

MINUTE ITEM:
This Calendar Item No. 015
was approved as Minute Item
No. 015 by the State Lands
Commission by a vote of 3
to 0 at its 06/11/90
meeting.

CALENDAR ITEM

U I E

A 1
S 4

06/11/90
W 24200 PRC 7404
Bancroft

GENERAL LEASE - PUBLIC AGENCY USE

APPLICANT: Transmission Agency of Northern California
P. O. Box 661030
Sacramento, California 95866

AREA, TYPE LAND AND LOCATION:
A 1.194-acre parcel of submerged land located
in the Sacramento River in Shasta County.

LAND USE: Right-of-way for a 500kv powerline crossing.

TERMS OF PROPOSED LEASE:
Initial period: Forty-nine (49) years
beginning January 1, 1990.

CONSIDERATION: The public use and benefit; with the State
reserving the right at any time to set a
monetary rental if the Commission finds such
action to be in the State's best interest.

BASIS FOR CONSIDERATION:
Pursuant to 2 Cal. Code Regs. 2003.

APPLICANT STATUS:
Applicant is permittee of upland and is a Joint
Powers Agency qualifying for rent-free status.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:
Filing fee and processing costs have been
received.

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(ADDED 6/8/90)

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CALENDAR ITEM NO. C 1 5 (CONT'D)

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code Regs.: Title 2, Div. 3;
Title 14, Div. 6.

AB 884:

08/16/90.

OTHER PERTINENT INFORMATION:

1. The subject right-of-way is one of a number of crossings of State Lands required for the proposed 330-mile-long California-Oregon Transmission Project sponsored by a coalition of communities, public agencies, and utility companies.
2. The annual rental value of the site is estimated to be \$333.
3. An EIR was prepared and adopted for this project by the Transmission Agency of Northern California (TANC). The State Lands Commission's staff has reviewed such document and has identified, in Exhibit "C" potential significant environmental effects involving that portion of the project which the Commission will be considering for approval.

APPROVALS OBTAINED:

United States Army Corps of Engineers.

EXHIBITS:

- A. Land Description.
- B. Location Map.
- C-1. TANC CEQA Findings.
- C-2. State Lands Commission Findings.
- D. Executive Summary from Final EIR.
- E. Notice of Determination.
- F. Environmental Compliance Monitoring Program.

(ADDED 06/08/90)

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0.1822

CALENDAR ITEM NO. C 1 5 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT AN EIR WAS PREPARED AND ADOPTED FOR THIS PROJECT BY THE TRANSMISSION AGENCY OF NORTHERN CALIFORNIA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN;
2. ADOPT THE LAND AGENCY AND COMMISSION FINDINGS AND THE MONITORING PROGRAM AS REQUIRED BY THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ITS GUIDELINES WHICH ARE ATTACHED AS EXHIBIT "C";
3. FIND THAT THOSE IMPACTS LISTED ON EXHIBITS "C" AND "D" INVOLVE THAT PORTION OF THE PROJECT WHICH THE COMMISSION IS NOT CONSIDERING FOR APPROVAL. SUCH IMPACTS ARE WITHIN THE RESPONSIBILITY AND JURISDICTION OF TANC, AND NOT THE STATE LANDS COMMISSION. THE CHANGES OR ALTERATIONS REQUIRED TO AVOID OR SUBSTANTIALLY LESSEN THE SIGNIFICANT EFFECTS PRESENTED ON EXHIBIT "D" HAVE BEEN ADOPTED BY SUCH AGENCY.
4. FIND THAT THE COMMISSION EXPRESSLY RESERVES ITS DISCRETION WITH REGARD TO PERMITTING, DENYING, MODIFYING, AND/OR MAKING CEQA FINDINGS ON ANY OTHER SEGMENT OF THE PROJECT PRESENTED BEFORE IT.
5. AUTHORIZE ISSUANCE TO TRANSMISSION AGENCY OF NORTHERN CALIFORNIA OF A 49-YEAR GENERAL LEASE - PUBLIC AGENCY USE, BEGINNING JANUARY 1, 1990; IN CONSIDERATION OF THE PUBLIC USE AND BENEFIT, WITH THE STATE RESERVING THE RIGHT AT ANY TIME TO SET A MONETARY RENTAL IF THE COMMISSION FINDS SUCH ACTION TO BE IN THE STATE'S BEST INTEREST; FOR A RIGHT-OF-WAY FOR A 500KV POWERLINE CROSSING OF THE SACRAMENTO RIVER IN SHASTA COUNTY ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

(ADDED 06/08/90)

