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2.0 PROPOSED PROJECT PURPOSE AND NEED

This section of the PEA identifies the objectives, purpose, and need for SDG&E's Proposed Project as required by the CPUC PEA Guidelines (CPUC Information and Criteria List, Appendix B, Section V) and the California Environmental Quality Act (CEQA) Guidelines (Sections 15124(b) and 15126.6(a)). Additional information regarding the Proposed Project's purpose and need is provided in SDG&E's application to the CPUC, in accordance with CPUC General Order 131-D.

2.1 OVERVIEW OF PROJECT NEED

2.1.1 Existing and Projected Electric System Constraints

SDG&E is a regulated public utility that provides electric service to approximately 1.4 million electric customers within a 4,100-square-mile service area, covering 25 cities and unincorporated areas within San Diego County and a portion of Orange County. SDG&E requests approval of the Proposed Project to ensure the reliability of the transmission system, meet State of California policy goals, accommodate load growth, and improve system efficiency.

SDG&E's bulk electric transmission system serving the San Diego metropolitan area currently has three major gateways for energy that is imported to serve customer load. These include the Miguel 500/230 kV Substation, the Sycamore Canyon 230 kV Substation, and Path 44, which is composed of three 230 kV lines from the San Onofre Nuclear Generation Station (SONGS) Switchyard to the San Luis Rey Substation and two 230 kV lines from the SONGS Switchyard to the Talega Substation.

SDG&E's ability to operate its bulk electric transmission system reliably and efficiently has become constrained, particularly at gateway substations. During periods of high customer demand and high energy imports, as well as during periods of high renewable energy generation in the Imperial Valley, most of the energy imported into San Diego flows across the 500 kV Southwest Powerlink and Sunrise Powerlink transmission lines. This imported energy then flows into the Miguel and Sycamore Canyon Substations, respectively. Heavy energy flows into these gateway substations can result in congestion and subsequent NERC reliability criteria violations on the 230 kV, 138 kV, and 69 kV transmission and power lines downstream, requiring dispatch of less efficient generation, increasing energy costs for ratepayers and eventually requiring upgrades to these downstream facilities.

SDG&E's ability to provide electric service reliably and efficiently has been further constrained by the unanticipated early retirement of the SONGS and the planned retirement of coastal OTC generation units in San Diego and the western Los Angeles basin. These events prompted a request from Governor Brown's office to look at what mitigations could be put in place to "keep the lights on". A task force was formed in the summer of 2013, which included the Staff of the CPUC, California Energy Commission (CEC), and CAISO, to create a Preliminary Reliability

Plan for Los Angeles Basin and San Diego¹. The Governor’s task force identified this project as a necessary mitigation in Section 2 - Near Term Needs 2014-2017:

Sycamore Canyon – Penasquitos Transmission Line – To address local transmission overloads in the northern region of San Diego system, some of which are exacerbated by the absence of San Onofre, the [CA]ISO-approved a new 230 kV transmission line from the Sycamore Canyon to Penasquitos Substations to improve power flows from east to west. The online date is targeted to 2017, although permitting and construction risk may delay the final operating date. There are multiple applicants seeking to build this line. As the CPUC is the lead siting agency for all of the applicants seeking to build this line, the CPUC is responsible for selecting the project sponsor to build the line.¹²¹ To meet the 2017 in-service date, the selected sponsor will need to be determined in early 2014 and file for a CPCN with the CPUC in mid 2014. The CPUC should process and approve the application by mid 2015.

Also, the CAISO conducts a Transmission Planning Process each year, which is a roughly 15-month planning cycle. The Transmission Planning Process kicks off in January of each year, when the three Participating Transmission Owners (PTOs) (Pacific Gas and Electric Company, Southern California Edison and SDG&E) provide the CAISO with updated system data (completed projects, load forecasts, etc.). The CAISO staff, in conjunction with planners at each PTO, then study the reliability of the system over a ten year window (for example, the current 2013/2014 planning cycle studies the system for years 2014-2023). The plan builds upon the previous year’s plan and assumes that any project previously approved is in service by the date the plan specified. The CAISO’s approved 2013-2014 Transmission Plan assumes the Sycamore-Peñasquitos 230 kV line is in service by 2017 and identifies additional transmission projects that are needed to address the reliability of the transmission grid in California as well as focusing on the specific reliability issues facing Southern California as a result of the early retirement of SONGS as well as the future retirement of the state’s once-through-cooling power plants.

