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May 9, 2002

V. A. Stephens, Director
White House Task Force on Energy Project Streamlining
1000 Independence Ave, SW
WH-1
Washington, D. C. 20585
Attn: Ron Montagna

Dear Ms. Stephens:

Sempra Energy requests that the Interagency Task Force established under Executive Order 13212 monitor a pending land-into-trust decision at the Bureau of Indian Affairs (BIA), regarding a parcel of land known as the Great Oak Ranch. The BIA issued a Notice of Decision on March 20, 2002, taking the land into trust. That Decision has been appealed by our subsidiary San Diego Gas and Electric, and is under review by the Interior Board of Indian Appeals. We believe that the Interagency Task Force should appropriately remain closely informed of the progress of this appeal.

The Department of Energy's *National Transmission Grid Study*, released this month, calls attention to the critical need for our nation to identify weaknesses in our electric transmission infrastructure. One specific area of concern has been noted in the southern part of California. The California Energy Commission's *2002 - 2012 Electricity Outlook Report*, issued February of this year, identified the San Diego region as one of the most vulnerable in the state for future power outages. In its report, the Commission went on to state, "The state's interests in ensuring that the electrical supply system is as efficient and reliable as possible can be thwarted if needed transmission lines cannot be permitted in a timely manner or are not built solely due to local opposition."

The state-created public benefit corporation that has responsibility for the safety and reliability of the California electric power grid, the California Independent System Operator (ISO), specifically identified the need for a transmission link between San Diego and the rest of the state grid. In response to that identification of need, San Diego Gas & Electric contracted with outside experts to perform an exhaustive review and identify the possible routes to accomplish that link.

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The end result of that process were three potential routes, which were then filed with the state Public Utilities Commission for a decision. One route, along the border of the existing Pechanga reservation, has been rejected by the Tribe. A potential western route was listed, but is considered highly problematic, as it involves extensive condemnation of homes and businesses, in the nation's fastest growing residential areas, and would cross environmentally sensitive lands that are the habitat of endangered species. The final route is across the land that the Notice of Decision indicates would be added to the Pechanga reservation. The Tribe has already indicated that a corridor across that land would not be allowed.

That Notice of Decision, if left unchanged, could thus have the affect of foreclosing the options for developing this critical electric transmission link. Yet the Decision neglected to consider the important energy implications of the action, instead simply asserting, with no factual basis, that there were "several possible routes" for a transmission corridor and that this Decision would as a result have no energy implications. Indeed, the statements of the ISO were not even acknowledged. Our state is still recovering from the devastating dislocations that we suffered as a result of problems with our energy systems. It is therefore troubling to us that no consideration of these issues was included in the BIA review.

While we do not oppose the land being taken into trust, it would be irresponsible to do so without some accommodation that would enable the development of a transmission interconnection. We believe our position is consistent with the spirit of Executive Order 13212.

Sincerely,



-----Original Message-----

From: Freer, David - TPDWF [mailto:DFreer@sempra.com]

Sent: Wednesday, May 08, 2002 11:09 AM

To: 'va.stephens@hq.doe.gov'

Cc: 'Coffee, Roy'

Subject: FW: Fact Sheet

Importance: High

VA: The attached is a fact sheet on the Valley-Rainbow Interconnect issue. It is fairly inclusive with respect to an overall background piece on the issue. I will also forward some information on our appeal to the Interior Board of Indian Appeals (IBIA) in response to the BIA notice of March 21 to place the Great Oak Ranch into trust. Our underlying argument is that the BIA ignored the energy implications of placing the land (Great Oak Ranch) into trust thereby setting up a major policy disagreement between the Department of Energy and the Department of Interior, as well as ignoring the President's Executive Order that required the kind of review of energy projects ignored by the notice of decision. The other complicating factor is the imminent release of DOE's transmission study, which if I understand some of the generic aspects of it are in conflict with the intent of BIA's push to place the land into trust. While we do not object to the land being placed in trust we are asking that a right-of-way be established in granting the order so that we have that opportunity to either, A) negotiate with the tribe to run the line on the eastern boundary of their reservation; or b) have that route available to us as an option as we proceed with the CPUC review of the application, which is now underway. If the land in question goes into trust without the corridor option it is our opinion that the Pechanga's will refuse to negotiate with us, as they will have what they want and any leverage we would have had will be gone.

Valley Rainbow Interconnect

Fact Sheet

Alternatives Development

The planning process for the Valley Rainbow Interconnect utilized the concepts of avoidance and minimizing impacts as the primary focus for finding reasonable alternatives and ultimately the best route. The process employed several steps which when completed in order produced the routing preferences stated in the March 2001 Proponents Environmental Assessment (PEA) filed with the California Public Utilities Commission (CPUC).