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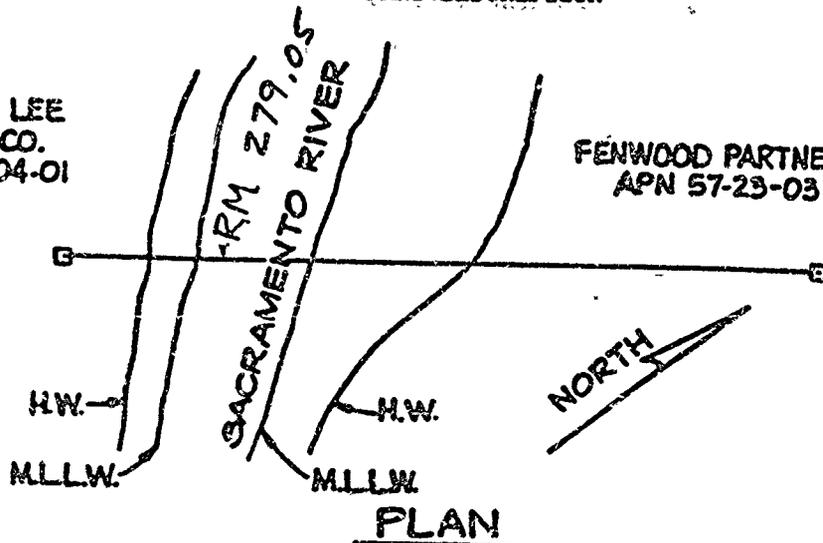
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EXHIBIT "A"
LAND DESCRIPTION