These system constraints are projected to worsen over time. As the San Diego metropolitan area load continues to increase, the imports into Miguel and Sycamore Canyon Substations will also increase. The CEC has forecasted that the 1-in-10 peak customer load served by SDG&E will increase by 390 megawatts (MW) from 2013 to 2017, for a peak 2017 load of 5510 MW³.

In addition, significant renewable generation is currently under development in the Imperial Valley and elsewhere in the Southwestern United States, which will further increase flows on the Sunrise Powerlink and into Sycamore Canyon Substation.

¹ http://www.energy.ca.gov/2013_energy_policy/documents/2013-09-09_workshop/2013-08-30_prelim_plan.pdf - page 4.

² Subsequent to the release of the Governor’s task force report, CAISO became responsible for selecting the project sponsor to build the line.

³ Revised California Energy Demand Forecast, 2012-2022, Mid Case, published February 2012.

2.1.2 CAISO Solicitation for a Sycamore-Peñasquitos 230 kV Line

The 2012-2013 Transmission Plan (Plan) was approved by the CAISO Board of Governors in March 2013. This 2012-2013 Transmission Plan identified the Sycamore-Peñasquitos 230 kV Line project as a reliability-driven project eligible for competitive solicitation due to policy benefits such as meeting state environmental and energy policy goals. In connection with the 2012-2013 Transmission Plan Competitive Solicitation Process, CAISO reviewed four separate proposals to construct and operate a new 230 kV transmission line between the existing Sycamore Canyon and Peñasquitos Substations. On March 4, 2014, CAISO announced that it had selected SDG&E's proposal (Sycamore-Peñasquitos Project, Project Sponsor Selection Report dated March 4, 2014) to construct and operate the new line. SDG&E's Proposed Project is consistent with the CAISO's Functional Specification for the project, as described in more detail below. SDG&E does not have access to the three proposals that were rejected by CAISO.

As part of the policy process, the CAISO issued a Functional Specification⁴ for the project that stated the need for a transmission line with at least 1175 megavolt-amperes (MVA) of capacity. The overall purpose of the Proposed Project is to meet this CAISO-identified capacity need by providing an additional 230 kV high-voltage outlet at Sycamore Canyon Substation. Installing this outlet would allow the delivery of power directly to the coastal load center rather than forcing it onto the 138 kV and 69 kV networks. As a result, the Proposed Project would relieve congestion on these lower-voltage facilities.

The need to provide an additional 230 kV outlet at Sycamore Canyon Substation has also been identified in CAISO's long-term assessments of the bulk power system serving San Diego, and the CAISO's approved 2013-2014 Transmission Plan assumes the Sycamore-Peñasquitos 230 kV line is in service by 2017. The Proposed Project is the result of work done independently by both CAISO and SDG&E staff working toward a common goal of service reliability through compliance with mandatory standards.

2.1.3 SDG&E's Proposed Project

SDG&E's Proposed Project would meet all requirements within the CAISO Functional Specification for the Project, including but not limited to the following:

- New 230 kV transmission line with at least 1175 MVA of capacity;
- Line terminus of Sycamore Canyon Substation and Peñasquitos Substation;
- Minimum continuous ampacity of 2290 Amps (917 MVA);
- Minimum four-hour emergency ampacity of 2950 Amps (1175 MVA);
- Minimum of six pairs of fiber through optical ground wire; and
- In-service date of May 2017.

⁴ <http://www.caiso.com/Documents/Description-FunctionalSpecificationsSycamore-Penasquitos230kVLine.pdf>.

In addition to meeting the Functional Specification of the CAISO, SDG&E’s Proposed Project meets the ultimate goal of SDG&E and CAISO that any upgrade to the transmission system provide safe, reliable, and reasonably priced electric power to the ratepayers. This is consistent with CPUC Section 451 and SDG&E’s obligation to serve by implementing a comprehensive and long-term electric system strategy. It also meets one of the CAISO’s primary objectives: to benefit customers by operating the grid in a reliable and efficient manner.⁵

Additional benefits of the Proposed Project include:

- No new land acquisitions for substations and transmission;
- Minimal additional land rights to existing transmission ROW;
- Utilization of existing utility corridors where similar electrical facilities currently exist; and
- Utilization of existing facilities such as structures, access roads and work areas where feasible.

