

Date of Hearing: June 29, 2022

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Eduardo Garcia, Chair

SB 529 (Hertzberg) – As Amended June 16, 2022

SENATE VOTE: 38-0 *Vote does not reflect the current bill in print.*

SUBJECT: Electricity: electrical transmission facilities

SUMMARY: Exempts an extension, expansion, upgrade, or other modification of an existing transmission line or substations from the requirement of a Certificate of Public Convenience and Necessity (CPCN) and directs the California Public Utilities Commission (CPUC) to revise its general orders to instead use its Permit to Construct for these approvals by March 1, 2023.

EXISTING LAW:

- 1) Prohibits the construction of transmission lines or any extensions of a transmission line, without having first obtained from the CPUC a certificate that the present or future public convenience and necessity (CPCN) require or will require such construction. (Public Utilities Code § 1001)
- 2) Prohibits the construction of any new electric generating plant, or of the modification, alteration, or addition to an existing electric generating plant, or of electric transmission/power/distribution line facilities, or of new, upgraded or modified substations without first complying with the provisions of this General Order. For purposes of this General Order, a transmission line is a line designed to operate at or above 200 kilovolts. A power line is a line designed to operate between 50 and 200 kV. A distribution line is designed to operate under 50 kV. (CPUC General Order 131-D)

FISCAL EFFECT: The bill in its current form was not heard in the Senate. Should this measure be adopted, it will be referred to the Assembly Appropriations Committee for its consideration.

BACKGROUND:

General Order 131-D – Under CPUC’s General Order (GO) 131-D, the CPUC has established the criteria that would trigger the need for a permit to build or renovate electrical facilities (including the Certificate of Public Convenience and Necessity (CPCN) process). Under the California Environmental Quality Act (CEQA), a need for a discretionary permit triggers a project environmental review. Of the hundreds of major capital electric transmission projects completed in California each year, on average 1-2 per year may trigger a permit, and thus CEQA. Most projects go through CPUC’s Advice Letter (i.e., action request) process for a notice of construction and are exempt from CEQA.

The level of analysis performed by the CPUC varies with the size (measured in voltage) of the transmission project. Projects below 50 kV are considered distribution projects, rather than transmission projects, and in general do not require CPUC approval.

Projects between 50 kV and 200kV require a Permit to Construct (PTC) from the CPUC, which consists primarily of an environmental review pursuant to CEQA. The CPUC process generally does not require a detailed analysis of the need for or economics of these projects.

Projects over 200kV require a Certificate of Public Convenience and Necessity (CPCN) from the Commission. The Commission's CPCN process analyzes the need for the project and the economics of the project as well as the environmental impacts of the project.

GO 131-D specifically addresses the procedures to be followed in applications for siting of electric transmission infrastructure. In essence, it implements Public Utilities Code § 1001 in the context of electric transmission projects. GO 131-D establishes the distinction in the levels of review based on the voltage level of the project (under 50 kV, 50 to 200 kV, and above 200 kV) as described above. It also sets out public notice requirements for proposed transmission projects.

Companies proposing the construction of new transmission (usually investor-owned utilities) are required to obtain a permit from the CPUC for construction of certain specified infrastructure listed under Public Utilities Code sections 1001.

The CPUC reviews permit applications under two concurrent processes: (1) an environmental review pursuant to the California Environmental Quality Act (CEQA), and (2) the review of project need and costs pursuant to Public Utilities Code (PU Code) sections 1001 et seq. and General Order (G.O.) 131-D (Certification of Public Necessity and Convenience (CPCN)).

COMMENTS:

- 1) *Author's Statement.* According to the author, "California is facing an unprecedented need for renewable energy resources to power the state's electric grid over the next 10 to 20 years. This heightened need is driven by increased customer demand for clean energy, the continued electrification of transportation and other industries, and state greenhouse gas reduction and renewable energy objectives. If California is going to meet increased capacity needs and achieve clean energy goals, the state must support the development of cost-effective, environmentally responsible transmission projects that can reliably deliver renewable resources throughout the state. With this principle in mind, SB 529 enables a more expedited review and approval process for upgrades to existing transmission system facilities in existing corridors, or "rights of way." By removing barriers to these critical improvements, SB 529 facilitates the delivery of clean energy resources to the power grid and helps lower the costs of achieving state clean energy goals. Importantly, SB 529 expedites approvals least likely to pose rate concerns, still ensures CEQA is complied with through the PTC process, and minimizes development costs for ratepayers."
- 2) *CAISO Identified Transmission Need.* The CAISO generally identifies two groups of transmission work in its annual transmission plan – new lines in new paths and the extension, expansion, upgrade, or other modification of an existing electrical transmission facility. Both types of construction are subject to a full needs analysis and CEQA review as directed by the CPUC's GO 131-D.

This bill would remove the requirement that extensions, expansions, upgrade and modifications of lines, regardless of voltage, which were already issued a CPCN would not need to again pursue a full environmental and rate review from the CPUC. Instead

those projects could use the CPUCs “Permit to Construct” process which would reduce approval time to approximately one year for those projects. The result would expedite interconnection of some new electric resources by several years.

REGISTERED SUPPORT / OPPOSITION:

Support

California State Association of Electrical Workers
Coalition of California Utility Employees
Independent Energy Producers Association
Large-scale Solar Association

Support If Amended

San Diego Gas & Electric

Opposition

None on file.

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