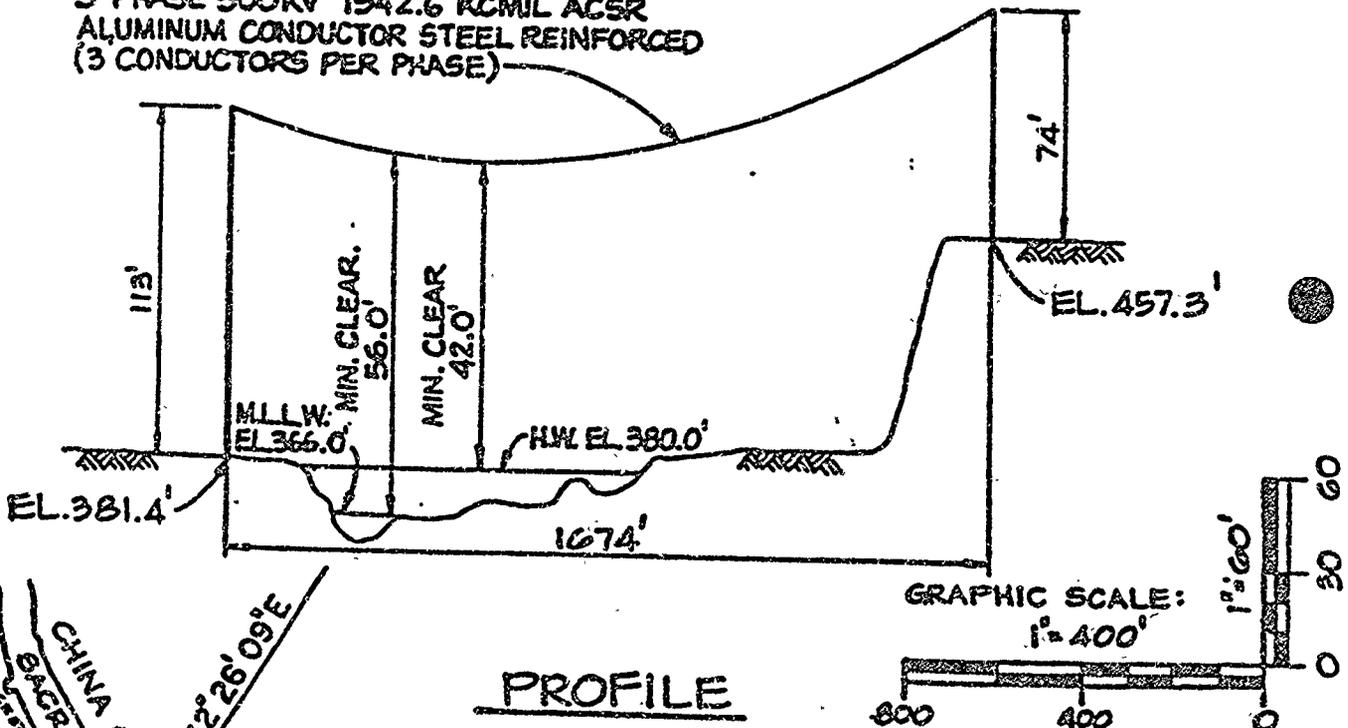
W 24200

SIMPSON LEE
PAPER CO.
APN 91-04-01

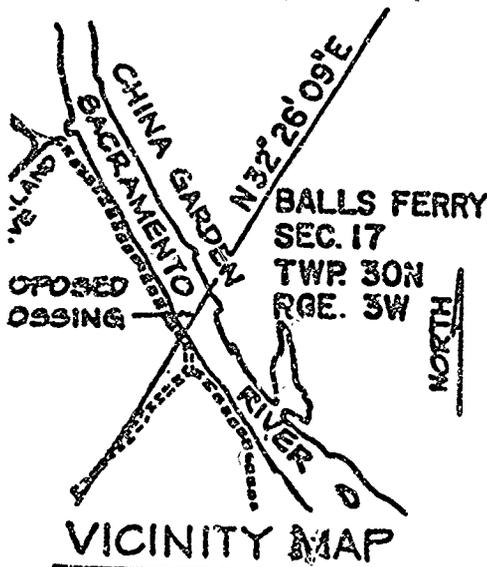
FENWOOD PARTNERS
APN 57-23-03



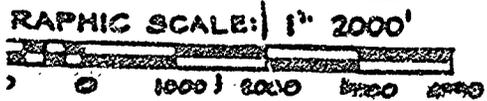
FOR TRANSMISSION OF POWER FOR COMMERCIAL USE
3-PHASE 500KV 1942.6 KCMIL ACSR
ALUMINUM CONDUCTOR STEEL REINFORCED
(3 CONDUCTORS PER PHASE)



PROFILE



VICINITY MAP



PROPOSED
OVERHEAD WIRE CROSSING
OVER SACRAMENTO RIVER
15 MILES SOUTHEAST OF
REDDING, CALIFORNIA
AND 3 MILES NORTHWEST OF
THE BALLS FERRY BRIDGE
SHASTA COUNTY, CALIFORNIA

