UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

August 25, 2008

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California Public Utilities Commission
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Project Manager
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Subject: Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) for the Sunrise Powerlink Project (CEQ# 20080267)

Dear Ms. Blanchard and Ms. Kastoll:

The U.S. Environmental Protection Agency (EPA) has reviewed the RDEIR/SDEIS referenced above. Our review and comments are provided pursuant to the National Environmental Policy Act (NEPA), the Council on Environmental Quality (CEQ) Regulations (40 CFR Parts 1500-1508), and our NEPA review authority Section 309 of the Clean Air Act.

The Sunrise Powerlink Project (SRPL) is a proposal by the San Diego Gas & Electric Company (SDG&E) to construct a 150-mile transmission line from the Imperial Valley to coastal San Diego (Northern Route Alternative – Proposed Project). SDG&E proposes to construct this transmission line to maintain reliability, reduce the cost of energy, and accommodate the delivery of renewable energy.

EPA reviewed the Draft Environmental Impact Report/Environmental Impact Statement (DEIR/EIS) and provided comments to the California Public Utilities Commission (CPUC) and the Bureau of Land Management (BLM) on April 3, 2008. We rated the DEIR/EIS as Environmental Concerns – Insufficient Information (EC-2) due to concerns regarding purpose and need, the disclosure of costs and benefits, and potential adverse impacts to watershed resources, air quality, and the Anza-Borrego Desert State Park. We recommended that the Final Environmental Impact Report/Environmental Impact Statement (FEIR/EIS) include additional information about basic project objectives, the disclosure of economic benefits, a comparison of costs associated with the alternatives, and impacts to water resources, air quality, and project conformity with the State Implementation Plan.

The CPUC and the BLM have prepared this RDEIR/SDEIS because there is new information regarding the "connected actions" and "reroutes" analyzed in the DEIR/EIS. The

RDEIR/SDEIS addresses the following components: 1) New and Revised Analysis of the La Rumorosa Wind Project; 2) Description and Analysis of Transmission Line Route Revisions; 3) Revision of Components of the Environmentally Superior Alternatives for Northern and Southern Transmission Lines.

In our comment letter dated April 3, 2008, we expressed our concern about the need for the proposed project based on information presented in the SEMPRA Generational Presidential Permit Application (Federal Register Notice dated February 22, 2008). The Federal Register notice stated that the existing system (southwest power link 500 kV transmission line) is capable of transmitting up to 1,250 MW of renewable energy from the La Rumorosa Wind Project. This seemingly refutes one of the major reasons for constructing the SRPL project, namely the need to bring renewable energy resources to San Diego County. Although the RDEIR/SDEIS contains additional info about the La Rumorosa Wind Project, our concerns regarding purpose and need were not fully addressed. Nor does the RDEIR/SDEIS address the other concerns identified in our comment letter dated April 3, 2008 regarding the disclosure of economic benefits, comparison of costs, and impacts to water resources and air quality. Therefore we are rating this RDEIR/SDEIS as EC-2, Environmental Concerns – Insufficient Information (See attached "Summary of EPA Rating System"). From the perspective of environmental stewardship, we continue to encourage the CPUC and BLM to consider the Environmentally Superior Alternatives over the Proposed Project.

We appreciate the opportunity to review this RDEIR/SDEIS and we are available to answer questions you may have regarding our comments. We request one copy of the FEIS/EIR when it is officially filed with our Washington, D.C. office. If you have any questions, please call me at (415) 972-3521, or have your staff contact Ann McPherson at (415) 972-3545 or mcpherson.ann@epa.gov.

Sincerely,

Kathleen M. Goforth, Manager
Environmental Review Office (CED-2)

Enclosure: Summary of Rating Definitions

SUMMARY OF EPA RATING DEFINITIONS

This rating system was developed as a means to summarize EPA's level of concern with a proposed action. The ratings are a combination of alphabetical categories for evaluation of the environmental impacts of the proposal and numerical categories for evaluation of the adequacy of the EIS.

ENVIRONMENTAL IMPACT OF THE ACTION

"LO" (Lack of Objections)

The EPA review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

"EC" (Environmental Concerns)

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce the environmental impact. EPA would like to work with the lead agency to reduce these impacts.

"EO" (Environmental Objections)

The EPA review has identified significant environmental impacts that must be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

"EU" (Environmentally Unsatisfactory)

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potentially unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the CEQ.

ADEQUACY OF THE IMPACT STATEMENT

Category 1" (Adequate)

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

"Category 2" (Insufficient Information)

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analysed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses, or discussion should be included in the final EIS.

"Category 3" (Inadequate)

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analysed in the draft EIS, which should be analysed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the NEPA and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

*From EPA Manual 1640, "Policy and Procedures for the Review of Federal Actions Impacting the Environment."