and Claimed Project Benefits.

According to SCE, Commission-approval of the Alberhill Project will "strike a balance" between the significant adverse and unmitigable impacts that the Alberhill Project will create and the following "benefits" that SCE ascribes to the Alberhill Project: 1) Providing sufficient transformer capacity on the Valley South system to accommodate demand "growth"; 2) Creating 115-kV "tie-lines" to the Valley South System thus 3) Imparting "operational flexibility" to transfer load between systems during outages maintenance, and construction activities. On page 12 of SCE's Opening Brief, SCE argues that these "benefits" constitute "Overriding Considerations" that "outweigh" the significant, adverse, and unmitigable environmental impacts that the Alberhill Project will create. However, the evidentiary record reveals substantial and irreconcilable errors in SCE's argument, because the "benefits" that SCE attributes to the Alberhill Project can be achieved without Alberhill and without Alberhill's significant, adverse, and unmitigable environmental impacts. For instance:

- The Valley South transformer capacity is **not** projected to be exceeded even beyond a 10-year planning horizon, and SCE's unilateral claim to the contrary is based entirely on an inflated and artificially contrived forecast which the evidentiary record thoroughly and completely repudiates [See Section 2 of FRONTLINES Opening Brief for detailed citations to the evidentiary record proving these material].
- Any "transformer capacity" concern perceived by SCE can be easily addressed without Alberhill by adding a third transformer to accommodate rare and fleeting peak load events (as discussed above) and/or by implementing the demand shift approach mandated by SCE's Planning Standard as part of the "No Project" Alternative [See Section 4 of FRONTLINES Opening Brief for detailed citations to the evidentiary record].

- System "tie-lines" to the Valley South can be easily constructed without the Alberhill Project, and in fact should have been constructed more than 13 years ago in accordance with SCE's custom and adopted Planning Standards. SCE's disgraceful failure to construct these "tie-lines" has left the Valley South System without the "operational flexibility" necessary to transfer load between systems. [See Section 3 of FRONTLINES Opening Brief for detailed citations to the evidentiary record]

Taken together, these material facts repudiate SCE's arguments in favor of Alberhill and they demonstrate that the "benefits" ascribed to the Alberhill Project can be achieved through less impactful (and certainly less costly alternatives). These material facts also directly refute SCE's claim that the significant, adverse, and unmitigable environmental impacts created by the Alberhill Project are "balanced" by any discernable benefit.

B. SCE's Arguments Ignore CEQA Provisions that Preclude Approval of the Alberhill Project.

SCE's Opening Brief carefully "picks and chooses" the CEQA provisions it cites to support its argument in favor of Commission-approval of the Alberhill CPCN. For instance, SCE cites CEQA Guidelines §15093(a) to claim that CEQA permits the Commission to adopt a Statement of Overriding Considerations and approve the Alberhill CPCN by finding that there are project factors that "outweigh" the significant impacts that the Alberhill Project creates. SCE also cites CEQA Guidelines §15021(d) to support a claim that approving the Alberhill CPCN "strikes a proper balance" between the "benefits" that SCE claims Alberhill will provide and the significant, adverse, and unmitigable environmental impacts that the Alberhill Project will create. Notably, SCE completely ignores CEQA Guidelines §15091 which precludes the Commission from approving a project that creates significant and unavoidable environmental effect without first finding that either 1) Changes or alterations have been incorporated into the project that avoid or substantially lessen the significant environmental effect; or 2) The alternatives are infeasible. As FRONTLINES' Opening Brief [Section 6] explains, CEQA Guidelines §15091 and §15093 work in tandem to achieve the two-fold CEQA purpose of ensuring that significant environmental effects of a project are reduced to the greatest extent feasible, and that residual significant effects created by the project are demonstrably outweighed by the benefits that the project provides.

As discussed in detail in Sections 3 and 4 of FRONTLINES Opening Brief (with citations), the evidentiary record proves that the "Environmentally Superior No Project" alternative (with or without the "third transformer" element) provides the "tie-line" and transformer capacity "benefits" that SCE ascribes to the Alberhill Project at a substantially lower environmental "cost" despite the FEIR's erroneous analysis of the demand shift and third transformer alternatives ⁷. And, as explained in Section 5 of FRONTLINES Opening Brief (with citations), the "Environmentally Superior No Project" alternative (with or without the "third transformer" element) is technically, economically, and physically "feasible" as that term is contemplated in CEQA. Therefore, and through operation of §15091, only the "No Project" Alternative (with or without the third transformer element) can be "advanced" for consideration pursuant to §15093 because it is the only alternative that avoids the Alberhill Project's "significant environmental effects" while contemporaneously providing the benefits that are ascribed to the Alberhill Project. Thus, the Commission is precluded from preparing a "Statement of Overriding Considerations" to approve Alberhill pursuant to §15093 because the "No Project" Alternative (with or without the third transformer element) avoids significant environmental effects created by the Alberhill Project, it achieves the transformer overload and "tie-line" purposes which underlie the Alberhill Project, and there are no "economic, legal, social, technological, or other considerations" which render the "No Project" Alternative "infeasible" under §15091. The Alberhill Project is "sieved out" by §15091, so any "Statement of Overriding Consideration" that is prepared to approve the Alberhill Project will not withstand legal challenge.

SCE's Opening Brief ignores all of this because it ignores CEQA Guidelines §15091. Unlike SCE, the Commission does not have the luxury of "picking and choosing" which CEQA provisions will be met and which will be ignored. The Commission bears the weighty responsibility of ensuring that any project for which it adopts "Overriding Considerations" pursuant to CEQA Guidelines §15093 has first been properly "vetted" through application of CEQA Guidelines §15091. The only project alternative that the evidentiary record

⁷ As discussed in detail in Section 14.9 of FRONTLINES Opening Brief (with citations to the record) the FEIR's analysis of the "demand shift" and the "third transformer" alternatives is substantially deficient and will not withstand legal challenge.

validates as compliant with CEQA Guidelines §15091 is the "No Project" Alternative (either with or without the "third transformer" element) because it is "feasible" and it avoids the Alberhill Project's significant impacts. Correspondingly, the Commission is statutorily barred by CEQA Guidelines §15091 from adopting a "Statement of Overriding Considerations" for the Alberhill Project pursuant to CEQA Guidelines §15093.

VII. SCE'S ANALYSIS OF RELEVANT CALIFORNIA PUBLIC UTILITIES CODE PROVISIONS IS INCOMPLETE, TRUNCATED AND IGNORES THE EVIDENTIARY RECORD

According to page 10 of SCE's Opening Brief, Section 1001 of the California Public Utility Code [referred to hereafter as §1001] sets the "framework" for the Commission's determination of whether to issue a CPCN for the Alberhill Project and pursuant thereto, the Commission must first find that the "present or future public convenience and necessity *require or will require* its construction" [with emphasis added]. SCE claims that the Alberhill Project meets this threshold, and as proof, SCE refers to a subsequent section of its Opening Brief (specifically, Section "III. A"). Notably, Section "III.A" of SCE's Opening Brief does not even address §1001, and it certainly does not explain how the present or future public convenience and necessity *require or will require* construction of the Alberhill Project. To the contrary, Section "III.A" of SCE's Opening Brief merely sets forth SCE's concerns related to the lack of Valley South system "tie-lines" and potential load growth that could exceed the Valley South transformer capacity, and it explains how the Alberhill Project addresses these concerns. Nothing in Section "III.A" or any other portion of SCE's Opening Brief demonstrates that construction of the Alberhill Project is *required* to eliminate these concerns. This is not surprising, because the evidentiary record conclusively proves that these concerns can be eliminated without the Alberhill Project through implementation of SCE's adopted Planning Standards (as discussed above). In other words, the evidentiary record proves that public convenience and necessity is fully served via compliance with SCE's adopted Planning Standard through implementation of the "Environmentally Superior No Project" alternative (with or without the third transformer element). Therefore, and as set forth in detail in Section 7.1 of FRONTLINES' Opening Brief, public convenience and necessity *do not require and will not require*

construction of the Alberhill Project. Correspondingly, the evidentiary record resolves that the Alberhill Project *does not meet* the threshold requirement imposed by §1001, and therefore *does not warrant a CPCN*. SCE's assertions to the contrary are incomplete and not supported by the evidentiary record.

The only other provision of the Public Utility Code cited and analyzed in SCE's Opening Brief is Section 1002(a) [referred to hereafter as §1002(a)], which SCE identifies on page 10 as requiring the Commission to consider the following four factors in its consideration of the Alberhill CPCN: (1) community values; (2) recreational and park areas; (3) historical and aesthetic values; and (4) influence on the environment. SCE claims that the Alberhill Project comports with §1002(a), however (and for reasons set forth below) this claim is not supported by the evidentiary record and in fact §1002(a) bars the Commission from issuing a CPCN for the Alberhill Project. Furthermore, SCE's analysis of applicable provisions of the California Public Utilities Code provisions is fractured and truncated because it completely ignores Section 1002.3 [referred to hereafter as §1002.3].

A. The Evidentiary Record Contradicts SCE's Contention that the Alberhill Project Comports with §1002(a)

Beginning on page 22 of its Opening Brief, SCE argues that the four factors established by §1002(a) all weigh in "favor" of the Alberhill Project, however SCEs' arguments are specious, insubstantial, and contradicted by the record. Furthermore, the evidentiary record demonstrates that §1002(a) precludes issuance of a CPCN for Alberhill because the "benefits" that SCE ascribes to the Alberhill Project can all be achieved by the "Environmentally Superior No Project" Alternative with substantially less influence on the factors at issue in §1002(a).

1. The Alberhill Project Unnecessarily Affects "Community Values".

As "proof" that Community Values are served by the Alberhill Project, SCE's Opening Brief declares on page 22 that Alberhill provides electrical service pursuant to WECC and NERC standards, and on Page 23, SCE declares that communities which are directly affected by the Alberhill Project will "benefit" from the "additional capacity and reliability" that it

provides. As further "proof", SCE points to the FEIR's conclusion developed pursuant to CEQA that Alberhill does not "divide any communities". However, these arguments are specious, they contradict the evidentiary record, and they ignore the fact that §1002(a) imposes obligations beyond CEQA; to wit:

SCE's "Community Value" Arguments are Specious - The SCE 115 kV subtransmission system that serves the communities which are directly affected by the Alberhill Project are not in any way subject to WECC or NERC standards. Furthermore, the "system tie" concerns and the inflated forecast concerns that SCE cites as justification for the Alberhill Project are not even driven by WECC or NERC standards. Thus, SCE's claim that affected communities will derive reliability "benefits" pursuant to WECC or NERC standards is *absurd on its face* and should be rejected by the Commission.

SCE's "Community Value" Arguments are not Supported by the Evidentiary Record - As set forth in Sections 3, 4, and 5 of FRONTLINES Opening Brief, the capacity and reliability "benefits" which SCE claims will be provided to communities that are directly affected by the Alberhill Project can be acquired without the Alberhill Project. Thus, the evidentiary record demonstrates that the reliability and capacity "benefits" touted by SCE can be acquired through implementation of the "Environmentally Superior No Project" alternative and without sacrificing or eroding "Community Values".

SCE's "Community Value" Arguments Ignore that §1002(a) Imposes a Duty Beyond CEQA. Precedent firmly establishes that §1002(a) imposes a responsibility independent of CEQA to factor in Community, Historic, and Aesthetic Values, Environmental Influences, and Park/Recreation Concerns in the Commission's consideration of a request for a CPCN [D.04-08-006, D.08-12-058, D.09-12-044, D.13-07-018]. Therefore, SCE's argument that a CEQA conclusion regarding whether Alberhill "divides a community" is not persuasive, and it certainly does not suffice for a Commission determination regarding "Community Values" that is made pursuant to §1002(a).

Putting aside the fact that SCE's arguments regarding "Community Values" are specious and insubstantial, there is the undeniable proof set forth in the evidentiary record that the "benefits" ascribed to the Alberhill Project can be achieved without the Alberhill Project and, by extension, without eroding any "Community Values" through implementation of the "Environmentally Superior No Project" Alternative. Therefore, the Alberhill Project cannot be deemed to warrant a CPCN when the Commission properly factors in "Community Values" pursuant to §1002(a).

2. The Alberhill Project Unnecessarily Affects "Recreational and Park Areas".

As "proof" that Recreational and Park Areas are sustained by the Alberhill Project pursuant to §1002(a), SCE's Opening Brief points to the FEIR and states that Alberhill will result in less than significant impacts to recreational or park areas. However (and for reasons stated above) an argument made pursuant to §1002(a) that is founded on a CEQA conclusion is not persuasive. Moreover, the record shows that the Alberhill Project could result in the "temporary" placement of up to 100 workers in the project area for up to 28 months, and cause impacts to public facilities [FEIR 4.13-14]. The record also proves that these impacts are unwarranted because the "benefits" that SCE ascribes to the Alberhill Project can be achieved without the Alberhill Project. Therefore, the Alberhill Project cannot be deemed to warrant a CPCN when the Commission properly factors in "Recreation and Park Area" concerns pursuant to §1002(a).

3. The Alberhill Project Unnecessarily Affects "Historical and Aesthetic Values".

As "proof" that Historic and Aesthetic Values are sustained by the Alberhill Project, SCE's Opening Brief points again to the FEIR and argues that, although the Alberhill Project creates significant, adverse, and unmitigable aesthetic impacts, it can nonetheless be approved anyway pursuant to overriding considerations (see page 23). There are so many deficiencies with this argument that it is difficult to know where to begin.

First: Precedent precludes arguments made pursuant to §1002(a) that are founded on a CEQA conclusion because §1002(a) imposes a responsibility independent of CEQA to factor in Historic and Aesthetic Values when the Commission considers a CPCN request [D.04-08-006, D.08-12-058, D.09-12-044, D.13-07-018].