The initial step in the development of reasonable alternatives for the Valley Rainbow Interconnect was a siting study, which was completed in the summer of 2000. Boundaries were identified for the siting study, which SDG&E believed would contain all reasonable routes. These boundaries were established based on siting constraints, such as the Agua Tibia Wilderness Area, topographic constraints to the east, developed areas on the west side, and reasonable line length. Constraints were then identified and mapped for land uses, biological, cultural, and visual resources, and engineering limitations, using existing and readily available data sources. Corridors of varying width were then mapped, avoiding constraining resources to the extent possible. A network of alternative routes was then mapped that again minimized resource crossings and impacts.

The next step in the process, which began in late summer 2000, was to collect and map detailed natural, cultural, and human environmental data, assess impacts, develop a comparison of alternatives, and select the best overall route or routes.

Route Selection Process

After the network of alternative routes, referred to as link segments, were studied in detail, the impacts of the various link segments was organized for comparison. A two-day route selection meeting was held by SDG&E and the study team, at which time a consensus-building process was used to arrive at the best localized alternatives, which were then combined to form the best routes between Valley Substation and the proposed Rainbow Substation. These routes were compared and a Preferred Route was selected having the least overall impacts. However, since this route would cross the Pechanga Indian Reservation, and discussions with the Pechanga Tribe had not yielded permission to do so, the second best overall route was identified as the Proposed Route in the PEA.

A total of seven routes (A, B, C, D, E, F, and G) were compared during this process. Route E was selected as the Environmentally Preferred Route, and Route B ranked as the second most environmentally preferred route. Route A, the western route, would have the greatest potential for environmental impacts. In comparison to Routes B through G, Route A would have the potential for causing the highest impacts to existing land uses. The table below summarizes the potential environmental impacts of all seven alternative routes.

Alternative Route	Impact Summary
Route A	Removal of seven residences, 79 residences within 500 feet, proposed school within 350 feet, crosses Santa Margarita Ecological Reserve/ACEC; highest impacts to riverine/wetlands, large area of known Quino habitat; would impact historic Youth Conservation Camp and Native American clusters.
Route B	23 residences within 500 feet, proposed school within 350 feet, crosses through Temecula Wine Country; one area of known Quino habitat; crosses Native American site cluster and a multi-locus site.
Route C	12 residences within 500 feet, proposed school within 350 feet, crosses Southwest Riverside County Multi-Species Reserve; crosses several known populations of Quino; crosses Native American site cluster, two multi-component sites, and a multi-locus site.
Route D	18 residences within 500 feet, proposed school within 350 feet, crosses proposed recreation area on east side of Diamond Valley Lake; crosses several known populations of Quino; crosses Native American site cluster and rock art and burial site.
Route E	22 residences within 500 feet, crosses through Temecula Wine Country; crosses two known populations of Quino; crosses a multi-locus site.
Route F	10 residences within 500 feet, crosses Southwest Riverside County Multi-Species Reserve; crosses several known populations of Quino; crosses two multicomponent sites and a multi-locus site.
Route G	16 residences within 500 feet, crosses proposed recreation area on east side of Diamond Valley Lake; crosses several known populations of Quino checkerspot butterfly; would pass near known locations Native American rock art and burial sites.

The seven routes had three options for crossing the Riverside - San Diego County line.

- Route A would cross the County line near Interstate 15 and enter the Proposed Rainbow Substation site from the west.
- Routes B, C, and D would cross the Great Oak Ranch and proceed south across the County line directly north of the Proposed Rainbow Substation site.
- Routes E, F, and G would travel across the eastern border and a portion of the southern border of the Pechanga Indian Reservation. The crossing of the County line would occur as the routes leave the Reservation from the southern border. These routes would enter the Proposed Rainbow Substation site from the east.

EIR / EIS Process

Subsequent to filing the PEA, discussions with the various federal agencies involved were held to determine which would be the lead for the NEPA document. Since public lands managed by the BLM were crossed by many of the alternatives, including the Proposed Route, BLM became the Federal Lead Agency, and are now in the process of working jointly with the CPUC to prepare the EIR / EIS for the Project. The schedule to release the Draft EIR / EIS for public review is August 2002.

Public Involvement and Agency Contacts

An agency contact program was begun in early 2000 to contact all federal, state, and local agencies to inform them about the proposed project and request their input on issues and

concerns. In addition, during August and September 2000, seven public meetings were held by SDG&E to solicit input from the public and help identify issues and concerns. Over 9000 individuals, organizations, and agencies received notices for the public meetings. Dozens of meetings were also held with agencies and civic organizations throughout the project area during this period.