2.2 PROJECT OBJECTIVES

The Proposed Project components are presented in Section 3.0, Proposed Project Description, while each of the Proposed Project objectives is more thoroughly described below:

1. Meet the Functional Specifications identified by CAISO in its 2012-2013 Transmission Plan for a new 230 kV transmission line from the existing Sycamore Canyon Substation to the existing Peñasquitos Substation. This accomplishes the following sub-objectives for the SDG&E bulk power system:
 - a. Ensure that the SDG&E bulk electric system continues to meet NERC, WECC, and CAISO reliability criteria;
 - b. Promote compliance with State of California policy goals with regards to renewable energy integration and OTC retirement;
 - c. Reliably and economically meet forecasted load growth for the San Diego metropolitan area; and
 - d. Deliver imported energy more efficiently to the San Diego load center.
2. Locate the Proposed Project’s facilities within existing transmission and power line corridors, SDG&E ROW, utility owned property, and City of San Diego franchise rights of way.

⁵CAISO Mission Statement: “For the benefit of our customers, we: (1) operate the grid reliably and efficiently; (2) provide fair and open transmission access; (3) promote environmental stewardship; and (4) facilitate effective markets and promote infrastructure development. All through the provision of timely and accurate information.”

2.2.1 Objective 1: Meet the Functional Specifications Identified by CAISO in its 2012-2013 Transmission Plan for a New 230 kV Circuit from Sycamore Canyon Substation to Peñasquitos Substation

As described in Section 2.1, the CAISO's approved 2012-2013 Transmission Plan includes a new 230 kV bulk power transmission line connecting the existing Sycamore Canyon and Peñasquitos Substations in northern suburban San Diego, and the CAISO's approved 2013-2014 Transmission Plan assumes the Sycamore-Peñasquitos 230 kV line is in service by 2017. The purposes of this policy and reliability project are to meet state environmental and energy policy goals, and to ensure the bulk power system is in compliance with applicable NERC, WECC, and CAISO transmission planning criteria. The Proposed Project is consistent with these purposes and achieves Objective 1 through the following sub-objectives.

2.2.1.1 Objective 1a: Ensure that the SDG&E Bulk Electric System Continues to Meet NERC, WECC, and CAISO Reliability Criteria

One of the primary objectives of the Proposed Project is to reduce the risk of a service interruption resulting from a transmission failure. The standards put in place by the Federal Energy Regulatory Commission (FERC) after the August 14, 2003 Northeast blackout set the foundation for reducing the possibility of power system failures and address the need to construct new transmission infrastructure.

The Proposed Project is needed to comply with mandatory NERC, WECC and CAISO standards. TPL-002-0⁶ requires all transmission lines and transformers that remain in service following the loss of a single transmission line or transformer to be within applicable ratings. Additionally, NERC Standard TPL-001-0⁷ requires that all transmission lines and transformers in service remain within their normal (i.e., continuous) ratings with all lines in service and in the absence of any system contingencies. Neither standard allows interruption of customer load to be used to mitigate overloads.

To accommodate the State of California's policy goal of 33 percent Renewables Portfolio Standard (RPS) by 2020, CPUC staff developed four renewable generation scenarios that took into consideration transmission constraints, cost, commercial interest, environmental concerns, and timing of development. The CPUC proposed that one of these, the Commercial Interest Portfolio, be considered as a base case for CAISO's planning purposes and the other three scenarios (the cost-constrained scenario, the environmentally-constrained scenario, and the high distributed generation scenario) also be studied⁸. The CAISO and SDG&E performed conventional, independent reliability assessments of the transmission system in the Sycamore Canyon Substation area using industry-standard analytical techniques. The CAISO's study found the following thermal overloads can be effectively mitigated by a new 230 kV

⁶ NERC Transmission Planning Standard TPL-002-0 – System Performance Following Loss of a Single Bulk Electric System Element (Category B), Table I, Category B.

⁷ NERC Transmission Planning Standard TPL-001-0 – System Performance Under Normal (No Contingency) Conditions (Category A), Table I, Category A.