Second: The mere fact that overriding considerations can be articulated does not "wash away" the Commission's obligation to factor in "Aesthetic Values" pursuant to §1002(a).

Third: SCE's argument disregards and thereby trivializes substantive concerns regarding aesthetic impacts raised by intervenors who directly represent the interests of affected residents, neighborhoods, and communities⁸. SCE's offhanded and dismissive statement

⁸ The City of Lake Elsinore and Castle & Cook raised visual impact concerns. D.13-07-018 establishes that "visual impacts" lie within the purview of issues to be factored into a CPCN decision pursuant to §1002(a).

regarding "Historic and Aesthetic Values" is so disdainful of community concerns that it is clear SCE has no interest whatsoever in achieving the "balance" among competing interests that is required by §1002(a). On this basis alone, the Commission should reject the entirety of SCE's arguments pursuant to §1002(a).

Fourth: Irrespective of any CEQA conclusion, and consistent with D.04-08-046 (at 112-113) the Commission has historically construed its obligation under §1002 to mean that it should not approve a project alternative that creates visual impacts if a feasible alternative eliminates these visual impacts.

Finally, and most importantly, the evidentiary record proves that the "benefits" which SCE ascribes to the Alberhill Project can be achieved without eroding or even affecting Aesthetic and Historic Values through implementation of the "Environmentally Superior No Project" alternative (with or without the third transformer element). Therefore, the Alberhill Project cannot be deemed to warrant a CPCN when the Commission properly factors in Historic and Aesthetic Values pursuant to §1002(a)

4. The Alberhill Project Poses Unnecessary Influences on the Environment.

As "proof" that the Alberhill Project comports with provisions of §1002(a) pertaining to "Influences on the Environment", SCE merely declares that this issue is addressed through the CEQA process and analyzed in the FEIR, and on that basis, SCE concludes that the Alberhill Project satisfies §1002(a). This conclusion demonstrates that SCE lacks a fundamental understanding of what §1002(a) is and how §1002(a) is implemented by the Commission because (as discussed above) §1002(a) imposes a responsibility independent of CEQA. More importantly, the evidentiary record proves that the Alberhill Project *does not satisfy* §1002(a) and thus it contradicts SCE's conclusion because the "benefits" which SCE ascribes to the Alberhill Project can be achieved with substantially reduced "influences on the environment" through implementation of the "Environmentally Superior No Project" alternative (with or without the third transformer element). Therefore, the Alberhill Project cannot be deemed to warrant a CPCN when the Commission properly factors in "influences on the environment" pursuant to §1002(a).

B. §1002.3 Precludes Commission-Approval of a CPCN for the Alberhill Project.

SCE's Opening Brief carefully "picks and chooses" the provisions of the Public Utilities Code that are cited to support its argument in favor of Commission-approval of the Alberhill CPCN. For instance, SCE cites §1001 on page 10 and §1002(a) on pages 10 and 22-23 to argue that a CPCN is warranted for the Alberhill Project. However, SCE's Opening Brief completely ignores §1002.3 which requires the Commission to consider cost-effective alternatives to the transmission facilities proposed for Alberhill which meet the need for an efficient, reliable, and affordable supply of electricity. In other words, the Commission cannot approve the Alberhill Project if the evidentiary record demonstrates that a cost-effective, non-transmission alternative is capable of addressing SCE's electrical concerns pertaining to transformer capacity and system ties on the Valley South system. This is precisely the circumstance which exists in the Alberhill Proceeding.

As set forth in Sections 3, 4, and 5 of FRONTLINES Opening Brief (with record citations), the evidentiary record demonstrates that 1) the Valley South transformer capacity and system tie line concerns which SCE seeks to mitigate through construction of the Alberhill Project can be fully addressed by shifting demand and developing "tie lines" in accordance with SCE's adopted Planning Standards; and 2) Both of these actions will be pursued by SCE as part of the "No Project" Alternative. This "No Project" alternative is not a transmission alternative because it only involves facilities that are rated at less than 200 kV, thus it qualifies for consideration pursuant to §1002.3. So, the only other salient issue is whether the "No Project" alternative is "cost effective" when compared to the nearly \$600 million Alberhill Project. As set forth in FRONTLINES testimony, the CAISO has estimated that the cost to shift demand from the Valley South System would be less than \$30 million [Ex. FRONT-1 – Page 4 of the CAISO Memorandum included in FRONTLINES Direct Testimony as Attachment labeled "Exhibit 18"]. And, because Valley South System "tie lines" can be created by using existing vacant 115 kV line positions and existing facilities to connect Valley South and Valley North substations, the cost to develop such tie lines will not be significant, particularly in comparison to the nearly \$600 million Alberhill Project. Given these material facts provided in the evidentiary record, it is clear that FRONTLINES' "No Project" Alternative is a cost-effective alternative to the proposed

Alberhill transmission facilities that fully addresses SCE's electrical concerns on the Valley South System. Thus, it meets the threshold conditions imposed by §1002.3 and precludes Commission-approval of a CPCN for the Alberhill Project.

VIII. THE ALBERHILL PROJECT IS NOT THE ENVIRONMENTALLY SUPERIOR ALTERNATIVE TO ADDRESS SCE TRANSFORMER CAPACITY CONCERNS AND PROVIDE OPERATIONAL FLEXIBILITY IN THE ELECTRICAL NEEDS AREA.

On page 3 of its Opening Brief, SCE affirms that the Alberhill Project creates significant, adverse, and unmitigable environmental impacts. Nonetheless, SCE asks the Commission to find that the Alberhill Project is the environmentally superior feasible alternative for providing increased capacity and operational flexibility to the ENA. Unfortunately, the evidentiary record does not support such a finding and (equally important) CEQA precludes it.

A. Environmentally Superior Alternatives Feasibly Meet all the Legitimate, CEQA-Compliant Alberhill Project Objectives and Provide Reliable Service.

As discussed above, SCE can achieve the legitimate and CEQA-compliant project objectives set forth for the Alberhill Project by simply implementing its own adopted Planning Standard as part of the "No Project" alternative. The "No Project" alternative will create significantly less environmental impacts than the Alberhill project because 1) shifting demand under the "No Project" alternative will involve less than 10 miles of new 115 kV transmission facilities (as described in Section 4.1 of FRONTLINES Opening Brief); and 2) Creating "tie-lines" under the "no project" alternative can be accomplished within the footprint of the existing Valley substation by using vacant 115 kV line positions on the Valley South and Valley North buses [Ex. FRONT-21]. Therefore, and by definition, the "No Project" alternative is "Environmentally Superior" to the Alberhill Project. Moreover, implementation of the "third transformer" element with the "No Project" alternative does not alter the fact that the "No Project" is "Environmentally Superior" because the system upgrades that are required to implement the "third transformer" element are confined to the Valley substation footprint. Thus, record evidence proves that the "No Project"

alternative is "Environmentally Superior" to Alberhill and it achieves all the CEQA-compliant project objectives that are met by the Alberhill Project.

Finally, there is no escaping the fact that the Alberhill Project does not actually fulfill the legitimate, CEQA-compliant Project objectives because (as discussed above), it does not provide reliable service to the Ivyglen substation and it exposes Ivyglen load to substantial risk. Thus, the evidentiary record conclusively proves that feasible project alternatives are available which create far less environmental impacts than Alberhill and provide more reliable service than Alberhill.

B. CEQA does not permit the Commission to approve a Project that creates significant, adverse, and unavoidable impacts if feasible alternatives that achieve the project objectives can be implemented.

CEQA Guidelines Section 15091 precludes the Commission from approving a project which will create significant and unavoidable environmental effects without either 1) adopting alternatives or changes that avoid or substantially lessen the significant environmental effect; or 2) finding that such alternatives are infeasible. In other words, CEQA compels the Commission to consider project alternatives that achieve project objectives and reduce significant adverse environmental impacts, and it does not permit the Commission to reject these alternatives if the evidentiary record shows them to be feasible. There is no question that the "Third Transformer at Valley South" alternative is technically feasible and can easily be implemented as shown clearly by the evidentiary record. Additionally, the "Environmentally Superior No Project" Alternative is also shown by the evidentiary record to fully address Valley South reliability, system "tie-line", and transformer overload concerns without the impacts of constructing a new 500-kV substation and 20+ miles of new transmission and subtransmission lines. It is also "feasible" in every sense of this term as it is contemplated by CEQA because it embodies key elements of SCE's adopted Planning Standards. Therefore, CEQA directs approval of either or both of these alternatives, and it precludes approving Alberhill.

IX. SCE'S ARGUMENT THAT COMMISSION-APPROVAL OF ALBERHILL "MUST BE UPHeld" IS FALLACIOUS AND IGNORES THE LAW.

After setting forth various elements of its own testimony in support of the Alberhill Project and then speculating on the ways in which intervenors may "challenge" this testimony, SCE's Opening Brief declares (on page 17) that

" An agency's conclusion or methodology must be upheld if any substantial evidence in the record supports it, even if there is a difference of opinion among experts on the issue. (Nat'l Parks & Conservation Assn. v. County of Riverside (1999) 71 Cal.App.4th 1341, 1364-65.) Where evidence on a matter is conflicting, a lead agency is entitled to choose between differing expert opinions so long as it has been presented with information on both sides. (Browning-Ferris Indus. v. City of Los Angeles (1984) 153 Cal.App.3d 391, 412-413.)."

The latter citation appears to be in error; "153 Cal.App.3d 391" refers to *Greenebaum v. City of Los Angeles* (1984) and the case "*Browning-Ferris Indus. v. City Council of the City of San Jose* (1986) is properly cited as 181 Cal.App.3d 852. In the following discussion, FRONTLINES assumes that SCE intended to cite *Browning-Ferris Indus. v. City Council of the City of San Jose* which affirms that "An administrative agency may choose between differing expert opinions".

With these case-law citations, SCE appears to offer assurances that Commission-approval of the Alberhill Project will withstand legal challenge simply because SCE has placed supporting testimony into the record. However, such "assurances" are fallacious; Commission-approval of the Alberhill Project and Commission-certification of the FEIR will not withstand legal challenge merely because SCE has placed some evidence in the record, and the cases that SCE cites will not preserve such actions if they are undertaken by the Commission.

A. The CEQA Cases Cited in SCE's Opening Brief are Limited in Scope and Merely Challenge Lead Agency Factual Conclusions.

The cases cited in SCE's Opening Brief (*Nat'l Parks* and *Browning-Ferris*) pertain to CEQA challenges that address the adequacy of a Lead Agency's factual determinations regarding significant impacts and the efficacy of mitigation measures applied. These cases upheld Lead Agency conclusions because they were deemed to be reasonably drawn based on

substantial evidence. The salient issue in these cases is that a Lead Agency has the option of choosing between differing expert opinions regarding impacts and mitigation measures. Specifically, if an expert "opines" that a project impact will be mitigated to a level that is "less than significant", the Lead Agency can defer to that opinion as constituting "substantial evidence" and accord little weight to substantial evidence provided by other experts which contradict this opinion. As reiterated in *Nat'l Parks*, the courts will not "weigh conflicting evidence and determine who has the better argument when the dispute is whether adverse effects have been mitigated or could be better mitigated".

The CEQA cases cited in SCE's Opening Brief will perhaps afford some protection from legal challenges that are brought pursuant to certain FEIR's conclusions (if such conclusions are in fact supported by substantial evidence) however they do not insulate the Commission from CEQA challenges that stem from other deficiencies noted in the FEIR, including those set forth in Section 14 of FRONTLINES Opening Brief. For instance:

- The FEIR is fatally deficient because the Alberhill Project Objectives violate CEQA Guidelines 15124 in that they do not properly represent the transformer capacity concerns which underlie the Alberhill Project Purpose. To the contrary, the FEIR Project Objectives *explicitly mandate* the development of a new 500 kV substation as the only means that is considered to address Valley South System transformer capacity and "tie-line" concerns. The FEIR fails to prove that construction of a new 500 kV substation is the *only* way to address the Valley South transformer overload concerns that underlie the Project Purpose. Thus, the FEIR Project Objectives are unduly narrow and inappropriately constrained. The FEIR also fails to recognize that SCE can develop Valley South System "tie-lines" at any time, that it would pursue a different project scope if the purpose were to develop system "tie-lines" [TR 160 at 17-23], and that "tie-line" development is a collateral activity that SCE will implement pursuant to its adopted Planning Standard. Instead, the FEIR improperly includes "tie-line" development as a project objective. The FEIR uses these improperly drafted Project Objectives to wrongly eliminate non-substation alternatives that successfully mitigate all of SCE's transformer overload concerns (as discussed in Section 4 of FRONTLINES Opening Brief). The FEIR Project Objectives are fatally deficient and will not withstand

legal challenge. (*North Coast Rivers Alliance v. Kawamura* (2016) 243 Cal.App.4th 647, *Preservation Action Council v. City of San Jose* (2006) 141 Cal App 4th 1336, 1351-2; *Uphold Our Heritage v. Town of Woodside* (2007) 147 Cal. App. 4th 587, 595 fn. 4; and *Save Round Valley Alliance v. County of Inyo* (2007) 157 Cal. App. 4th 1437, 1460.)