MAY 25 1988
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APPLICATION BY

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

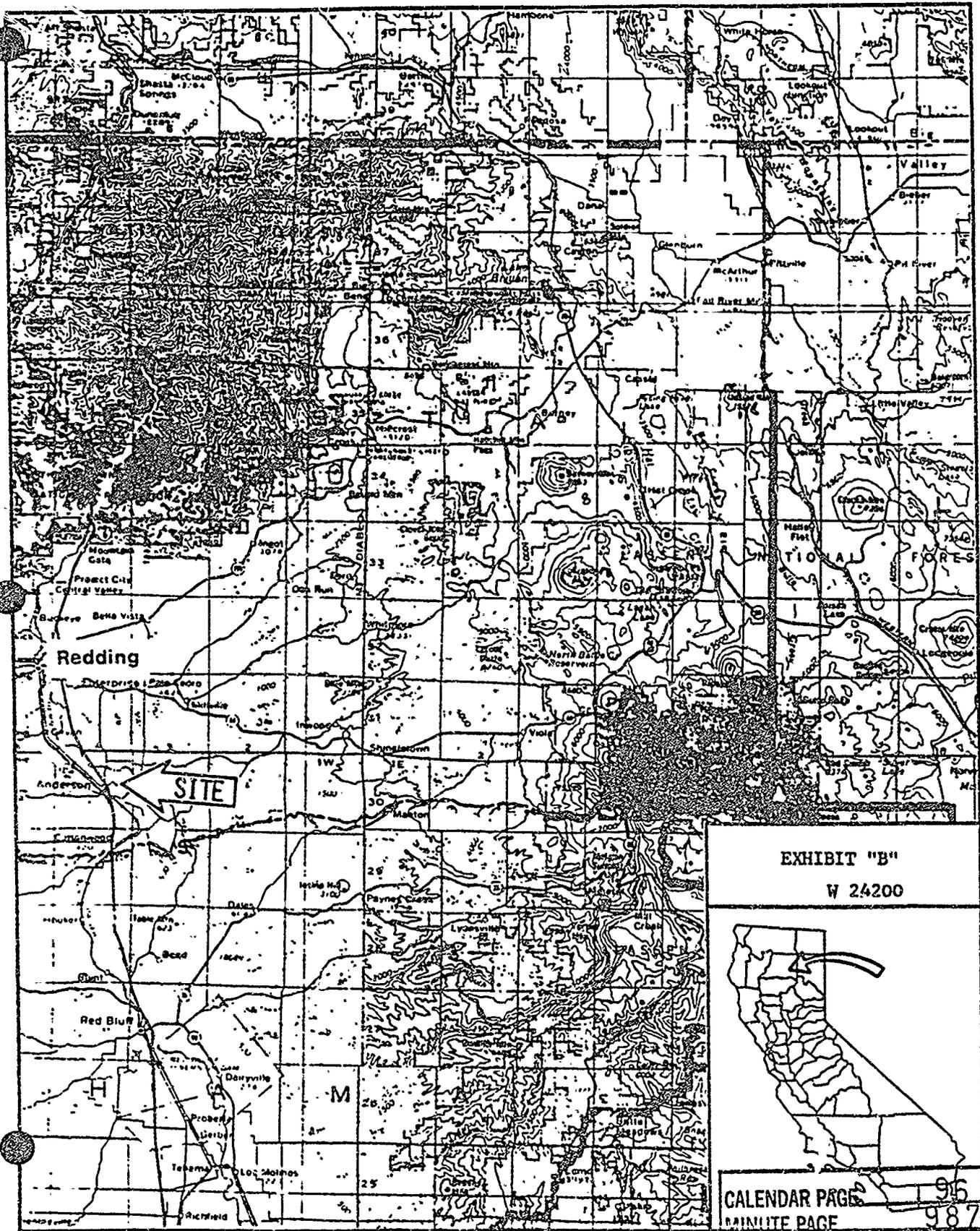


EXHIBIT "B"
W 24200



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RESOLUTION 88-1

RESOLUTION OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT
FOR THE CALIFORNIA-OREGON TRANSMISSION PROJECT,
THE LOS BANOS-GATES TRANSMISSION PROJECT,
AND THE PACIFIC NORTHWEST REINFORCEMENT PROJECT,
AND MAKING FINDINGS PURSUANT TO THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, an Environmental Impact Statement/Environmental Impact Report (the EIS/EIR) assessing the impacts of the California-Oregon Transmission Project (COTP), the Los Banos-Gates Transmission Project, and the Pacific Northwest Reinforcement Project (collectively, the Projects) was prepared by the Western Area Power Administration pursuant to the National Environmental Policy Act, and by the Commission of the Transmission Agency of Northern California (TANC) pursuant to the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq. [CEQA]), the State CEQA Guidelines (14 Cal. Admin Code § 15000 et seq., hereinafter the Guidelines) and procedures adopted by the TANC Commission pursuant thereto (TANC CEQA Guidelines); and

WHEREAS, a notice of completion of the Draft EIS/EIR was forwarded to the Office of Planning and Research pursuant to § 15085 of the Guidelines on December 1, 1986; and

WHEREAS, TANC forwarded copies of the Draft EIS/EIR to those public agencies which have jurisdiction by law with respect to the Projects and to other interested persons and agencies, and sought the comments of such persons and agencies; and

WHEREAS, notice inviting comments on the Draft EIS/EIR was given in compliance with the Guidelines § 15087; and

WHEREAS, comments on the Draft EIS/EIR led to consideration of additional routing options for the COTP and the preparation and circulation of a Supplement to the Draft EIS/EIR; and

WHEREAS, a notice of completion of the Supplement to the Draft EIS/EIR was forwarded to the Office of Planning and Research pursuant to § 15085 of the Guidelines on June 26, 1987; and

WHEREAS, TANC forwarded copies of the Supplement to the Draft EIS/EIR to those public agencies which have jurisdiction by law with respect to the Projects and to other interested persons and agencies, and sought the comments of such persons and agencies, and

WHEREAS, notice inviting comments on the Supplement to the Draft EIS/EIR was given in compliance with Guidelines § 15087; and

WHEREAS, the Draft EIS/EIR and the Supplement to the Draft EIS/EIR were thereafter revised and supplemented to respond to the comments received, as provided in Guidelines § 15088, and as so revised and supplemented, the Draft EIS/EIR and the Supplement to the Draft EIS/EIR became the Final EIS/EIR for the Projects.

NOW, THEREFORE, THE COMMISSION OF THE TRANSMISSION AGENCY OF NORTHERN CALIFORNIA DOES RESOLVE AS FOLLOWS:

SECTION 1. The TANC Commission (Commission) has reviewed and considered the information contained in the Final EIS/EIR and hereby certifies that the EIS/EIR for the COTP, the Los Banos-Gates Transmission Project, and the Pacific Northwest Reinforcement Project is complete and adequate and has been completed in compliance with the California Environmental Quality Act, the State CEQA Guidelines, and the TANC CEQA Guidelines.

SECTION 2. Based upon the Final EIS/EIR and all other oral and documentary evidence submitted to the Commission, the Commission hereby finds that the COTP will result in significant adverse impacts upon the environment. The impacts are set forth in Exhibit A, which is Table 2A of the Final EIS/EIR, attached hereto and incorporated by reference. The impacts of the alternative routes are set forth in Exhibit B, consisting of Tables 1A

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and 1B of the Final EIS/EIR, attached hereto and incorporated by reference.