⁸ See Executive Summary, 33 Percent RPS Generation Portfolios and Transmission Assessment section of the CAISO Board-Approved Transmission Plan Pg. 14

(<http://www.caiso.com/Documents/BoardApproved2012-2013TransmissionPlan.pdf>)

transmission line connecting the existing Sycamore Canyon and Peñasquitos Substations in the CPUC-developed Commercial Interest Portfolio:

- Normal (N-0) Overloads on Bay Boulevard-Miguel 230 kV line;
- N-1 Contingency Overloads on Sycamore-Scripps 69 kV line;
- N-1 Contingency Overloads on Miguel-Mission 230 kV line #1 and #2; and
- N-1 Contingency Overloads on Old Town-Mission 230 kV line.

SDG&E’s study correlated to the CAISO’s finding, and also showed NERC Category B reliability violations appearing on Sycamore Canyon-Pomerado 69 kV lines #1 and #2, and the Sycamore Canyon-Scripps 69 kV line. The Proposed Project meets Objective 1a by mitigating the transmission overloads identified by SDG&E and the CAISO, by delivering the power directly to the coastal load center rather than forcing the power through the 138 kV and 69 kV network systems. The Proposed Project would extend a new 230 kV line approximately 16.7 miles from Sycamore Canyon Substation, located on MCAS Miramar, to Peñasquitos Substation, located in the Torrey Hills community of San Diego. As discussed in greater detail in Objective No. 1d below, the Peñasquitos Substation is located very close to the electrical load center of SDG&E’s system. That is to say, energy injected at the Peñasquitos Substation flows out nearly uniformly to serve customer load. The Proposed Project allows energy to flow directly from the Sycamore Canyon import gateway directly to the approximate San Diego load center, instead of forcing the same energy to flow indirectly to the load center through the existing 69 kV and 138 kV networks.

In addition to the studies referenced above, the CAISO performed an additional set of reliability studies examining the impact to the Southern California bulk power system in the event of a then-unexpected early retirement of SONGS. As SONGS was undergoing an extended unplanned outage at the time the 2012-2013 CAISO transmission planning process was underway, and it was not known when or if it would return to service, the CAISO used the results of this “SONGS Absence Study” to determine a “least regrets” plan of action for Mid-term Needs⁹. The CAISO determined that:

This study identified several transmission system upgrades that, in addition to generation replacement and mitigation measures already underway, would assist in managing future unplanned extended outages to the SONGS plant. The upgrades included the following:

- *Install a total of 650 MVAR of dynamic reactive support (i.e., static VAR compensator or synchronous condensers) in the vicinity of SONGS and at the Talega or San Luis Rey Substations; and*
- *Construct a Sycamore-Penasquitos 230 kV transmission line.*

⁹ See section 3.5.6 of the CAISO Board-Approved Transmission Plan (<http://www.caiso.com/Documents/BoardApproved2012-2013TransmissionPlan.pdf>)

See Figure 2-1, Bulk Power System between Sycamore Canyon and Peñasquitos Substations, for a graphic representation of the existing electric system between Sycamore Canyon and Peñasquitos Substations.