- As discussed in Section 14 of FRONTLINES Opening Brief (with citations), the FEIR'S rejection of non-substation alternatives to the Alberhill Project are unsubstantiated and lack technical basis. For instance, the FEIR states that upgrading the Valley Substation by adding a third transformer "will not relieve projected electrical demand" [FEIR Appendix D at 35]. Nothing in the evidentiary record supports this conclusion, and in fact SCE has provided substantial evidence that it can (and does) deploy a third transformer if it appears electrical demand may exceed the existing transformer capacity [Ex. SCE-3]. Notably, the Draft EIR properly stated that upgrading the Valley Substation by adding a third transformer "will relieve projected electrical demand"; this was revised in the FEIR *without basis or evidentiary support*. This FEIR conclusion is not supported by substantial evidence and will not withstand legal challenge.
- The FEIR fails to impose conditions to ensure consistency with the impact assessment assumptions or impose mitigation measures on project activities that are identified as warranting consideration of additional CEQA review. For instance, the FEIR's conclusions regarding project impacts associated with helicopter deployment are predicated on specific helicopter use profile/schedule assumptions. However, the FEIR does not impose conditions that limit helicopter deployment in a manner that is consistent with these assumptions; in fact, the FEIR authorizes an entirely different helicopter use profile/ schedule that is unbounded and based on the personal preference of SCE's contractor [FEIR 2-65 at 27; 4.11-43 at 6]. There is no substantial evidence that actual helicopter impacts created by the Project are properly quantified by the FEIR. Thus, there is no substantial evidence to support the FEIR's conclusions regarding helicopter impacts, and such conclusions will not withstand legal challenge.

- The FEIR states that the only action that SCE will take if the Alberhill Project is not approved is to activate the spare transformer during peak demand events by opening the circuit breaker between the "C-Section" and "D-Section" [FEIR 3-13]. This analysis of the "No Project" alternative is fatally deficient because ignores all the actions that SCE will implement pursuant to its own adopted Planning Standards in the absence of the Alberhill Project. As discussed in more detail below, CEQA mandates that the "No Project" Alternative discuss "what would be reasonably expected to occur in the foreseeable future if the project were not approved, based on current plans and consistent with available infrastructure" [CEQA Guidelines 15126.6(e)(2)] including actions that SCE would undertake pursuant to its own adopted planning standards. The FEIR's analysis of the "No Project" alternative does not "follow the law", thus it is fatally deficient and will not withstand legal challenge.
- The FEIR concludes that the "No Project" alternative may result in "overloads on the two 560-megavolt-ampere transformers that serve the Valley South 115-kV System as soon as summer 2019" [FEIR5-45]. This conclusion is based on the FEIR's deficient description of the "No Project" Alternative to Alberhill. When properly conceived, the "No Project" alternative fully address all the transformer capacity and system "tie-line" concerns that underlie the Alberhill Project Purpose (as discussed in detail in Section 5 of FRONTLINES Opening Brief). The FEIR conclusion that the "No Project" results in transformer overloads is not supported by substantial evidence and will not withstand legal challenge.
- The FEIR's air quality analysis calculates pollutant emissions generated by the Alberhill Project separately from the Valley-Ivyglen Project, and it assumes that emissions from these projects will not occur contemporaneously. Based on this assumption, the FEIR concludes that, for most pollutants, air quality impacts are "less than significant". However, the FEIR states categorically that the Alberhill Project relies on construction of the Valley Ivyglen Project, and if the Alberhill Project is approved, construction on the two projects will occur simultaneously. Therefore, if the Alberhill Project is approved, air emissions generated by the Valley-Ivyglen Project and the Alberhill

Project will occur contemporaneously, and the contemporaneous air emissions that will occur if Alberhill is approved will be substantially higher than what the FEIR concludes. Correspondingly, the FEIR's conclusions regarding air quality impacts resulting from construction of the Alberhill Project are not supported by substantial evidence and will not withstand legal challenge.

- The FEIR concludes that dust dispersion from helicopter operations is less than significant because helicopter landing and takeoff activities will occur in paved areas. [FEIR 4.3-23]. This conclusion is not supported by any evidence, and is refuted FEIR Figure 2.2 which shows that the staging areas and construction sites where helicopters will takeoff, land and hover are *not* paved. There is also no substantial evidence supporting the FEIR's conclusion that implementing mitigation measures (such as "watering" or other dust suppression measures) will reduce fugitive dust emissions, *because the FEIR does not require such mitigation measures*⁹. Furthermore (and as FRONTLINES' Opening Brief clarifies on Page 69), the FEIR's conclusion that dispersed particulate emissions will not result from helicopter operations is contradicted by other environmental studies prepared and certified by the Commission. The FEIR's conclusions regarding fugitive dust emissions generated from helicopter operations is not supported by substantial evidence and it will not withstand legal challenge.
- The FEIR establishes that SCE proposes to deploy helicopters on the Valley-Ivyglen Project for materials delivery, wire stringing and hardware installation [FEIR 2-64] which will result in significant, unmitigable noise impacts. As FRONTLINES' Opening Brief demonstrates (with citations), SCE's proposes to use helicopters as a convenience; they are not required for site access because all of the Valley-Ivyglen construction sites are accessible by ground equipment (FRONTLINES Opening Brief page 57). Correspondingly, the FEIR did not follow the law when it failed to consider a reasonable alternative to the Valley-Ivyglen Project that completely avoids significant helicopter

⁹ The Draft EIR *did* require dust suppression and other dust mitigation measures, but these requirements were stripped out and omitted from the FEIR. As such, the only mitigation measure that is imposed is a requirement that the applicant prepare a "Dust Control Plan".

noise impacts by simply not authorizing helicopter deployment (particularly since the FEIR did consider an alternative to the Alberhill Project which precludes helicopter deployment). This is a fatal deficiency that will not withstand legal challenge.

- The FEIR contains mathematical errors that materially misrepresents helicopter noise impacts and provide an inaccurate assessment of noise impacts to decisionmakers. The FEIR's noise impact assessment is not supported by substantial evidence and it will not withstand legal challenge.
- The FEIR fails to address Valley Fever concerns, and the technical publication that the FEIR cites to support a conclusion that "There is a low probability of the Valley Fever spores" in the project areas [FEIR page 4.3-6] actually contradicts this conclusion. The record evidence demonstrates that Valley Fever is a particular concern in the project disturbance areas. There is no substantial evidence to support the FEIR's conclusion that Valley Fever impacts are "less than significant", and this conclusion will not withstand legal challenge.

B. The Commission's Compliance Obligations Extend Far Beyond CEQA, and the Case Law cited by SCE's Opening Brief Does Not Insulate the Commission from Applying the "Preponderance of the Evidence" Standard in CPCN Proceedings.

The CEQA cases cited by SCE clarify that, when preparing an EIR, a Lead Agency has the option of "choosing" between expert opinions, and need only ensure that CEQA conclusions are supported by "substantial evidence". However, the Commission carries statutory obligations that extend far beyond CEQA, and which must be met before a CPCN can be issued for the Alberhill Project. For instance, the Commission will have to certify that the present or future public convenience and necessity *require* or *will require* construction of the Alberhill Project pursuant to §1001 (emphasis added), and the Commission will also have to find that the Alberhill Project is *necessary* to promote the safety, health, comfort, and convenience of the public pursuant to GO 131-D (with emphasis added). The Standard of Review that the Commission applies in CPCN Proceedings is "Preponderance of the Evidence"[D.08-12-058 at 17-19, D.09-07-024 at 3, D.09-12-044 at 7, D. 10-12-052 at 12

D.14-07-029 at 7] and as a general matter, the Commission imposes the "Preponderance of the Evidence" standard as one which requires a party to have more weighty evidence on its side than there is on the other side [D.09-07-024]. The Commission's obligations that are imposed by the Public Utilities Code and implemented through application of the "preponderance of the evidence" standard are not washed away by any of the case law cited by SCE's Opening Brief. And, despite what SCE claims on page 17 of its Opening Brief, these obligations are not met simply because SCE has placed some testimony in the evidentiary record. To the contrary, Commission approval of the Alberhill CPCN *will not be upheld* simply because SCE's testimony supports it.

Notably, the conditions imposed by §1001 and GO 131-D do not merely require the Commission to find that a proposed project is capable of providing a public convenience and necessity; to the contrary, the Commission must find that the project is *necessary* and *required* for such purposes. Correspondingly, to support a finding that the Alberhill Project is *necessary* pursuant to GO 131-D and *required* pursuant to §1001, the Commission must determine by a preponderance of the evidence that *only the Alberhill Project* is capable of addressing the transformer capacity and system "tie-line" concerns that underlie the Project Purpose. If there is substantial evidence in the record that the transformer capacity and system "tie-line" concerns can be eliminated by less costly and less environmentally damaging means, then it is axiomatic that Alberhill is neither *required* nor *necessary* to achieve the Project Purpose. With this understanding, and considering the Alberhill evidentiary record through the lens of the "preponderance of the evidence" standard, it is clear that Alberhill does not warrant a CPCN because it does not meet the threshold requirements of §1001 and GO 131-D; to wit:

1. No Record Evidence Demonstrates Alberhill Is Necessary and Required.

SCE has provided extensive testimony that the Alberhill project provides a means of eliminating the transformer overload and system "tie-line" concerns which underlie the Project Purpose, and no party in the Alberhill Proceeding has argued that Alberhill is incapable of mitigating these concerns (though FRONTLINES has proven that the Alberhill project configuration is not reliable as set forth above). Thus, the record demonstrates that Alberhill can achieve the Project Purpose and thereby provide a "public convenience and

necessity". However, none of the record evidence demonstrates (or even suggests) that the Alberhill Project is the only means of achieving the Project Purpose, and in fact the evidentiary record shows that the Project Purpose can be achieved by other less costly and less environmentally damaging means. Thus, while record evidence demonstrates that the Alberhill Project is capable of providing a "public convenience and necessity", there is no record evidence showing that Alberhill is *required* and *necessary* to provide this "public convenience and necessity"

2. Record Evidence Demonstrates that the Alberhill Project Purpose can be Achieved Without the Alberhill Project:

As discussed above and shown in Sections 3, 4, 5, 6, and 7 of FRONTLINES Opening Brief, the evidentiary record demonstrates that less costly and less environmentally damaging means are available to eliminate the transformer overload and system "tie-line" concerns which underlie the Alberhill Project Purpose. These include 1) Implementing "demand shifting" to eliminate transformer overload concerns; 2) Using existing vacant line positions on existing Valley North and Valley South substations to create system "tie-lines"; and 3) Adding a third transformer at the Valley South substation. The first two actions will be implemented by SCE pursuant to its own adopted Planning Standard, and are therefore included as part of the "No Project" Alternative. The evidentiary record demonstrates that these activities will address all the transformer overload and system "tie-line" concerns which underlie the Alberhill Project Purpose.

3. Under the "Preponderance of the Evidence Standard", the Commission cannot find that Alberhill is necessary pursuant to GO 131-D and required pursuant to §1001:

Under the "Preponderance of the Evidence" standard, the Commission's practice is to "weigh" the evidence and adopt a finding that reflects the "side" upon which the more weightier evidence falls. Regarding whether the Alberhill Project is *necessary* pursuant to GO 131-D and *required* pursuant to §1001 to achieve the Project Purpose and thereby provide a "public convenience and necessity", the Commission will "weigh" that:

1. There is record evidence showing that the Alberhill Project is capable of achieving the Alberhill Project Purpose.
2. There is record evidence showing that less costly and less environmentally damaging alternatives to the Alberhill Project are capable of achieving the Alberhill Project Purpose;
3. There is no record evidence showing that these alternatives cannot meet the Alberhill Project Purpose.
4. There is no record evidence showing that the Alberhill Project is the only alternative capable of achieving the Alberhill Project Purpose.

On balance, it is clear that the more "weightier" evidence shows that the Alberhill Project Purpose can be achieved via less costly and less environmentally damaging means, thus the evidentiary record only supports a finding that the Alberhill Project is neither *necessary* pursuant to GO 131-D nor *required* pursuant to §1001.

X. SCE'S RELIANCE ON AN "ASSESSMENT" BY AN "INDEPENDENT ELECTRICAL SYSTEM CONSULTANT" IS ENTIRELY MISPLACED AND SCE'S CLAIMS REGARDING THIS "ASSESSMENT" ARE PATENTLY FALSE.

To prop up a weak, insubstantial, and sagging argument that its forecast does not overestimate peak demand, SCE's Opening Brief points to an "Assessment" performed by the Commission's "Independent Electrical System Consultant" that is described in Appendix K of the FEIR [SCE Opening Brief - pages 16 and 17]. According to SCE, this "Independent Consultant" "reviewed SCE's forecast projections" and "agreed with SCE's concerns regarding projected electrical demand exceeding the capacity of the existing transformers". SCE also claims that this "Independent Consultant" also provided "substantial evidence" that only the Alberhill Project can "provide the ability to create [Valley South] system-ties" [Page 20 of SCE's Opening Brief]. However, SCE's reliance on this "Independent Consultant" to validate SCE's inflated and unreliable forecast and to legitimize the Alberhill Project as the sole means of creating Valley South System "tie-lines" is entirely misplaced because the "Independent Consultant" did not even analyze SCE's forecast, nor did the "Independent Consultant" consider whether the Alberhill Project is the only means of providing Valley South System "tie-lines".

A. The "Assessment" Conducted by the "Independent Consultant" Did not Validate or even Evaluate SCE's Peak Demand Forecast; it Simply Input SCE's Forecast into an Industry Model.