SECTION 3. Changes or alterations have been made in the COTP as originally proposed. The Commission hereby adopts the mitigation measures listed under the heading "Adopted Mitigation" in Section 1.1.5 of the Final EIS/EIR, attached hereto as Exhibit C, and incorporated by reference. The Commission hereby finds that the changes, alterations, and adopted mitigation measures will avoid or substantially lessen the significant environmental impacts associated with the COTP. The impacts and the changes, alterations, and mitigation measures, and their effectiveness, are set forth in Exhibit A, attached hereto and incorporated by reference. The Commission does not adopt certain measures which were suggested as mitigation measures, listed as "Other Mitigation Considered" in Section 1.1.5 of the Final EIS/EIR. The Commission finds that those measures would not significantly avoid or lessen any significant environmental effects of the project or are infeasible, for the reasons given in Exhibit D, attached hereto and incorporated by reference.

SECTION 4. The Commission finds that some of the significant adverse impacts are not capable of mitigation to a less than significant level. These impacts are identified in Exhibit A, and in Exhibit E, attached hereto and incorporated by reference.

SECTION 5. The Commission finds that for the COTP, alternatives North D, Grizzly Peak-Redding, the Western upgrade, and South B, are environmentally superior to the other alternative routes discussed in the Draft EIS/EIR. A comparison of the impacts of the route alternatives and the reasons for selecting these as the project preferred route are set forth in Exhibits B and F, attached hereto and incorporated by reference, and in responses to comments L-203 H and L-371 E which are hereby incorporated by reference.

SECTION 6. Public and agency comments on the Draft EIS/EIR led to the identification of new COTP routing options which were analyzed in the Supplement to the Draft EIS/EIR. The Commission

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finds that the Southern Oregon Switching Station Site E3 and route segments North 1, N-10M2(A1), N10M2A, North 2B, North 3J, North 4, South 1, S-8 Alt.3 and South 2 are environmentally superior to the corresponding segments of the originally preferred route and hereby incorporates them into the preferred route. The Commission finds that the preferred route, as revised, is environmentally superior to the preferred route identified in the Draft EIS/EIR. The reasons for this finding are set forth in Exhibit G, attached hereto and incorporated by reference, and in Section 1.2.2 "Environmental Evaluation Between Route Segments Analyzed in the Supplement to the Draft EIS/EIR" of Volume 1 of the Final EIS/EIR which are hereby incorporated by reference. A comparison of the original preferred route in the Draft EIS/EIR and the preferred route as revised is set forth in Table 1B of Exhibit B incorporated herein by reference.

SECTION 7. The Commission finds that specific engineering and economic considerations make certain COTP route options and other proposals for specific route alignments infeasible, and that other route options and suggested route alignments are environmentally inferior to corresponding segments of the preferred route. These segments will not be incorporated into the preferred route. The reasons for this finding are set forth in Exhibit H, attached hereto and incorporated by reference, and in Section 1.2.2 "Route Options Suggested Since Issuance of the Draft EIS/EIR" of Volume 1 of the Final EIS/EIR, incorporated herein by reference.

SECTION 8. Based upon the Final EIS/EIR and all other oral and documentary evidence submitted to the Commission, the Commission hereby finds that the Los Banos-Gates Transmission Project will, if constructed, result in significant adverse impacts upon the environment. The impacts are set forth in Exhibit I, consisting of Tables 2B and 1C of the Final EIS/EIR, attached hereto and incorporated by reference.

SECTION 9. Changes or alterations have been proposed for or incorporated into the Los Banos-Gates Transmission Project which will avoid or substantially lessen the significant environmental

effects of the Project. The changes, alterations, and mitigation measures are set forth in Exhibit I, Table 2B, incorporated herein by reference. Such changes or alterations are within the responsibility and jurisdiction of the California Public Utilities Commission, not TANC. Such changes can and should be adopted by the California Public Utilities Commission. The TANC Commission finds that some of the significant adverse impacts are not capable of mitigation to a less than significant level. These impacts are identified in Exhibit I and Exhibit E.

SECTION 10. The Commission finds that the project preferred route for the Los Banos-Gates Transmission Project, as identified in the Final EIS/EIR, is the environmentally superior route. A comparison of the impacts of the route alternatives and the reasons for selecting the preferred routes are set forth in Exhibit I, Table 1C, and in Section 6.0, Volume 2B of the Draft EIS/EIR, incorporated herein by reference.

SECTION 11. Based on the Final EIS/EIR and all other oral and documentary evidence submitted to the Commission, the Commission finds that the Pacific Northwest Reinforcement Project might result in significant environmental impacts. The Commission further finds that changes and alterations in the project and mitigation measures will avoid or substantially lessen some of those impacts as set forth in Volume 2C of the Draft EIS/EIR and Section 1.4 of Volume 1 of the Final EIS/EIR, that those mitigation measures are within the responsibility and jurisdiction of Bonneville Power Administration, not TANC, and that they can and should be adopted by the Bonneville Power Administration.