Subsequent to the PEA being filed, the CPUC and BLM both held a series of public scoping meetings (four total public meetings) to confirm the issues and concerns developed by SDG&E while they assembled the PEA.

Contacts were made initially with the Pechanga Tribe early in 2000, and meetings and contacts continued throughout the remainder of 2000 and into mid 2001. Formal Tribal Consultations were begun in 2002 with local tribes by the BLM.

Requests for Additional Route Evaluations

Route Across the Agua Tibia Wilderness and Cleveland National Forest - A route through the Agua Tibia Wilderness and Cleveland National Forest was evaluated in the March 2001 PEA, but additional information was requested on several occasions by various agencies and elected officials subsequent to the filing of the PEA in March 2001. This route would require a special use permit from the Cleveland National Forest, likely an amendment to the Forest Plan, and a route through the wilderness area, which would be generally prohibited by the Wilderness Act of 1964.

A transmission line through a wilderness area could be allowed by one of three means:

- 1) According to the Act, the President could authorize the transmission line within the wilderness through an administrative EIS process by signing the Record of Decision (ROD) to allow the line as a special use. The ROD would also have to be approved and signed by the Forest Supervisor, the Regional Forester, the Chief of the Forest Service, and the Secretary of Agriculture.
- 2) An act of Congress could alter the boundary of the wilderness area. This could result in offsetting lands as mitigation and possibly an examination of the Wilderness Management Plan.
- 3) An act of Congress could amend the Wilderness Act to allow the transmission line to be placed in the Agua Tibia Wilderness.

SDG&E believes that having the President authorize the transmission line through the Agua Tibia Wilderness area in an administrative action would be a more likely scenario than attempting to gain the support needed to pass legislation in Congress. Regardless, SDG&E



Looking east from the Pechanga Indian Reservation at the Agua Tibia Wilderness

believes that, even if successful, this action could add at least two years to the process and in-service date for the project.

Vail Lake Route – During the siting study, state and federal resource agencies expressed concern about the impacts of crossing through the Southwestern Riverside County Multi-Species Reserve and between Diamond Valley Reservoir and Lake Skinner, although an alternative route was identified by SDG&E through the reserve and impacts were presented in the PEA. The concern was that federal and state-listed endangered species being conserved and managed in this area could be impacted and habitats could be fragmented.



Vail Lake

In September 2001 the Riverside Board of Supervisors requested that SDG&E evaluate an alternative that would use the north half of the Proposed Route,

then cross through the reserve, turn south along Sage Road to the Vail Lake area, then connect back into the Proposed Route in the Temecula Creek area east of Temecula. Most of this area was evaluated for route alternatives, which were documented in the March 2001 PEA, however the study did not extend as far east as Sage Road or as far southeast as the east side of Vail Lake. SDG&E has looked at the feasibility of a route through this area and have concluded that such a route would increase the overall impacts of the transmission line over the Proposed Route, but would result in fewer significant impacts, particularly visual impacts. The route would be longer, would cost more to construct, and would cross through the biologically sensitive and largely undisturbed areas around Vail Lake, as well as the Southwestern Riverside County Multi-Species Reserve. Based on discussions with the resource agencies, SDG&E believes that to obtain a favorable Biological Opinion (assuming Section 7 Consultation), an incidental take permit for federally-listed species, and the necessary entitlement to cross these lands would require a significant mitigation offset.

LEAPS Route - After the PEA was filed with the CPUC in March 2001, an additional request were received from agencies involved or affected by the Proposed Route. First, a route west of the study area boundary from the Valley Rainbow Siting Study was proposed by developers of a proposed pumped-storage hydroelectric facility south of Lake Elsinore. The project, known as Lake Elsinore Advanced Pumped Storage (LEAPS) Project, would require a transmission interconnection into the transmission system of Southern California Edison or SDG&E. The request to evaluate a potential route between the Rainbow and Valley Substations, running past the proposed location of the LEAPS Project was made by the CPUC.

In addition, a second scenario was also requested to develop a new substation 14 miles west of the existing Valley Substation along the Valley-Serrano 500kV Transmission Line and move the

proposed Rainbow Substation 15 miles west. Subsequently, SDG&E evaluated this route, mapped environmental resources and impacts, and passed the results to the CPUC in July 2001.