The "Assessment" conducted by the "Independent Consultant" merely confirmed that transformer overloads would occur if SCE's forecast comes to pass. The "Assessment" did not validate or even analyze SCE's forecast. It did not consider the reasonableness of the substantial "adjustments" that SCE applies to calculate its "Recorded Peak Demand" values which provide the "starting point" for SCE's forecast. It did not consider the appropriateness of SCE's assumptions regarding distributed generation and energy efficiency resource additions. It certainly did not in any way test the veracity of SCE's forecast. In fact, the "Assessment" conducted by the "Independent Consultant" consisted merely of taking SCE's forecast and inputting it into a power flow model to confirm that it creates the overloads that SCE claims. These facts are clear from the FEIR description of the "Assessment" performed by the "independent Consultant" which was limited to merely:

"inputting it into industry standard software Positive Sequence Load Flow (PSLF) to model the power flows under normal and abnormal conditions. These values were documented and compared to the maximum operating limits of existing equipment to determine if the flows would exceed the equipment's rating." [FEIR Appendix K page 6]

The "Assessment" conducted by the "Independent Electrical System Consultant" did not "assess" SCE's Peak Demand forecast; to the contrary, it simply "assessed" the overloads that will occur if SCE's forecast actually comes to pass. The "Assessment" conducted by the "Independent Consultant" does not establish the veracity of SCE's forecast, *and it certainly does not* refute any of the substantial, material evidence that FRONTLINES has placed in the record which proves SCE's forecast is so artificially inflated and heavily biased that it provides an insufficient basis for the Commission to approve the Alberhill Project.

B. The Commission's "Independent Consultant" Never States (or Even Suggests) that the Alberhill Project Provides the Only Means of Establishing "Tie Lines".

On page 20 of its Opening Brief, SCE declares that both SCE and the Commission's "Independent Consultant" provided "substantial evidence" to "demonstrate" that only the

Alberhill Project is capable of creating Valley South system "tie-lines". SCE does not provide a single citation to the evidentiary record to support this claim, and nothing in SCE's testimony or in Appendix K of the FEIR supports this statement either. In fact, this statement is an *utter mendacity*. More importantly, there is not a shred of evidence anywhere in the record to support SCE's claim that the Alberhill Project is the only means of creating Valley South System "tie-lines". Conversely, there is abundant evidence in the record that SCE can easily create Valley South System "tie-lines" beginning today, and that the Alberhill Project is certainly not "needed" for this purpose. Material facts supporting these conclusions and refuting SCE's mendacious "declaration" are set forth above and in Section 3.1 of FRONTLINES Opening Brief, and they conclusively prove that *SCE could have already created "tie-lines"* in accordance with its own Planning Standards in the 14 years that have passed since the Valley South and Valley North Systems were "split".

XI. SCE'S CLAIM THAT THE CREATION OF SYSTEM "TIE-LINES" IS A "VITAL OBJECTIVE" OF THE ALBERHILL PROJECT IS NOT SUPPORTED BY THE EVIDENTIARY RECORD

On page 20 of its Opening Brief, SCE claims that the ability to create system tie-lines is a "vital objective" of the Alberhill Project, and to support this claim, SCE points to the FEIR's rejection of various alternatives because (according to the FEIR) these alternatives do not provide system "tie-lines". However, the evidentiary record unequivocally refutes this claim.

First, the evidentiary hearings revealed that, if the actual objective of the Project were to develop system "tie-lines", then SCE would not even pursue the Alberhill Project, and instead would pursue a project with "a scope that's different by creating new 115 kV system ties to somewhere" [TR 160 at 17-23]. Thus, developing system "tie-lines" is not a vital objective of the Alberhill Project, rather it is merely a corollary benefit that the Alberhill Project provides.

Second, the fact that the FEIR rejected Alternative E (addition of a third transformer at Valley South) and Alternative F (demand shifting) because they do not provide system "tie-lines" does not prove such "tie-lines" are a vital objective of the Alberhill Project. To the contrary, it merely proves that the FEIR failed to recognize that SCE could have (and should have) provided Valley South System "tie-lines" years ago in accordance with its own adopted Planning Standards.

What it also proves is that the FEIR is fatally deficient because it wrongly rejects alternatives to

the Alberhill project simply because they do not provide a "benefit" that is not vital to, and can be attained without, the Alberhill Project. The FEIR's invalid rejection of Alternatives E and F also underscores the fact that the FEIR's description of the "No Project" alternative is fatally deficient because it fails to identify the actions (such as developing Valley South System "tie-lines") that SCE will pursue under its own adopted Planning Standard if Alberhill is not approved.

XII. SCE'S ASSESSMENT OF THE ADEQUACY OF THE FEIR IS DEFICIENT AND INCLUDES STATEMENTS THAT ARE NOT SUPPORTED BY THE RECORD AND ARE IN FACT PATENTLY FALSE.

On page 3 of its Opening Brief, SCE declares that the FEIR meets the requirements imposed by CEQA, and on page 20, SCE declares that the Commission adopted a "conservative approach" to analyzing potential impacts, and claims that the 75 dBA noise threshold adopted by the FEIR is much more conservative than the 90 dBA threshold that (SCE claims) is used by the "Federal Transportation Authority" as the noise level at which "adverse community reaction could occur". On page 21, SCE claims that the FEIR "analyzes a reasonable range of alternatives" and "provides a good-faith discussion" of why alternatives were rejected. On page 23, SCE states that the Commission "also modified some of the DEIR text after receiving comments on a number of issues" and that the "No Project" alternative and the Proposed Alberhill Project were designated by the FEIR as the "Environmentally Superior" Alternatives. As set forth below, the FEIR assessment set forth in SCE's Opening Brief is superficial, deficient, and even includes patently false assertions that are in fact "made up" entirely out of whole cloth.

A. The FEIR does not adopt a "conservative approach" and the "example" of the FEIR's conservatism that is provided by SCE is entirely fraudulent.

Contrary to what SCE claims on page 20 of its Opening Brief, the FEIR does not adopt a "conservative approach" to assessing project impacts, and the 90 dBA noise threshold "example" that SCE claims is employed by the "Federal Transportation Authority" is fraudulent; to wit:

- *There is no such thing as a "Federal Transportation Authority".* There is a "Surface Transportation Board" that was created in 1996 in place of the "Interstate Commerce Commission" and as of 2015 operates as an independent federal agency, however it does not address noise impact threshold issues. There is a "Federal Transit Administration" that is identified in the FEIR as the "FTA" and there is also a "Federal Railway Administration". There is even a "California Transportation Financing Authority", but it does not concern itself with noise impacts. Insofar as FRONTLINES can determine, there is not now, and there has never been, a "Federal Transportation Authority".
- None of the agencies identified above have established a 90 dBA noise threshold as the appropriate criteria for a detailed noise impact assessment (such as that required by CEQA). In 2006, the FTA developed a "Transit Noise And Vibration Impact Assessment" guidelines document that is cited by the FEIR, but it recommends relying on local ordinances for construction noise impact thresholds [page 12-7]; if none are available, it recommends that detailed noise impact assessments consider a residential area "day-night" (or Ldn) threshold of 75 dBA and an Leq threshold of 80 dBA for daytime and 70 dBA for nighttime. In some circumstances, the Federal Railway Administration relies on the FTA's guidelines, but it has adopted its own "Noise and Vibration Impact Assessment" Guidelines that establish "moderate" noise impacts occur when the Leq is less than 70 dBA and "severe" noise impacts occur when the Leq is less than 80 dBA [page 3-3].
- Contrary to what SCE claims, there is nothing "conservative" about a 75 dBA 1-hour Leq noise impact threshold. In fact, a 1-hour Leq of 75 dBA means that a receptor would have to *continually experience* a noise level equivalent to a saw operated 50 feet away for more than an hour to be deemed "significant" [as set forth in FEIR Table 4.11-10]; any noise level that is even slightly less can occur continually for hours on end because the FEIR deems it "insignificant". A 75 dBA Leq is far less conservative than the construction noise standards set by the City of Lake Elsinore (which only permits an *intermittent peak noise level* of 75 dBA in residential areas as set forth in FEIR Table 4.11-6), and the exterior noise standards set by the City Menifee (which establishes a 10-minute Leq daytime threshold of 65 dBA as set forth in FEIR Table 4.11-8), and the City of Orange (which establishes a 1-hour Leq daytime threshold of 55 dBA as set forth in FEIR Table 4.11-9). There is also nothing "conservative" about the way the FEIR relies on guidelines published by *urban transit agency* to develop noise "significance" thresholds for the rural and suburban areas affected by the project. There are far more appropriate noise standards that the FEIR should have adopted; for example, the U.S. Department of Housing and Urban Development ("HUD") has defined a 65 dB Ldn for what constitutes a "normally unacceptable living environment".

There are other deficiencies noted in the FEIR which demonstrate that the impact assessment contained therein is anything but "conservative" (as discussed in detail in section 14 of FRONTLINES Opening Brief). For instance, the FEIR fails to consider that air pollutant emissions from the Valley-Ivyglen Project and the Alberhill Project will occur contemporaneously due to overlapping construction schedules in the event that the Alberhill project is approved. Also, the FEIR's impact assessment of SCE's proposed helicopter use on the Valley-Ivyglen and Alberhill Projects assumes a very limited use profile, but the FEIR fails to impose conditions to ensure that SCE's actual helicopter use comports with these assumptions. Also, the FEIR assumes there will be negligible dust impacts created by helicopter takeoffs and landings even though such activities will occur in unpaved areas; this is inconsistent with prior Commission findings that helicopter takeoff and landings in unpaved areas create significant levels of fugitive dust. Also, the FEIR factually misrepresents published data to support an erroneous conclusion that "Valley Fever" concerns are negligible throughout the project areas.

B. The FEIR Fails to Analyze a Reasonable Range of Alternatives

On page 21 of its Opening Brief, SCE claims that the FEIR "analyzes a reasonable range of alternatives" and "provides a good-faith discussion" of why alternatives were rejected. SCE also states that nine alternatives to the Valley Ivyglen Project were considered in the FEIR and that five alternatives to the Alberhill Project were considered in the FEIR. Both of these statements are incorrect: The FEIR only considered 4 alternatives plus the "No Project" Alternative for the Valley Ivyglen Project (see page 3-3) and the FEIR only considered 2 alternatives plus the "No Project" Alternative for the Alberhill Project (see page 3-10). Analyzing just two alternatives *does not* meet CEQA's mandate to consider a "reasonable range" of Alberhill Project alternatives, especially when one considers that "system alternatives" (aka non-substation alternatives) were not properly evaluated by the FEIR.

Page 21 of SCE's Opening Brief also claims that pages 3-4 and 3-5 of the FEIR address the "broad range" of alternatives considered in the FEIR including Valley-Ivyglen route alternatives and undergrounding and Alberhill alternatives pertaining to substation sites

and types and even non-substation alternatives. However, this is not what is actually reflected on pages 3-4 and 3-5 of the FEIR, and in fact the term "non-substation" does not even appear in Section 3 of the FEIR.

More importantly, and as discussed above, the Alberhill Project Objectives established by the FEIR are so narrowly defined that they fail to properly represent the underlying project purpose and resulted in the improper elimination of non-substation alternatives in the initial "Screening Assessment". The FEIR also fails to recognize that SCE can develop Valley South System "tie-lines" at any time, and could have done so already in accordance with its own adopted Planning Standards. Instead of properly recognizing that the development of "tie-lines" is a collateral activity that SCE will implement under the "No Project" Alternative, the FEIR improperly includes it as a project objective. Thus, any alternative that does not provide system "tie-lines" was eliminated in the initial "Screening Assessment" and not properly analyzed in the FEIR.

As a result of the improperly narrow and entirely unjustified Project Objectives, the FEIR failed to analyze a reasonable range of alternatives, and it wrongly omitted from consideration feasible non-substation alternatives that eliminate all of SCE's transformer overload concerns. In addition, though the FEIR properly analyzed a "no helicopter" alternative for the Alberhill Project, it failed to analyze a "no helicopter" alternative for the Valley Ivyglen Project *even though* the FEIR affirms helicopter use in the Valley-Ivyglen Project will create significant and unavoidable impacts *and even though* the FEIR recognizes that SCE does not require helicopters to construct Valley-Ivyglen because all tower structures will be installed with ground-based equipment [FEIR Appendix B] and are therefore entirely accessible via ground equipment.

By failing to consider a reasonable range of alternatives to eliminate the significant, adverse, and unavoidable impacts of the Alberhill and Valley Ivyglen Projects, the FEIR violates the CEQA mandate set forth by Guidelines Section 15126.6. to "describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project".

C. Some of the DEIR Modifications Embodied in the FEIR are not Supported by the Substantial Evidence.

On page 23 of its Opening Brief, SCE states that the Commission "also modified some of the DEIR text after receiving comments on a number of issues" and cites CEQA Guidelines Section 15201 and *Ocean View Estates Homeowners Assn., Inc. v. Montecito Water Dist.* (2004 116 Cal. App. 4th 396, 400). FRONTLINES does not dispute these facts, however FRONTLINES points out that some of the changes to the DEIR made by the FEIR are erroneous because they are not supported by substantial evidence and will not withstand legal challenge.

For instance, the FEIR includes the following material revision to page 35 of Appendix D: "Alternative E would not meet ~~most~~ of the Alberhill Project objectives (Section 1.5.1). This alternative would not relieve projected electrical demand ~~but~~ and would not include a new 500/115-kV substation within the ENA or maintain system ties between a new 115-kV system and the Valley South 115-kV System." Alternative "E" addresses the addition of a third transformer at the Valley Substation and it provides Valley South with three operating 560 MVA transformers in addition to the existing "spare". Under this alternative, Valley South will be configured identically to the proposed Alberhill substation at "full build-out" [FEIR 2-12 at 4; TR 130 at 1-8]. Thus, it will accommodate a "peak demand" that is substantially higher than the 1169 MVA peak demand that SCE now forecasts for the Valley South System in 2026 [Ex. FRONT-3]. All of these material facts are set forth in the evidentiary record, and there is no record evidence to support the FEIR's modification to the Draft EIR that Alternative E -adding a third transformer at Valley South- will "not relieve electrical demand".