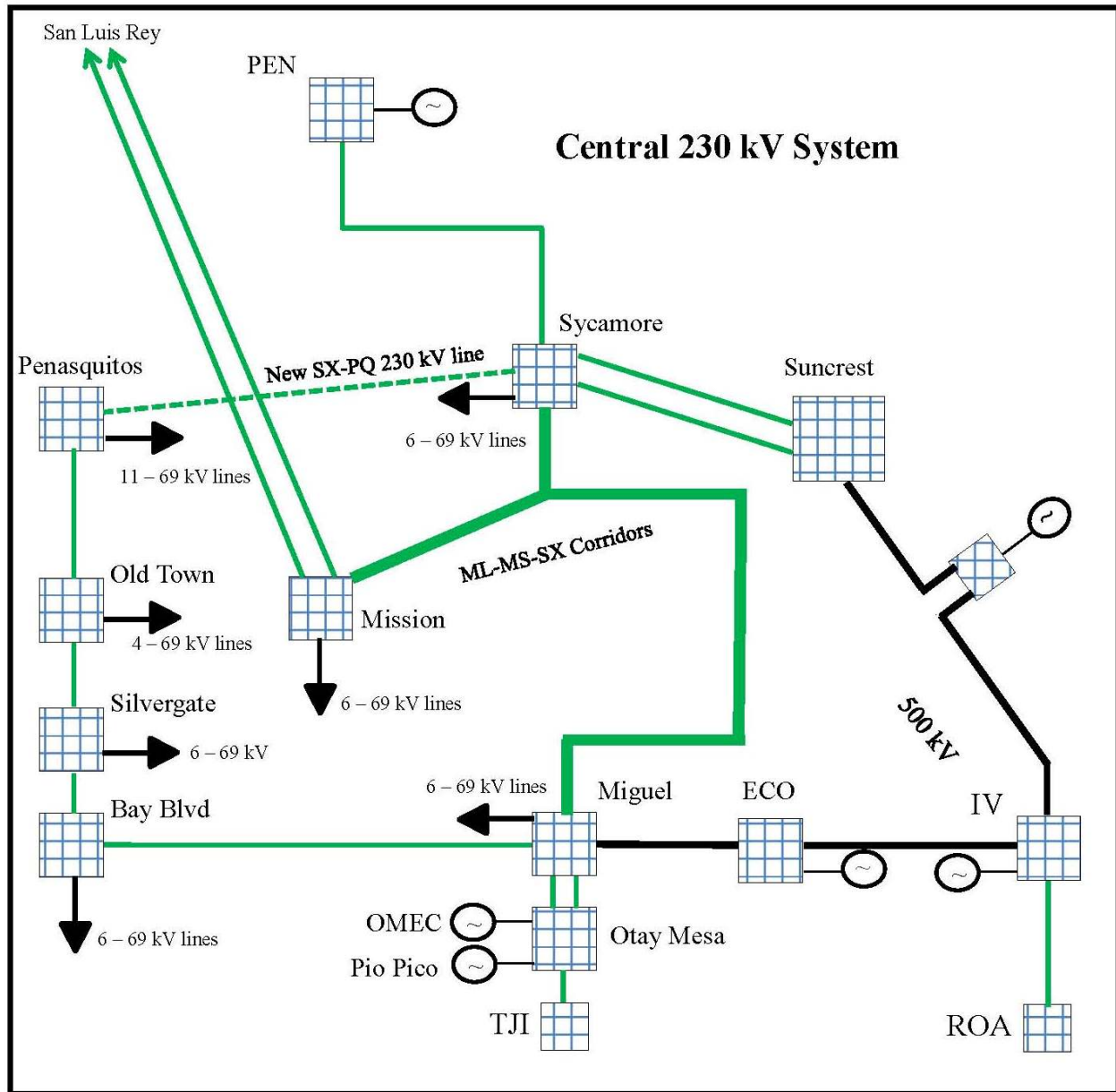


Figure 2-1: Bulk Power System between Sycamore Canyon and Peñasquitos Substations.

2.2.1.2 Objective 1b: Promote Compliance with State of California Policy Goals with Regards to Renewable Energy Integration and Once Through Cooling Retirement

The CAISO’s FERC-approved tariff allows for approval of transmission projects for the purpose of advancing public policy goals. Section 24.4.6.6 of the CAISO’s conformed tariff, effective October 1, 2013¹⁰, states:

The CAISO may evaluate transmission upgrade and addition elements needed to meet state or federal policy requirements or directives as specified in the Study Plan pursuant to Section 24.3.2(i). Policy-driven transmission upgrade or addition elements will be either Category 1 or Category 2. Category 1 are those elements which under the criteria of this section are found to be needed elements and are recommended for approval as part of the comprehensive Transmission Plan in the current cycle. Category 2 are those elements that could be needed to achieve state or federal policy requirements or directives but have not been found to be needed in the current planning cycle based on the criteria set forth in this section.

There are two significant State of California goals that would be advanced by the Proposed Project – integration of renewables in order to meet the State of California’s RPS goal of 33 percent by 2020, and the retirement of OTC thermal units in San Diego and the Los Angeles area. Each aspect is discussed in detail below.

Objective 1b.1 – Renewable Integration

The State of California policy, requiring utilities to supply at least 33 percent of their customer load with renewable energy by 2020, has led to a plethora of new renewable energy development in California. One of the richest sources of renewable energy in the state is the Imperial Valley area, which boasts some of the best solar resources in the nation, along with significant wind and geothermal resources. SDG&E will likely rely on renewable energy projects located in this area as well as further to the east of SDG&E’s service territory to meet its renewable portfolio standard requirements.