SECTION 12. The Commission finds that specific engineering, economic, social, and other considerations make certain alternatives to the Projects infeasible. These alternatives and the basis for finding them infeasible are set forth in Exhibit J attached hereto and incorporated by reference.

SECTION 13. The Commission recognizes and finds that there will be cumulative impacts arising from the construction of the Projects. The impacts of all three projects are set forth in the

Final EIS/EIR, Section 1.1.4 of Volume 1, incorporated herein by reference, and in Exhibit B consisting of Tables 1A and 1B, and in Exhibit I, Table 1C. In addition, the Commission finds that there may be impacts in the Pacific Northwest, as described in the Bonneville Power Administration's Draft Intertie Development and Use EIS and Hydro Operations Information Paper. With respect to the impacts in the Pacific Northwest, the Commission finds that the mitigation measures described in the Draft IDU EIS and Hydro Operations Information Paper can and should be adopted by the Bonneville Power Administration.

SECTION 14. Because of the overriding importance of the Projects and the benefits to virtually all of the utility customers in the State of California, as well as to utility customers in the Pacific Northwest, the Commission finds that the benefits of the Projects outweigh the unavoidable adverse environmental impacts. Because the Commission has authority to carry out or approve only the COTP, the Commission finds specifically that because of the overriding importance of the COTP and the benefits to utility customers in the State of California, the benefits of the COTP outweigh the unavoidable adverse environmental impacts. The unavoidable adverse environmental impacts are, therefore, acceptable. The considerations and facts supporting these conclusions are set forth in Exhibit K attached hereto and incorporated by reference.

PASSED AND ADOPTED this 20th day of January, 1988, on a motion by Mr. Reid, seconded by Mr. McDonald.

	AYES	NOES	ABSENT
City of Alameda	X		
City of Biggs	X		
City of Gridley	X		
City of Healdsburg	X		
City of Lodi	X		
City of Lompoc	X		
Modesto Irrigation District	X		
City of Palo Alto			X
Plumas-Sierra Rural Electric Cooperative	X		
City of Redding	X		
City of Roseville	X		
Sacramento Municipal Utility District	X		
City of Santa Clara	X		
Turlock Irrigation District	X		
City of Ukiah			X

EXHIBIT "C-2"

STATE LANDS COMMISSION CEQA FINDINGS

These findings are made by the State Lands Commission (SLC) on the proposed transmission crossing of the Sacramento River in Shasta County, pursuant to Section 15091, California Code Regulations (CEQA Guidelines).

These findings are followed by a narrative of facts supporting them. Where possible, reference is made to a specific mitigation measure presented in the Environmental Impact Report (EIR).

Public Resources Code 21081.6 requires public agencies making findings which adopt changes in a project to also adopt a reporting and monitoring program. This regulation however, is silent with respect to two public agencies having concurrent jurisdiction over a project. It is staff's opinion that when two agencies have concurrent jurisdiction over a particular project, the agency that functions as the lead agency is responsible for adopting a reporting and monitoring program for all changes to the project which are intended to mitigate or avoid significant effects to the environment. The agency functioning as the responsible agency would be required to review the lead agency's reporting and monitoring program and adopt such program if it meets the requirements of the responsible agency.

Staff has reviewed the lead agency's monitoring program and deems that it complies with the requirements of Public Resources Code 21081.6, and satisfies staff's requirements. The monitoring program has been integrated with the following findings:

IMPACT: Reduction of water quality through introduction of pollutants.

FINDING: Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects as identified in the Final EIR.

FACTS SUPPORTING THE FINDING:

Contamination impacts could occur from the use and disposal of herbicides, petroleum products and other nonbiodegradable substances. Short-term impacts to water quality may also occur during transmission line construction when oil and grease from construction vehicles are washed into adjacent streams or rivers. Other construction related substances that may impair the quality of area waterways during this time include solvents, concrete, and gasoline.

A 100-foot buffer of undisturbed vegetation shall be

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maintained along all lakes and streams to reduce the possibility of accidental introduction of pollutants into the water, and minimize the sediment loading of streams which may result from project-induced erosion.

Toxic material will not be released in any waterway or drainage area. Construction work and subsequent use of the right of way will be consistent with applicable federal, state and local laws and regulations relating to safety, water and air quality and public health.

MITIGATION MEASURES:

1. A 100-foot buffer of undisturbed vegetation shall be maintained along the north and south bank of the Sacramento River at Anderson, Shasta County;
2. Unless specifically authorized by the State Lands Commission, herbicides will not be used on lands under the jurisdiction of the State Lands Commission.

MONITORING/REPORTING PROGRAM:

TANC will have an environmental monitor on the construction site observing and documenting mitigation compliance. State Lands Commission staff will review TANC documentation to verify that mitigation compliance has occurred.