D. The FEIR does not conclude that the Alberhill Project is the "environmentally superior" alternative.

On page 21 of its Opening Brief, SCE states that "the FEIR concludes that completion of the Project would be the environmentally superior alternative" and cites FEIR page 5-45. However, inspection of the FEIR reveals that it does not actually state the things that SCE claims. On page 5-45, the FEIR states that the "No Project" Alternative is the

"environmentally superior" alternative and on Page 5-46, it states that Alternative "B" is similar to the Alberhill Project. Thus, and contrary to what SCE claims, Alberhill creates similar impacts as Alternative B, and is not "environmentally superior".

XIII. THE NEARLY \$600 MILLION COST FOR THE ALBERHILL PROJECT IS NEITHER REASONABLE NOR PRUDENT

On page 25 of its Opening Brief, SCE asserts that the maximum prudent cost to construct the Alberhill Project is \$426 million, and that "the evidence demonstrates that SCE's cost estimate for the ASP is prudent and reasonable and that it is in the public's convenience and necessity" to build the Alberhill Project at this cost level. While SCE's Opening Brief admits (on page 26) that this \$464 million cost estimate "does not include additional costs that may be required due to unanticipated delays or inflation, final design and engineering, adopted mitigation requirements, and/or adjustments in unit cost assumptions for material and/or labor", it fails to disclose that this \$464 million estimate *omits \$111 million of additional costs* for "corporate overhead" and "cost of financing" [TR 336 at 24 to 337 at 7]. These items bring the *actual* Alberhill Project cost up to \$574.6 million. Witness Tomaske confirmed that this \$111 million in "corporate overhead" and "financing" costs will go up if direct costs go up [TR338 at 28 to 339 at 18], but SCE does not include a contingency value on these "financing" and "corporate overhead" costs, and he was "not really sure how to answer" why this is SCE's practice [TR 338 17-22] other than to point out that such matters are addressed in a "separate proceeding" [TR 339 at 5-25]. In any event, it is an undisputed fact that the actual Alberhill Project cost will be at least \$111 million more than the \$426 million cost that SCE cites in its Opening Brief. And, since "corporate overhead" and "financing" costs will increase beyond \$111 million if direct costs go up, it is "reasonable and prudent" to apply a 15% contingency factor to these cost elements, which adds another \$16.7 million to the total Alberhill Project cost. Thus, and contrary to what is asserted in SCE's Opening Brief, the actual "price tag" for the Alberhill project is \$591 million, or nearly \$600 million.

FRONTLINES notes other problems with SCE's Opening Brief. For instance, it states (on page 26) that "SCE appropriately applies a 15 percent contingency factor to its estimated maximum cost of construction" that is based on "information from Association for the

Advancement of Cost Engineering ("ACE") International Recommended Practices" and other sources (though the evidentiary hearings revealed that the ACE document more properly recommends a 5 percent contingency factor rather than a 15 percent contingency factor¹⁰). Yet, according to the evidentiary hearings, the 15 percent contingency factor is applied to only some of the Alberhill construction costs. Specifically, SCE testifies that the contingency amount is \$49.4 million [Ex. SCE-1; Table IV-1] and is derived by applying 15 percent to \$414.2 million in direct costs less the \$37 million already expended and less the \$42 million in "known risk" costs [TR 343 at 28 to 344 at 3]. Witness Tomaske confirmed (but could not explain why) SCE does not apply a contingency factor to "known risk" values that are imbedded in the direct cost estimate [TR 342 13-18].

For all of these reasons, FRONTLINES asserts that the evidentiary record categorically contradicts SCE's contention that the Alberhill project will only cost \$464 million; this is a "lowball" estimate which obscures at least \$111 million of additional Alberhill Project costs within "other" proceedings. The evidentiary record demonstrates that the *actual* Alberhill Project cost that will be borne by ratepayers is *at least* \$591 million. Particular emphasis must be placed on the "at least" portion of this sentence, because the evidentiary record proves that SCE's cost parameters are merely "lower bound" values since SCE freely admits it "will likely need to make adjustments based on changes in cost estimates upon completion of final engineering" [Ex. SCE-2; 41 at 5], and SCE's Opening Brief sets the stage for future increases by arguing (on page 27) that SCE is permitted to seek additional cost recovery due to "upward pressure" on project costs.

There is nothing *reasonable* or *prudent* about imposing an undue burden on ratepayers by approving a nearly \$600 million project which the evidentiary record proves is neither *necessary* pursuant to GO 131-D nor *required* pursuant to §1001. There is also nothing *reasonable* or *prudent* about forcing ratepayers to pay \$600 million for a project to address transformer overload concerns which the evidentiary record proves can be eliminated by

¹⁰ During examination by ALJ Yacknin, Witness Tomaske affirmed that the 15% was derived by taking the "midpoint" between +20% and -10% [TR 354 at 16-21]. However, mathematically speaking the "midpoint" between -10 and +20 is actually 5, so according to the ACE reference that SCE used for its cost estimate, only a 5% contingency is warranted.

either shifting demand or adding a third transformer (as discussed in Section 4 of FRONTLINES Opening Brief) and which CAISO has shown will cost less than \$50 million [Ex. FRONT-1; page 4 of attachment labeled "Exhibit 18].

XIV. ARGUMENTS PROFERRED BY THE NEVADA HYDRO COMPANY IN SUPPORT OF THE ALBERHILL PROJECT CANNOT BE ACCORDED ANY WEIGHT.

In the Opening Brief served by The Nevada Hydro Company ("TNHC"), it is argued that a "Large Generator Interconnection Agreement" between TNHC and SCE constitutes an "overriding consideration" that should be taken into account in the Commission's determination regarding whether SCE's Alberhill CPCN application should be approved. TNHC also argues that because of claimed "grid reliability" and "RPS" benefits ostensibly provided by the "Lake Elsinore Advanced Pumped Storage" ("LEAPS") Project, the Commission should find that the proposed Alberhill substation location serves a "public convenience and necessity". TNHC also claims that LEAPS must have a connection to the SCE transmission system to "facilitate delivery" of LEAPS benefits, and that if Alberhill is not approved, TNHC will build a substation anyway "at an additional cost". As set forth below, these and other statements made in TNHC's Opening Brier are not supported anywhere in the evidentiary record and in any event, CEQA precludes the Commission from according any weight to TNHC's arguments.

A. Many of the Statements Made in TNHC's Opening Brief are Materially Incorrect and Not Supported by the Evidentiary Record.

TNHC offers various "facts" to support its argument in favor of the Alberhill Project. However, many of these "facts" are materially incorrect and not supported by the record. Thus, the arguments that these "facts" ostensibly support are deficient and incomplete. For instance, on page 6 of its Opening Brief, TNHC states "In order to facilitate the delivery of benefits from the LEAPS project, there must be an interconnection between LEAPS and the SCE transmission system". TNHC does not provide a record citation to support this contention; this is because there is no record evidence showing that there *must* be a LEAPS connection to SCE's system to deliver claimed LEAPS "benefits". The evidentiary hearings revealed that LEAPS power can be delivered to the grid without a connection to SCE's

system [TR 374 at 18-21]. And, while TNHC's Witness Wait testifies that "approval of SCE's proposed Alberhill Substation location will facilitate interconnection of the LEAPS project with SCE's 500 kV transmission system" [Ex. NH-1; 3 at 4], he certainly does not claim (nor even suggest) that there *must* be a LEAPS connection to SCE's system to deliver LEAPS power. The record proves that LEAPS does not even require a connection to SCE's system, so the Commission can accord no weight to TNHC's arguments that the proposed Alberhill substation location provides a "public convenience and necessity" simply because it accommodates a LEAPS connection to SCE's system.

Also on page 6, TNHC claims that "The Commission should approve IOU transmission projects, such as SCE's Alberhill Project, that facilitate interconnection of grid reliability and RPS integration resources with the grid." Again, TNHC fails to provide a record citation to support this contention; this is because there is no evidence in the record that the Alberhill Project will "facilitate interconnection of grid reliability resources" or "RPS resources". SCE is certainly not proposing the Alberhill Project to enhance "grid reliability" and achieve "RPS resource interconnection"; to the contrary, SCE proposed Alberhill exclusively to address subtransmission concerns within its own distribution network. The record does not set any "grid" or "RPS" benefits to Alberhill's account, and neither Alberhill nor a LEAPS connection to SCE's system are necessary to secure any "grid" or "RPS" benefits, so the Commission can accord no weight to TNHC's arguments that "the Commission should approve" the Alberhill Project.

On page 9 of its Opening Brief, TNHC declares "if the Commission does not approve the Alberhill substation, SCE must interconnect with the LEAPS project at an alternative location, at an additional cost". This statement is fraught with error. To begin with, and as previously established, there is no need to connect LEAPS to SCE's system to deliver power to the grid, and the mere existence of an agreement between TNHC and SCE imposes no obligations whatsoever on the Commission. Second, if the Commission does not approve the Alberhill Project and if LEAPS is actually constructed, and if a LEAPS connection to SCE's system is approved, then LEAPS power will be delivered to the Valley-Serrano line merely via a small switchyard¹¹ that will have substantially less facilities than the proposed

¹¹ SEE Figure 3.1.1-3 of the PEA submitted in Proceeding A.10-07-001.

Alberhill substation. Thus, nothing in the record supports TNHC's contention that "additional costs" beyond the Alberhill Project costs will be incurred to connect LEAPS if Alberhill is not approved. Third (and as discussed in more detail below), the LEAPS project is speculative and substantially uncertain, thus it is neither reasonable nor prudent to factor LEAPS or the LEAPS "connection saga" into the Commission's decision regarding whether to issue a CPCN for the Alberhill Project.

B. No Aspect of the LEAPS Project Constitute an "Overriding Consideration" that Warrants Alberhill Project Approval.

For reasons set forth above, the record demonstrates that CEQA Guidelines Section 15091 prevents the Commission from "advancing" the Alberhill Project for consideration under 15093 and it precludes the Commission from adopting "Overriding Considerations" which declare that the Alberhill Project provides sufficient "benefits" to outweigh the significant adverse environmental impacts that it creates. Nonetheless, TNHC argues on page 10 that an "Overriding Consideration" to support Commission-approval of the Alberhill Project is that SCE has a "binding contractual requirement" with TNHC in the form of a "Large Generator Interconnection Agreement ("LGIA") and that Alberhill will "enable SCE to meet" this binding contract. However, the record reveals this argument to be friable and wholly insubstantial.

First, the record demonstrates that the LEAPS project is not reliant on the Alberhill Project because LEAPS is proceeding on its own "entitlement path" that is separate from, and independent of, Alberhill. This fact is firmly established by TNHC's Opening Brief, which states on page 9 that "The LGIA will not go away if the Commission rejects SCE's application".

Second, the mere existence of a contractual obligation to interconnect a generation resource is not dispositive, and it certainly does not establish the viability of the generation resource or its "certainty of existence". The evidentiary record proves that LEAPS is a \$2 billion hydrodam undertaking [TR 378 at 2-5] that has no demonstrated financial support¹²

¹² TNHC will secure financial backing for the project *after* FERC issues the LEAPS license [TR 380 at 17-21]; No Power Purchase Agreements have been executed [TR 386 at 14-17].

and no demonstrated water resources [TR 377 at 21 to 378 at 1] and is a speculative project which has never been approved by any state or federal agency [Ex. FRONT-2; 2 at 6-3 at 5]. Thus, the existence of the LGIA does not constitute "substantial evidence" that LEAPS will have a connection to SCE's system or will even be built¹³. Correspondingly, the Commission is precluded from considering the LGIA as an "Overriding Consideration" to approve the Alberhill Project because CEQA mandates that the Commission rely only on "substantial evidence" to support its "Statement of Overriding Considerations" [CEQA Guidelines Section 15093(b)].

Third, TNHC's Opening Brief explicitly and contemptuously dismisses the very issues which, if addressed, would bring the LEAPS project out of the realm of speculation and onto more solid footing as a "viable" project that could perhaps be considered by the Commission vis a vis the Alberhill Project. For instance, page 9 of TNHC's Opening Brief states "Questions about whether Nevada Hydro has a source of water for its proposed LEAPS project or whether Nevada Hydro has power purchase contracts for the LEAPS capacity are not relevant to the Commission's consideration in this application proceeding." It is clear from this argument that TNHC utterly fails to grasp that it is precisely the lack of details regarding issues such as LEAPS funding and water resource which *prevent* the Commission from factoring LEAPS into the Alberhill Proceeding. TNHC extends this "upside down" argument even further by declaring that "it is not relevant to the issues in this proceeding that LEAPS is configured to deliver energy to both the SCE and the SDGE systems". This argument is *absurd on its face*, since the Commission cannot find that Alberhill provides a benefit by delivering LEAPS power to the grid if LEAPS power can be delivered without Alberhill and without a connection to SCE's system.

C. No Aspect of the LEAPS Project Demonstrates that the Alberhill Project serves a "Public Convenience and Necessity".

On page 10 of its Opening Brief, TNHC argues "In light of the grid reliability benefits and

¹³ Section 21080(e) of the CEQA Statute states "substantial evidence" is not argument, speculation, unsubstantiated opinion or narrative, evidence that is clearly inaccurate or erroneous, or evidence of social or economic impacts that do not contribute to, or are not caused by, physical impacts on the environment.

RPS integration benefits associated with the LEAPS project, SCE's proposed Alberhill substation location serves the present and future public convenience and necessity and should be approved as a part of SCE's proposed Alberhill Project". Remarkably, the "grid reliability" and "RPS integration" benefits which TNHC claims will be provided by LEAPS have never been vetted or demonstrated through any agency determination, and in fact they do not exist beyond TNHC's claim that they exist. TNHC's Opening Brief even states that "'Need' for the LEAPS project will be determined elsewhere" (page 6), and thus affirms that LEAPS "need" has not yet been established. Equally important, record evidence shows that LEAPS does not provide any "grid reliability" benefits or meet any actual "grid need". For instance, CAISO considered the LEAPS project together with its associated "Talega Escondido/Valley Serrano" ("TEVS") transmission line project in the 2017 Transmission Plan, and "did not identify a reliability need for the TEVS nor LEAPS in the current planning cycle and therefore the projects were found to be not needed for reliability purposes". [relevant sections are provided herein as Attachment 2].