The CAISO performed an analysis on the deliverability of renewable resources in the Arizona, Baja California, South San Diego County, and El Centro/Imperial renewable resource zones¹¹. This analysis examined a “Base” portfolio, which used the CAISO’s assumptions regarding the development of renewable generation in the renewable resource zones, as well as the CPUC-developed “Commercial Interest” and “Environmentally Constrained” portfolios.

The results of the CAISO’s analysis is summarized as follows:

Accordingly, the policy assessment for [the] SDG&E area has identified that a new Sycamore-Peñasquitos 230 kV line is an alternative that meets policy-driven

¹⁰ http://www.caiso.com/Documents/ConformedTariff_Oct1_2013.pdf.

¹¹ See section 4.4.2 of the 2012-2013 CAISO Board-Approved Transmission Plan (<http://www.caiso.com/Documents/BoardApproved2012-2013TransmissionPlan.pdf>).

transmission needs in the Commercial Interest and Environmental Constrained portfolios. [...] The [CA]ISO recommends approval of this project in this 2012-2013 transmission planning cycle to ensure delivery of generation needed to meet the 33 percent RPS.¹²

Objective 1b.2 – OTC Generation Retirement

The State Water Resources Control Board (SWRCB) has mandated that generating units that use OTC technology meet more stringent environmental requirements or face closure. The SWRCB has issued a compliance schedule, as shown below:

Northern CA (~5,800 MW)

2011: Humboldt Bay and Potrero

2015: Morro Bay 3 & 4

2017: Contra Costa Units 6 & 7, Pittsburg 5 & 6, and Moss Landing 1, 2, 6 & 7

Southern CA (~8000 MW)

2012: South Bay (retired at the end of 2010)

2015: El Segundo, Harbor

2017: Encina

2019: Haynes

2020 and later: Huntington Beach, Redondo, Alamitos, Mandalay, Ormond Beach, and Scattergood

Based on this schedule, over 900 MW of OTC generation at the Encina plant in San Diego has a compliance date of 2017; over 5,000 MW in the Western Los Angeles basin have compliance dates in the early 2020s. The substantial loss of coastal generation will require more power to come from the east towards the load center, through the gateway substations identified above.

Recommendations from the CAISO Staff

Based on the RPS mandates and OTC retirement dates described above, the CAISO staff made the following recommendation¹³:

As part of the policy-driven study in the SDG&E area, three types of studies were carried out to examine the need for upgrades, the powerflow, stability and deliverability assessments. These three studies point to certain common needs that can be addressed by a single upgrade. The new Sycamore-Penasquitos 230 kV line will mitigate the following overloads observed in the Commercial Interest and Environmental Constrained portfolios:

¹² See section 4.4.3 of the 2012-2013 CAISO Board-Approved Transmission Plan.

¹³ Ibid, pg. 295.

- *Old Town-Peñasquitos 230 kV line;*
- *Miguel-Mission #1 and #2 230 kV lines;*
- *Mission-Old Town 230 kV line;*
- *Silvergate-Bay Boulevard 230 kV line;*
- *Sweetwater-Sweetwater Tap 69 kV line;*
- *Escondido-San Marcos 69 kV line;*
- *Miguel 500/230 kV #1 and #2 transformers (SPS to trip generation needed in addition to proposed upgrade); and*
- *Sycamore-Scripps 69 kV line.*

The Project was approved by the CAISO Board as a Category 1 policy-driven project as a part of the 2012-2013 Transmission Expansion Plan on March 20, 2012¹⁴.

2.2.1.3 Objective 1c: Reliably and Economically Meet Forecasted Load Growth for the San Diego Metropolitan Area

Since release of the February 2012 Revised California Energy Demand Forecast, 2012-2022, the CEC has further adjusted the 1-in-10 peak demand forecast upward for the San Diego metropolitan area in August 2012¹⁵. The SDG&E Service Area load is expected to grow from 5,125 MW in 2013 to 6,056 MW in 2022. The Proposed Project meets this objective by:

1. Efficiently and effectively delivering energy directly to the San Diego load center, as described in the discussion of Objective 1d; and
2. Mitigating multiple transmission contingencies that are driven in part by forecast load growth in the San Diego load center, as described in the discussion of Objective 1a.