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EFFECTIVENESS:

The presence of a TANC environmental monitor on site during the construction activities, and subsequent State Lands Commission staff review of compliance reports will ensure that this mitigation measure is properly carried out.

IMPACT: Right-of-Way vegetation clearance using non-selective methods; Clearing or loss of riparian woodland along Sacramento River; Degradation of wetlands due to use of herbicides or heavy equipment for right-of-way vegetation management.

FINDING: Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects as identified in the final EIR.

FACTS SUPPORTING THE FINDING:

Minor vegetative trimming will be required at the Sacramento River crossing in Shasta County. One 45-foot tree on the north bank of the Sacramento River below the High Water Mark will be trimmed to a height of 30 feet to allow for clearance during raising of the transmission lines.

Unless specifically authorized, herbicides will not be

used on lands under the jurisdiction of the State Lands Commission. There are a few Willow bushes within the surveyed center line of the project on the north bank of the river which may be trimmed to avoid interference with the stringing of the transmission line.

There will be no clearing or loss of riparian woodland below the high water mark of this proposed crossing of the Sacramento River, near Anderson, Shasta County.

A one-time staging area approximately 50 feet south of the high water mark, presently located on dry land, on the north bank of the Sacramento River, Shasta County may be used for one week by heavy equipment for the purpose of raising the transmission line once the river crossing is completed. Heavy equipment or vehicles will not be allowed waterward of this point.

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MITIGATION:

1. The boundaries of construction activities will be flagged; no disturbance of vegetation will occur outside the flagged boundaries.
2. A 100-foot buffer of undisturbed vegetation shall be maintained along all lakes and streams.
3. Unless specifically authorized by the State Lands Commission, herbicides will not be used on lands under the jurisdiction of the State Lands Commission.

MONITORING/REPORTING PROGRAM:

TANC will provide an environmental staff person to monitor and document mitigation compliance. State Lands Commission staff will review TANC documentation to verify that mitigation compliance has occurred.

EFFECTIVENESS:

The presence of TANC personnel to monitor the contracted construction activities and subsequent State Lands Commission staff review of compliance reports will ensure that the mitigation measure is properly carried out.

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EXHIBIT "D"

VOLUME 1

FINAL
ENVIRONMENTAL IMPACT STATEMENT
ENVIRONMENTAL IMPACT REPORT

FOR THE
CALIFORNIA-OREGON
TRANSMISSION PROJECT

AND THE
LOS BANOS-GATES
TRANSMISSION PROJECT

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DOE/EIS-0128
SCH#85040914

JANUARY 1988

No 0810

SUMMARY

The Summary of the Draft EIS/EIR is reproduced below, with revisions, beginning with Purpose and Need. Deletions are cross hatched and additions are underlined. Table 1A is also reproduced from the Draft EIS/EIR. There is a new table (Table 1B) which compares the COTP preferred alternative shown in the Draft EIS/EIR and the COTP preferred alternative identified in the Final EIS/EIR. Table 1C compares alternatives for the Los Banos-Gates Project. Tables 2A and 2B replace Table 2 of the Draft EIS/EIR. Because of their length, all tables referenced in this Summary are located at the end of this section.

The Draft EIS/EIR for the COTP and the Los Banos-Gates Transmission Project (Los Banos-Gates) was issued in November 1986. The Supplement to the Draft EIS/EIR for route options for the COTP was issued in June 1987. The Draft EIS/EIR, the Supplement to the Draft EIS/EIR, and this Final EIS/EIR are to be reviewed together as all three documents comprise the Final EIS/EIR.

Comments received on these two documents from special interest groups, public agencies, and the general public resulted in the identification of an environmentally superior alternative and a project preferred alternative for the COTP that differ from those presented in the Draft EIS/EIR. Several routing options presented in the Supplement to the Draft EIS/EIR have been incorporated into the COTP preferred alternative. The new routing options that have been incorporated into the COTP preferred route are coincident with the environmentally superior route with the exception of one area in the Tulelake basin and one area near Bear Mountain. In the Tulelake basin, the lead agencies found the recommended environmentally superior route (N-10 Alt.4) to have prohibitively high costs compared to slight environmental benefits and is therefore not feasible from an economic perspective. In the Bear Mountain area, the lead agencies found that more extensive access road and construction efforts on North 2C made the comparison with North 2B so close that one is not clearly environmentally superior to the other. In these and other areas, environmental impacts along the preferred route can be reduced to acceptable levels through implementation of mitigation measures. Section 1.1.2 identifies the Project preferred route as revised since the Draft EIS/EIR.