There is also no record evidence to support TNHC's claim that LEAPS provides "RPS integration benefits", and in fact, TNHC's Witness Wait could not confirm that LEAPS will be configured as a GHG-free resource to store only renewable power [TR 384 at 9 to 385 at 24]. Historically, the Commission considers whether a project is capable of facilitating achievement of RPS goals by applying a three-prong test that was developed to implement Public Utilities Code Section 399.2.5 [D.07-03-012, D.09-12-044, D.10-12-052, D.16-08-017]. Typically, the Commission applies this three-prong test to transmission facilities rather than generation projects; however, LEAPS was designated by the FERC as an "advanced transmission technology" [FERC Order Issued November 17, 2006 in Docket ER06-278], so applying the three-prong test to LEAPS is instructive.

The 3-prong test addresses whether the project 1) would bring to the grid renewable generation that would otherwise remain unavailable; 2) reaches an area that would play a critical role in meeting the RPS goals; and 3) cost is appropriately balanced against the certainty of the project's contribution to economically rational RPS compliance. Nothing in the evidentiary record shows that LEAPS will bring to the grid any renewable generation that would otherwise remain unavailable, or reach an area that will play a critical role in meeting the RPS goals, so LEAPS is not a project that is demonstrated to facilitate

achievement of RPS goals in any traditional sense. TNHC argues that LEAPS will "further the objectives of the State's RPS and greenhouse gas ("GHG") emission reduction program" and "enhance the ability of the grid to effectively integrate RPS generation into the power grid" through implementation of SB 350 (page 5 of TNHC's Opening Brief). However, TNHC's Witness could not confirm that LEAPS will be configured as a GHG-free resource to store only renewable power [TR 384 at 9 to 385 at 24].

Taken together, these facts show that there is no evidentiary support for TNHC's argument that LEAPS will provide either "grid reliability benefits" or "RPS integration benefits".

Therefore, the Commission should accord no weight to TNHC's claim that, as a result of these (non-existent) benefits "SCE's proposed Alberhill substation location serves the present and future public convenience and necessity and should be approved as a part of SCE's proposed Alberhill Project".

D. FRONTLINES Conclusions Regarding the LEAPS Project

For all of the reasons set forth above, FRONTLINES respectfully urges the Commission to 1) Not factor any aspects of the LEAPS project into any determinations made pursuant to SCE's Alberhill CPCN Application; and 2) Accord no weight to any of the arguments made in, and testimony cited by, TNHC's Opening Brief.

XV. TURN'S CONCLUSIONS REGARDING THE NO PROJECT ALTERNATIVE ARE INCORRECT AND DO NOT COMPORT WITH CEQA.

In nearly all respects, FRONTLINES concurs with the arguments and factual representations made in TURN's Opening Brief. However, regarding TURN's conclusions pertaining to the ability of the "No Project" alternative to meet the Valley South System transformer overload and "tie-line" concerns that underlie the Alberhill Project Purpose, FRONTLINES respectfully disagrees.

On page 44 of its Opening Brief, TURN states "Thus, the only environmentally superior alternative to the ASP [Alberhill Project] was the 'no project alternative,' which, by definition, does not meet *any* of the project objectives and can be rejected on that basis".

TURN also cites page 5-45 of the FEIR which states (in pertinent part): "The No Project Alternative could, however, result in impacts related to provision of electricity because there may be overloads on the two 560-megavolt-ampere transformers that serve the Valley South 115-kV System as soon as summer 2019." Like the FEIR, TURN assumes that, other than occasionally operate a "spare" transformer, SCE will not implement any system modifications or take any action whatsoever under the "No Project" Alternative to address Valley South System transformer overload or "tie-line" concerns; on that basis, both the FEIR and TURN presume that transformer overloads will result. However, this perspective does not comport with CEQA and it does not comport with prior Commission determinations because (and contrary to what both the FEIR and TURN assume), the scope of the "No Project" Alternative is *not* limited to merely the "fallout" that occurs when a project is not constructed.

A. CEQA Demands that the "No Project" Alternative Properly Contemplate the Activities that SCE will Pursue if the Alberhill Project is Not Approved based on Existing Infrastructure.

The scope and extent of the "No Project" Alternative that is mandated by CEQA is set forth in CEQA Guidelines Section 15126.6, which states (in pertinent part and with emphasis indicated by italics):

(e) "No project" alternative.

(1) The specific alternative of "no project" shall also be evaluated along with its impact. The purpose of describing and analyzing a no project alternative is to allow decision makers to compare the impacts of approving the proposed project with the impacts of not approving the proposed project. The no project alternative analysis is not the baseline for determining whether the proposed project's environmental impacts may be significant, unless it is identical to the existing environmental setting analysis which does establish that baseline (see Section 15125).

(2) The "no project" analysis shall discuss the existing conditions at the time the notice of preparation is published, or if no notice of preparation is published, at the time environmental analysis is commenced, *as well as what would be reasonably expected to occur in the foreseeable future if the project were not approved, based on current plans and consistent with available infrastructure and community services*. If the environmentally superior alternative is the "no project" alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives.

(3) A discussion of the “no project” alternative will usually proceed along one of two lines:

(A) When the project is the revision of an existing land use or regulatory plan, policy or ongoing operation, the “no project” alternative will be the continuation of the existing plan, policy or operation into the future. Typically this is a situation where other projects initiated under the existing plan will continue while the new plan is developed. Thus, the projected impacts of the proposed plan or alternative plans would be compared to the impacts that would occur under the existing plan.

(B) If the project is other than a land use or regulatory plan, for example a development project on identifiable property, the “no project” alternative is the circumstance under which the project does not proceed. Here the discussion would compare the environmental effects of the property remaining in its existing state against environmental effects which would occur if the project is approved. *If disapproval of the project under consideration would result in predictable actions by others, such as the proposal of some other project, this “no project” consequence should be discussed.* In certain instances, the no project alternative means “no build” wherein the existing environmental setting is maintained. *However, where failure to proceed with the project will not result in preservation of existing environmental conditions, the analysis should identify the practical result of the project’s non-approval* and not create and analyze a set of artificial assumptions that would be required to preserve the existing physical environment.

(C) After defining the no project alternative using one of these approaches, *the lead agency should proceed to analyze the impacts of the no project alternative by projecting what would reasonably be expected to occur in the foreseeable future if the project were not approved, based on current plans and consistent with available infrastructure and community services.*

It is clear from the plain and unambiguous language of the CEQA Guidelines that the scope and extent of the "No Project" Alternative includes all the activities that *would reasonably be expected to occur* and which SCE would undertake *based on current plans* (including adopted Planning Standards) *and consistent with available infrastructure* (including the existing Valley South Substation which has space availability to accommodate a third 560 MVA transformer and including the existing 2800 MVA of transformer capacity within SCE's available 115 kV facilities and including the available vacant 115 kV line positions on Valley North and South Substations). The following activities would be implemented by SCE in accordance with its adopted Planning Standards in the event that the Alberhill Project is not approved and *if* SCE's inflated and unreliable peak demand forecast actually comes to fruition:

- 1) Develop system "tie-lines" for Valley South using available vacant 115 kV line positions on Valley North and South Substations as set forth in Section 2.3.2.4A of SCE's adopted Planning Standard [Ex. TURN-4C].
- 2) Shift demand from the Valley South System in accordance with SCE's adopted "A-Bank Plan" pertaining to transmission substations (like Valley South) that are connected to the CAISO grid and serve SCE's subtransmission systems and which require SCE to utilize existing infrastructure to "balance electric power between highly loaded substations and substations with additional reserve margins"[Ex FRONT-14; 42 at 7].

It is even likely that the addition of a third transformer at the Valley South substation would fall under the "No Project" umbrella because it would utilize available vacant line positions on the 500 kV and 115 kV buses [Ex. FRONT-20C] and it would not involve expansion of the existing Valley South Substation. As such, it could be deemed a "minor alteration" to "existing facilities" under CEQA Guidelines Section 15301(b) and qualify for a "Class 1" exemption from CEQA. SCE typically categorizes such activities as "substation modifications" that it considers exempt from GO-131 CPCN and PTC obligations (such as the recent addition of a 4th 500 kV transformer at SCE's existing Whirlwind substation that SCE deemed "substation modifications" not subject to CPCN or PTC requirements). With the addition of a third 560 MVA transformer, the Valley South substation would be configured similarly to the proposed Alberhill Project at the full 1680 MVA "build out" [FEIR 2-1 at 1-6].

The evidentiary record proves that the 2800 MVA of available transformer capacity on SCE's existing Valley South, Valley North, and Vista 115 kV systems is more than sufficient to accommodate SCE's Peak Demand forecast on these systems as set forth on page 5 of Ex. FRONT-21. Accordingly, implementation of demand shifting under SCE's "A-Bank" Plan as part of the "No Project" Alternative will eliminate all Valley South transformer overload concerns. Therefore, the FEIR is factually incorrect when it concludes that "there may be overloads on the two 560-megavolt-ampere transformers that serve the Valley South 115-kV System as soon as summer 2019", and TURN errs in conceding to this factually erroneous conclusion.

Consistent with CEQA, the "No Project" Alternative involves numerous activities that SCE will implement and which are not addressed in the FEIR. In failing to address these activities, the FEIR does not properly "follow the law". It is also clear that the "No Project" Alternative will not result in the "preservation of existing environmental conditions" because changes to the environment will occur when SCE implements the activities demanded by its own adopted Planning Standard in pursuit of the "No Project" alternative. Thus, the FEIR again failed to "follow the law" by identifying "the practical result of the project's non-approval".

B. In Prior Commission Decisions, the FEIR "No Project" Alternative was not truncated to merely the outcome that would occur if the project is not approved.

In Proceeding A.12-05-020, the Commission defined the "No Project" alternative to include the various actions that SDGE would take if the proposed "SOCRE" Project were not approved. These activities included substation upgrades, transmission line replacement, reconductoring and upgrades, and replacement of reactive equipment. It is not clear why the Alberhill FEIR did not follow a similar path and consider actions that SCE would pursue under the "No Project" Alternative in accordance with its own adopted Planning Standards.

C. The FEIR's failure to properly describe the "No Project" Alternative is a Fatal Deficiency

The FEIR's failure to properly describe the "No Project" Alternative in accordance with CEQA Guidelines Section 15126.6 is a fatal deficiency, and results in two separate and distinct material Legal errors:

- 1) By failing to accurately portray the "No Project" Alternative, the FEIR wrongly concludes that the "No Project" will result in Valley South System transformer overloads and therefore not achieve the underlying Project Purpose.
- 2) By failing to accurately portray the activities that will be undertaken by SCE in accordance with its own adopted Planning Standard, the "No Project" Alternative fails to properly consider what (if any) project impacts will be created by the "No Project" Alternative.

XVI. CONCLUSION

For the reasons set forth herein and in FRONTLINES' Opening Brief, FRONTLINES respectfully requests that the Commission adopt the "No Project" alternative with the "third transformer element" rather than approve a CPCN for the Alberhill Project. Finally, to secure the opportunity to present its position before the full Commission, FRONTLINES requests final oral argument in accordance with Rule 13.13 of the Commission's Rules of Practice and Procedure.

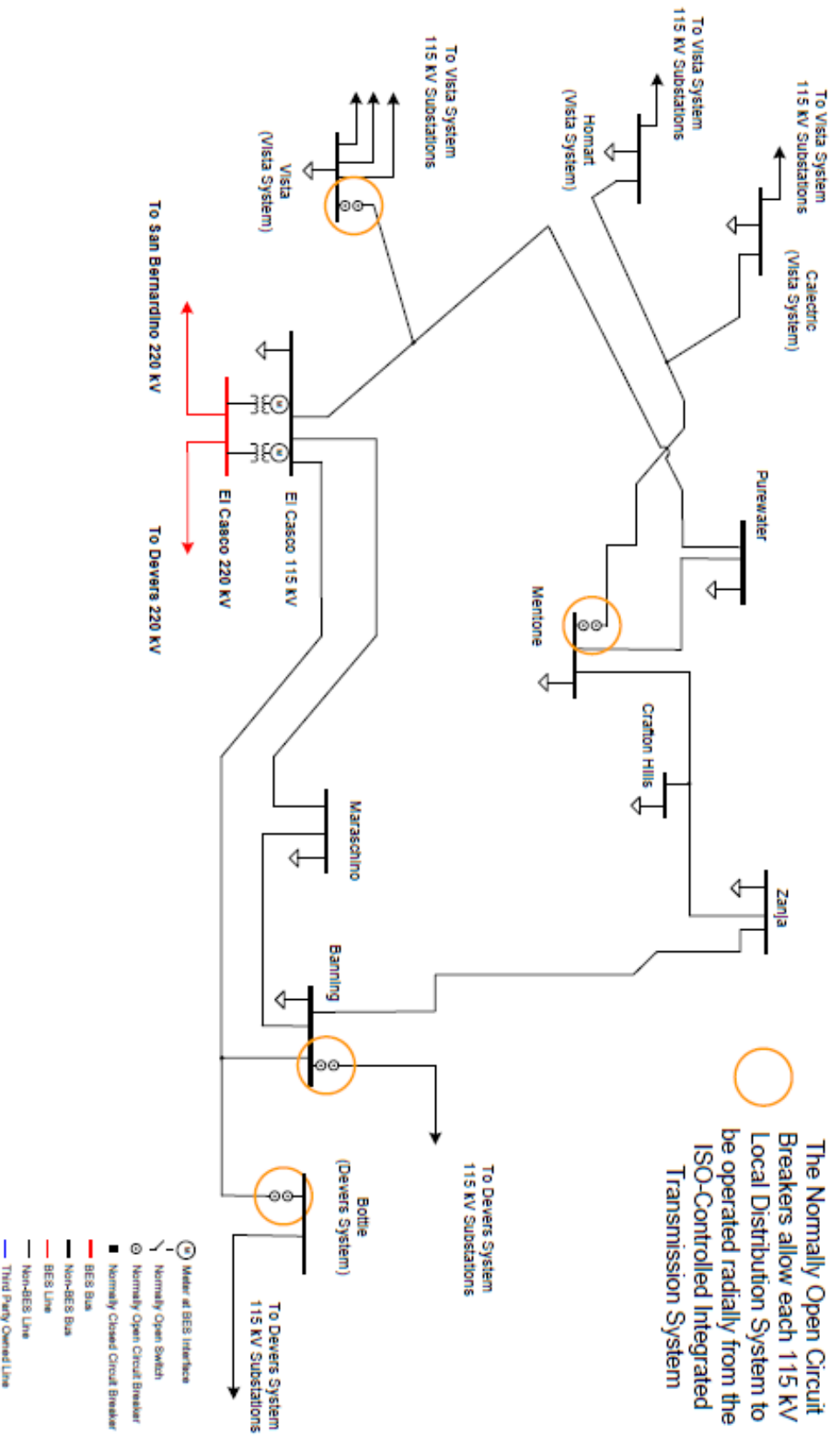
Respectfully Submitted;
/S/ Jacqueline Ayer
Jacqueline Ayer on behalf of
Forest Residents Opposing New Transmission Lines
2010 West Avenue K, #701
Lancaster, CA 93536
(949) 278-8460