2.2.1.4 Objective 1d: Deliver Imported Energy More Efficiently to the San Diego Load Center

As noted above, the Proposed Project would allow for the more efficient delivery of energy to the San Diego load center by allowing energy to flow directly from the Sycamore Canyon Substation to the Peñasquitos Substation, which is located very close to SDG&E’s electrical load center. Currently, power flowing between these two facilities flows indirectly and less efficiently through 69 kV and 138 kV power lines. A graphic representation of the distribution of customer load as it exists today is shown in Figure 2-2, 2013 Load Distribution. This shows the location of each substation serving customer load in the SDG&E system. The bubble representing each substation is sized according to the relative amount of load it serves.

¹⁴ Ibid, Table 7.2-2, pg. 374.

¹⁵ Final California Energy Demand Forecast, 2012-2022, Mid Case, published August, 2012.

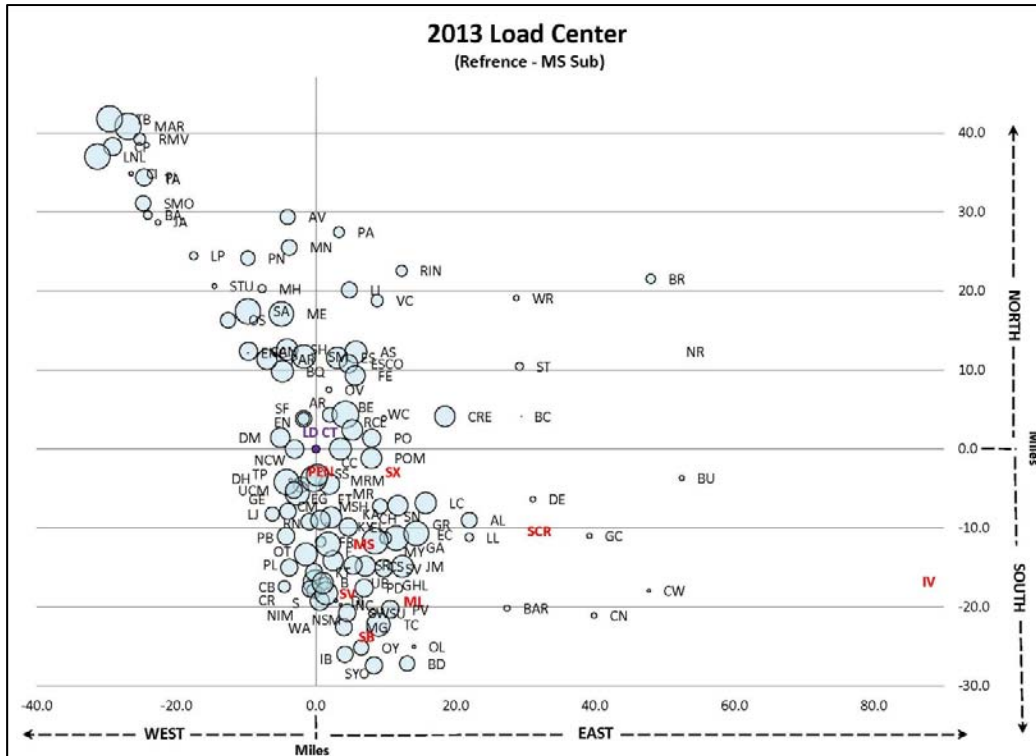


Figure 2-2: 2013 Load Distribution

When the geographic center of each customer-serving substation is calculated and weighted by the amount of load served, it is possible to determine the approximate “electrical center” of SDG&E’s transmission system. Essentially, energy injected at the electrical center would flow more or less evenly out to all customer loads. As Figure 2-2 shows, the electrical load center of the SDG&E system is very close to the Peñasquitos Substation.

A reasonable question to ask would be whether the load center would move as the overall San Diego regional load increases. Figure 2-3, 2022 Load Distribution, represents the electrical center as calculated for the 2022 forecast year. As can be seen, the load center varies almost not at all and remains very close to Peñasquitos Substation.