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VOL. 1 FINAL

PURPOSE AND NEED

The purpose of the proposed actions is to expand the bidirectional capability of the Pacific Northwest-Pacific Southwest Intertie transmission system and to help serve California's need for economical power, the Pacific Northwest's desire to sell surplus power, and the need for maintaining and increasing the reliability of the existing transmission system. The COTP will add approximately 1,600 megawatts (MW) of additional transfer capability between the Pacific Northwest and California pursuant to federal legislation and a Memorandum of Understanding among the Participants. The COTP, the Los Banos-Gates Transmission Project, and PNW Reinforcement Project would also add to and strengthen the existing high voltage transmission links between California and the Pacific Northwest. These projects would provide for greater access to Northwest power surpluses, facilitate more efficient use of regional power resources, provide greater resource diversity, and enhance transmission system reliability. Volume 1, Section 1.0 of the Draft EIS/EIR more fully describes the purpose and need for the projects. Section 1.1.1 of this document expands on certain topics addressed in the Draft EIS/EIR.

A comprehensive analysis was conducted on the economics of the COTP and Los Banos-Gates Project to determine the benefits and costs to California if the COTP is built. The analysis, which is summarized in Volume 1, Section 1.5 of the Draft EIS/EIR addresses a range of conditions for strong and weak Organization of Petroleum Exporting Countries (OPEC) price scenarios and seven Northwest capacity availability scenarios. Considering the expected values, the COTP is expected to be cost effective under strong OPEC prices, and cost effective under weak OPEC prices except when capacity benefits are very low.

The economic analysis discussed in the Draft EIS/EIR includes 7/16 of the cost of the 500 kV line between the Pacific Gas and Electric Company's (PG&E) Los Banos and Gates Substations as part of the facilities associated with development of the COTP. Since completion of the Draft EIS/EIR, PG&E has indicated that the need for or timing of the future need for the Los Banos-Gates Project is uncertain. In the event the Los Banos-Gates line is not required to achieve the benefits of the COTP, a portion of the cost of the Projects would be reduced, thereby further improving the anticipated net economic benefits of the COTP. If the Los Banos-Gates Project is not constructed or is deferred, it may be necessary to make minor modifications to the transmission system south of Tesla.

ALTERNATIVES TO INCLUDING THE PROPOSED ACTIONS

The bidirectional power transactions to be provided by the COTP, the Los Banos-Gates Project, and the PNW Reinforcement Project represent one of several approaches for meeting a portion of

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California's and the Pacific Northwest's present and future power needs. Several alternatives (including no-action and non-transmission and transmission projects) were examined before the proposed actions were fully defined.

Non-transmission alternatives considered include increased power purchases from the Southwest, increased power purchases from out-of-state coal-fired power plants, increased dependence on other in-state generating technologies, and increased reliance on conservation and load management. Transmission alternatives evaluated include upgrading and modifying existing AC transmission lines, constructing new AC lines, and constructing new direct current (DC) lines. The no-action alternative is discussed in Volume 1, Section 2.4 and the other non-transmission and transmission alternatives are discussed in Volume 1, Section 2.5 of the Draft EIS/EIR.

The no-action alternative would result in maintaining the current level of Intertie capacity between the Pacific Northwest and California, and may lead to a number of individual actions by the many different proponents to obtain other resources. None of the alternatives that the individual utilities are anticipated to rely upon would have the economic and environmental advantages of regional exchanges with the Pacific Northwest. None of the power supply alternatives to the proposed actions addressed in Volume 1, Section 2.5 of the Draft EIS/EIR are believed to be both economically ~~or~~ and environmentally superior. No-action is expected to increase reliance on fossil fuels, subjecting California ratepayers to ~~significant~~ uncertainties regarding future supplies and prices of these fuels.

Transmission line routing evaluations were part of a continuous process involving the public, agencies, and proponent representatives. These evaluations are discussed in the Draft EIS/EIR under Volume 2A, Phase II for the COTP and Volume 3B, Appendix A for the Los Banos-Gates Project. Additional evaluations for the COTP since the Draft EIS/EIR are described in the Supplement to the Draft EIS/EIR and in Section 1.2 of Volume 1 of this Final EIS/EIR. A review of the options for the Pacific Northwest Reinforcement Project is presented in Volume 2C of the Draft EIS/EIR.

The routing evaluations for COTP are summarized in Tables 1A/ and 1B (presented at the end of this Summary). Table 1B compares the Project preferred alternative shown in the Draft EIS/EIR with the new Project preferred alternative which incorporates route options discussed in the Supplement to the Draft EIS/EIR. Figures 2.1-8 and 2.1-9 in the Draft EIS/EIR and Figures 1.1.2-7 and 1.1.2-8 in Volume 1 of this document show the locations of these alternative routes.

In the Northern Section, there are four alternative routes - A, B, C, and D, and one common route from Grizzly Peak to the Reading Area Substation (Olinda) Substation. Alternative D