January 4, 2018

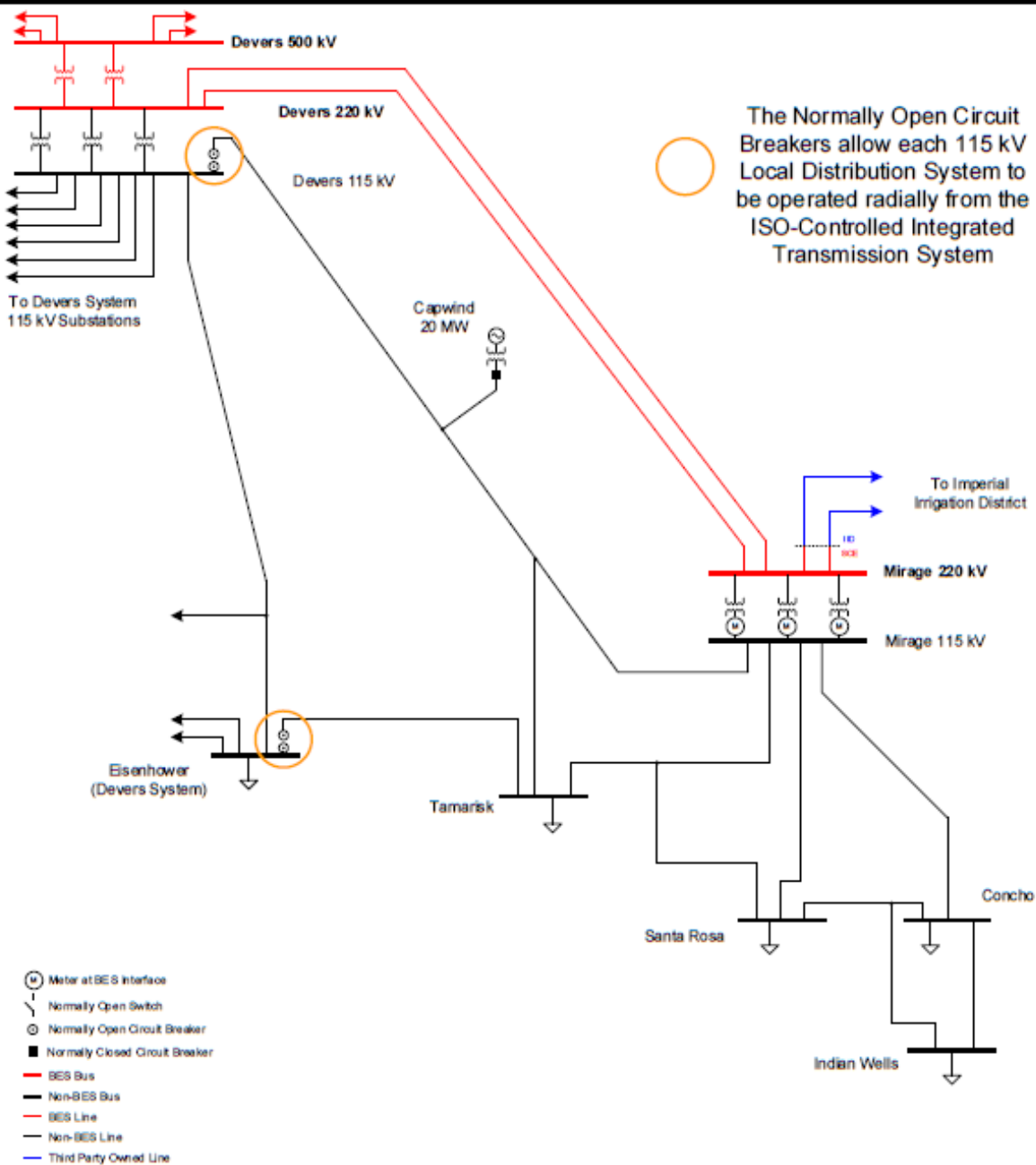
ATTACHMENT 1

**SCE EXHIBITS 4 THROUGH 9
SUBMITTED IN
FERC DOCKET RC15-1**

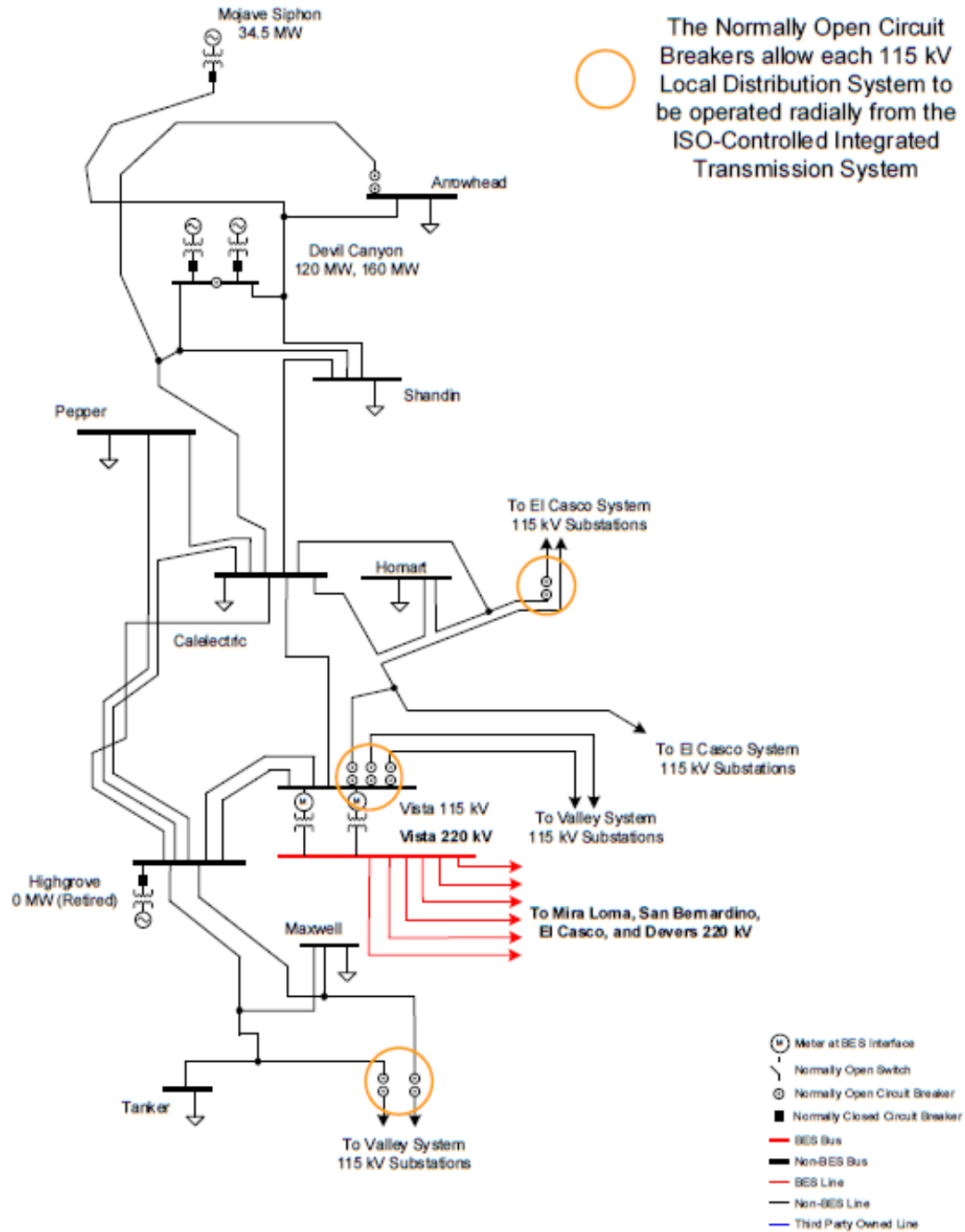
El Casco 115 kV System Line Arrangement Diagram