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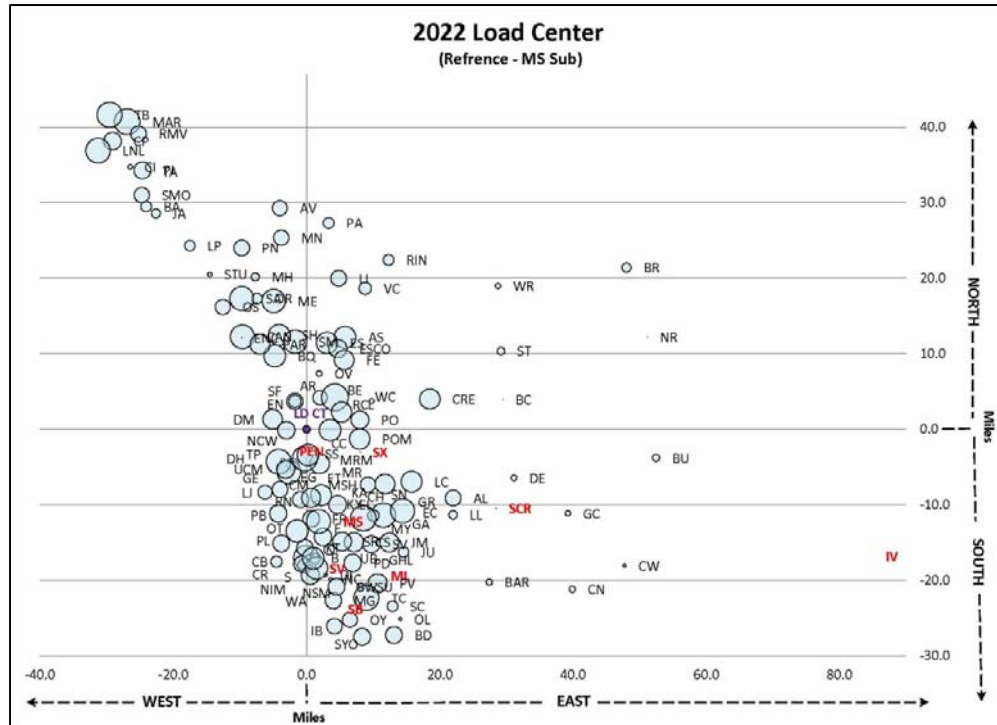


Figure 2-3: 2022 Load Distribution

A measure of the effectiveness of the Proposed Project would be to analyze how much energy is projected to flow across it when it is placed in service. Load flow studies for the proposed in-service date of 2017 indicate that under normal heavy summer conditions, with all lines in service, up to 802 MVA would flow across the new Sycamore to Peñasquitos 230 kV Transmission Line¹⁶. This is a significant portion of the load served by SDG&E, and approaches 90 percent of the 912 MVA normal rating of the Proposed Project. This is a strong indication that the line would effectively connect the import gateway to the load center.

2.2.2 Objective 2: Locate the Proposed Project’s Facilities within Existing Transmission and Power Line Corridors, SDG&E ROW, Utility Owned Property, and City of San Diego Franchise Position.

Another primary objective of the Proposed Project is to locate the proposed facilities within existing SDG&E ROW or franchise positions and within areas that already include electric transmission and power facilities, to the extent feasible.

The construction of the new 230 kV transmission line between Sycamore Canyon and Peñasquitos Substations would utilize approximately 13.9 miles of existing ROW, and approximately 2.8 miles of franchise ROW in the City of San Diego along an existing street (Carmel Valley Road). The Proposed Project therefore requires no additional ROW, which is consistent with state law guiding the use of existing transmission corridors, known as the

¹⁶ Based on 2013 year SDG&E Grid Assessment Study.

Garamendi Principle¹⁷. Only minor amendments to existing ROWs would be required to implement the Proposed Project (see Section 3.6, Permanent Land and Right-of-Way Requirements). As a result, the Proposed Project would meet Objective 2.

2.3 CONCLUSION

The Proposed Project effectively and efficiently meets all of the objectives outlined above and is consistent with the Proposed Project identified in the CAISO's 2012-2013 Transmission Plan. The Proposed Project also maximizes the utilization of existing facilities and land, including existing ROW, utility owned property, existing franchise rights, existing structures, and existing access road networks.

¹⁷ Garamendi Principle – Transmission Siting SB 2431 (Garamendi), Chapter 1457, 62, Statutes of 1988: 1. Encourage the use of existing ROW by upgrading existing transmission facilities where technically and economically feasible; 2. When construction of new transmission lines is required, encourage expansion of existing ROW, when technically and economically feasible; and 3. Provide for the creation of new ROW when justified by environmental, technical, or economic reasons defined by the appropriate licensing agency.