Mirage 115 kV System Line Arrangement Diagram

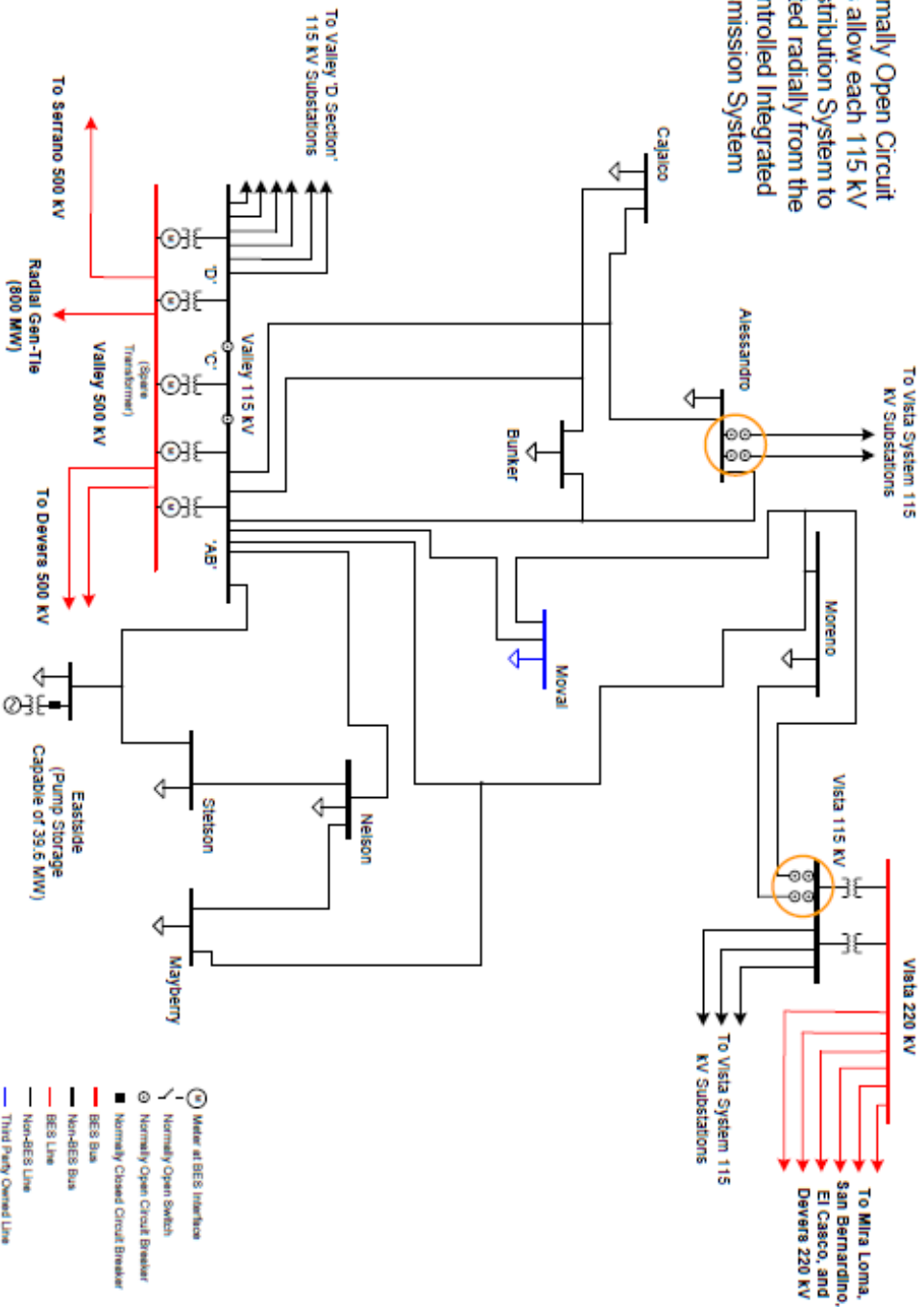


Vista 115 kV System Line Arrangement Diagram

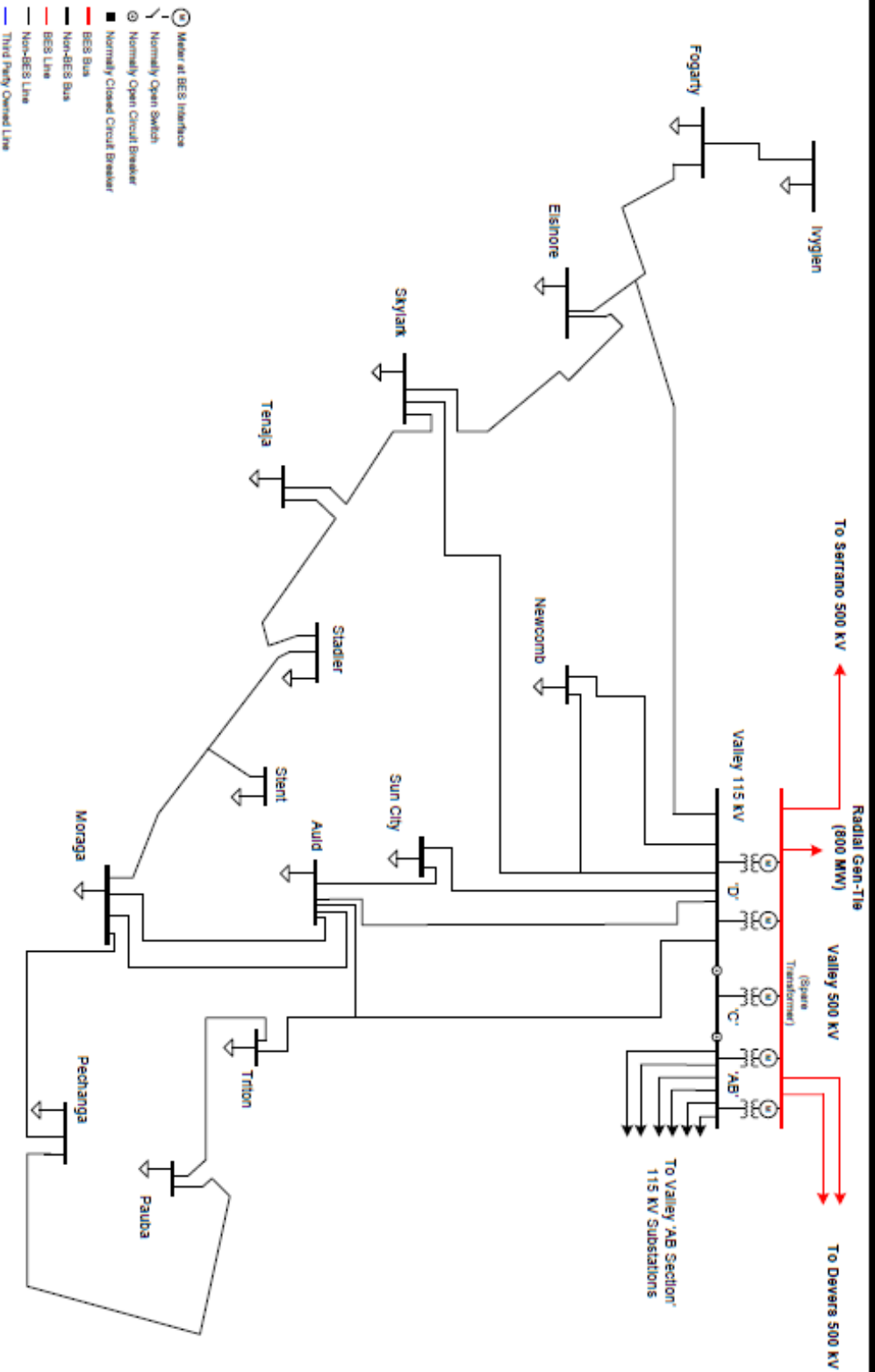


Valley 115 kV System (AB Section) Line Arrangement Diagram

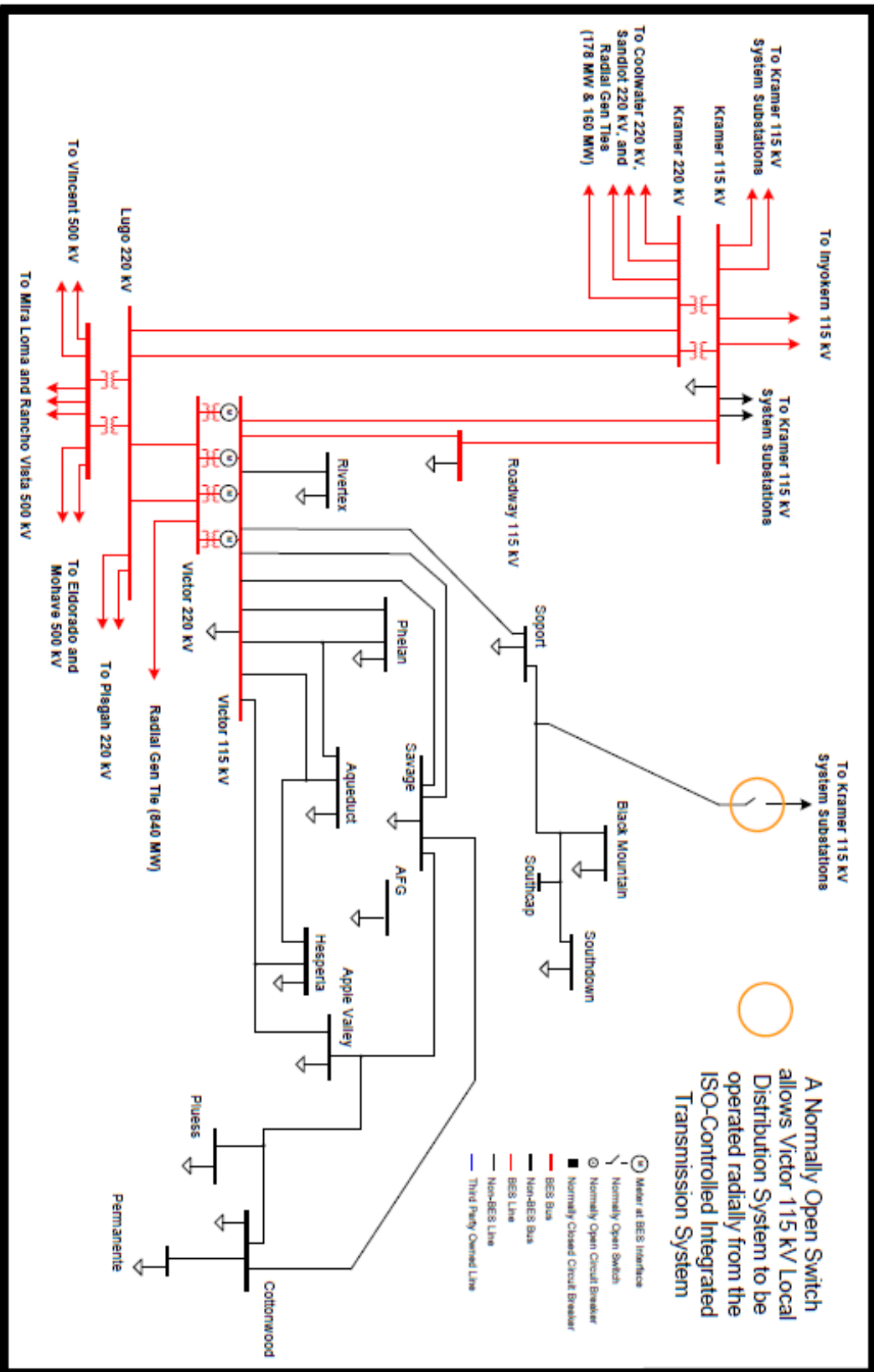
The Normally Open Circuit Breakers allow each 115 kV Local Distribution System to be operated radially from the ISO-Controlled Integrated Transmission System



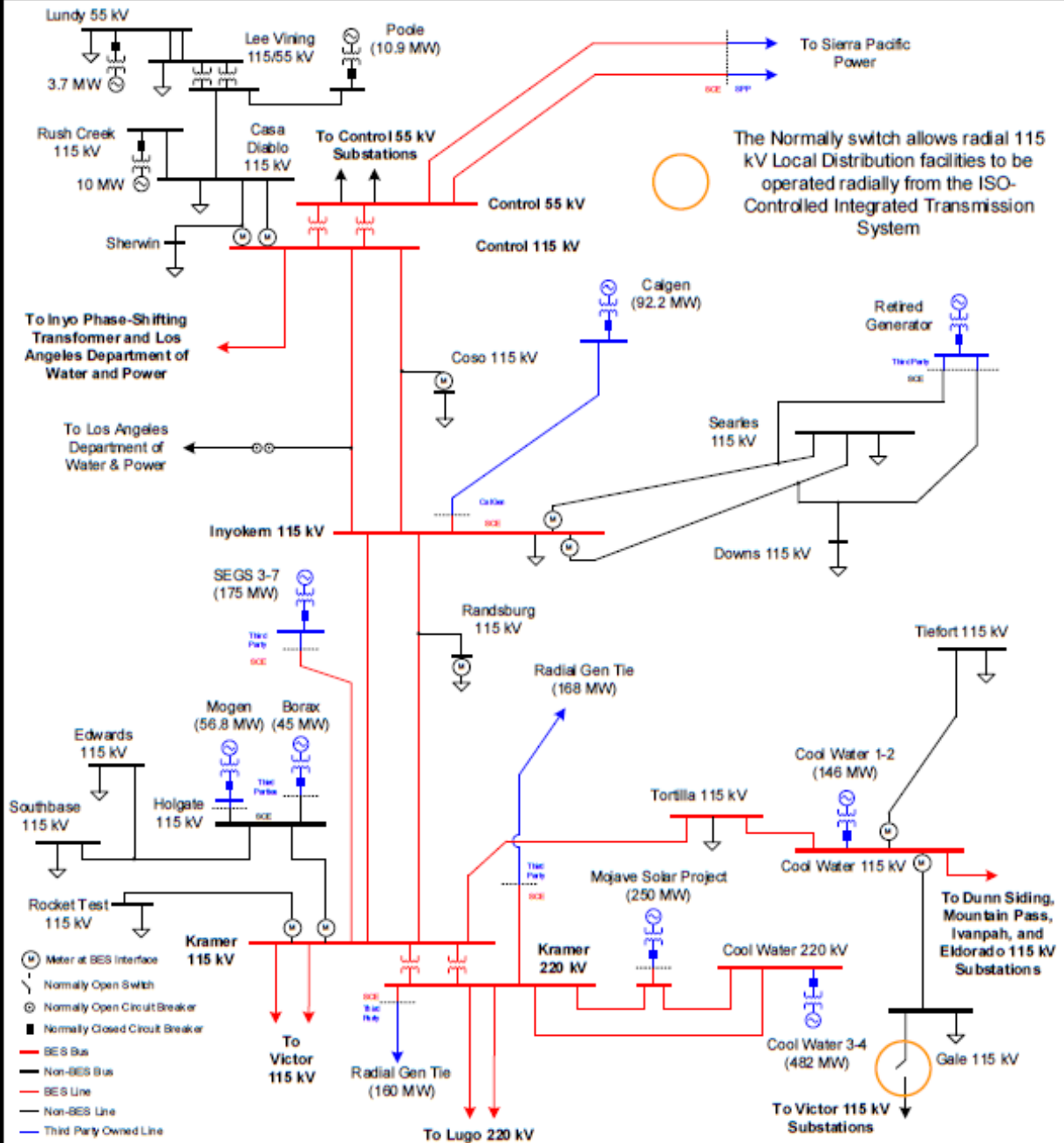
Valley 115 kV System (D Section) Line Arrangement Diagram



Victor 115 kV System Line Arrangement Diagram



North of Lugo 115 kV Line Arrangement Diagram



ATTACHMENT 2

EXCERPT FROM THE 2017 CAISO TRANSMISSION PLAN

2016-2017 TRANSMISSION PLAN



March 17, 2017

BOARD APPROVED

approved and authorized procurements for the LTPP Tracks 1 and 4 for the combined LA Basin and San Diego area to meet local capacity area reliability requirements.

Request Window Proposals

The ISO has received the following project proposal in the Southern California Bulk Transmission System area through the 2016 Request Window.

Lake Elsinore Advanced Pumped Storage (LEAPS) and Talega–Escondido/Valley–Serrano 500 kV Interconnect Project (TE/VS)

LEAPS is a proposed 500 MW generation/600 MW pumping energy storage project with a capacity of 6,000 MWh. The project proposes to pump water from Lake Elsinore in Riverside County into a new impoundment to be constructed within the Cleveland National Forest at an elevation approximately 1,500 feet higher than Lake Elsinore. The TE/VS Project is a 32-mile-long, 500 kV transmission line interconnecting SDG&E's existing Talega-Escondido 230 kV transmission line in or near Camp Pendleton in northern San Diego County with SCE's existing 500 kV Valley-Serrano transmission line in southwestern Riverside County. The TE/VS Project will also serve to interconnect LEAPS to the grid. The LEAPS Project has a proposed in-service date of December 1, 2021 and an estimated cost of \$896 million. The TE/VS has a proposed in-service date of November 6, 2020 and an estimated cost of \$760 million.

The Nevada Hydro Company submitted the LEAPS Project (together with the TE/VS Project) as a generation alternative and the TE/VS as a reliability transmission project, Location Constrained Resource Interconnection Facility (LCRIF) and a policy-driven project.

The ISO did not identify a reliability need for the TE/VS nor LEAPs in the current planning cycle and therefore the projects were found to be not needed for reliability purposes. Also, as discussed in chapter 3, no policy-driven transmission needs have been identified in this transmission planning cycle. The ISO is studying the benefits of the project as one of a number of pumped hydro storage sites for informational purposes, and those studies are discussed in chapter 6.