SDG&E reported that siting a 500kV transmission line along this route would not only be longer and much more expensive, but would be more difficult because of greater land use and environmental impacts. In short, this route would not be a reasonable alternative. Further, siting the line across National Forest System lands would require additional time to approve the Special Use Permit required, a Forest Plan amendment would be required, and according to the Forest Plan, SDG&E would need to demonstrate that a route on private lands was not available for the transmission line. The transmission line would also cross through Roadless Areas on the Cleveland National Forest. The Forest Service would not outright prohibit a transmission line from crossing a roadless area, although the Forest Plan does guide that roads are not allowed, thus possibly requiring that portion of the line be constructed, operated, and maintained entirely by helicopter. Roadless construction is not desirable to SDG&E because of the greater expense to construct and maintain the line, and the longer time required to perform normal line patrolling and maintenance activities. For these reasons the LEAPS route is not reasonable as an alternative to the Proposed Action.

Valley Rainbow Message Points
BIA Great Oak Ranch Into Trust Decision
March 27, 2002

Background

On March 26 SDG&E received a copy of the Bureau of Indian Affairs (BIA) March 21 Notice of Decision of its intent to take the Great Oak Ranch into trust on behalf of the Pechanga Band of Mission Indians.

The BIA proposes to take about 697 acres of the property listed in the Tribe's application into trust (except for Riverside County Assessor's Parcel No. 913-220-010). The notice provides for administrative appeal, which must be filed within 30 days of receipt.

SDG&E filed an administrative appeal of the BIA's Environmental Assessment (EA) and Finding Of No Significant Impact (FONSI) on October 1, 2001, concerning the trust application at the Interior Board of Indian Appeals (IBIA). However, the IBIA ordered that, proceedings on the administrative appeal be stayed pending a trust acquisition decision.

The U.S. cannot actually take the land into trust until any administrative appeals have been exhausted and certain other requirements have been met under federal law.

In its decision to approve the fee to trust transfer, the BIA noted the vast degree of support, including from state and federal legislators, as part of the rationale for their decision.

Message Points

- San Diego Gas & Electric is disappointed that the Regional Bureau of Indian Affairs would elect to accept the Great Oak Ranch property into trust without taking into consideration the state's future power needs and discussing those needs with SDG&E. Also frustrating was the Department of the Interior (DOI) decision to cancel a March 20 meeting scheduled with SDG&E representatives, DOI representatives and representatives of the Pechanga Tribe to discuss the potential for a mutual resolution of the Tribe's desire to place the land into trust and SDG&E's desire for a transmission corridor. DOI representatives cancelled the meeting on March 15 due to the unavailability of the Pechanga representatives.
- SDG&E stands ready to work with the Pechangas and other interested parties to reach a resolution to this very important issue for all of California.
- SDG&E has worked hard within the system to resolve this issue. The BIA's notice of decision disregards SDG&E's urgent request that the BIA's EA/FONSI consider the potential impact on future power availability and reliability in California that would arise from a decision to take the land into trust without preserving a utility corridor. If ultimately approved, placing the Great Oak Ranch into trust would block all but one of the seven alternative routes SDG&E originally identified in its application to the California Public Utilities Commission and the Bureau of Land Management for the proposed Valley Rainbow Interconnect transmission project.
- New and upgraded transmission lines are needed to bolster the state-wide electric transmission grid and reliably meet the demands of existing and future

growth. The organization in charge of power system reliability for the state, the California Independent System Operator (CAISO), and SDG&E share the opinion that a transmission interconnection project such as the Valley Rainbow Interconnect needs to be built.

- The Pechanga have repeatedly rebuffed SDG&E's offers to negotiate a reasonable pathway across remote parts of the existing Reservation for the Valley Rainbow project. SDG&E does not oppose the fee to trust transfer of the Great Oak Ranch; however, it strongly maintains that a utility corridor for SDG&E's interconnection line must be preserved over the Great Oak Ranch as part of the transfer or other lands controlled by the Pechanga following an alignment that avoids sensitive environmental and cultural resources.
- Placing the Great Oak Ranch into trust would leave SDG&E with only one viable alternative route, the Western Route. This route would have the greatest potential to result in environmental impacts of the seven routes studied. These environmental impacts include visual, land use, and residential impacts.
- SDG&E is still studying the BIA notice. Although SDG&E is not opposed to the transfer of the Great Oak Ranch into trust, SDG&E plans to submit an appeal to the proposed decision in order to protect a viable path for the Valley Rainbow Interconnect transmission line.

Should other "alternatives" be brought up

- **Western Route**

1. This action along with the Pechangas unwillingness to consider a route through the existing Reservation cuts out six of the seven proposed routes identified in SDG&E's March 2001 submittal to the CPUC and the BLM for the Valley Rainbow Interconnect, leaving the Western Route as the only alternative.
2. This would leave SDG&E with only one feasible route that would have the greatest potential to result in environmental impacts of the seven routes studied. These environmental impacts include visual, land use, and residential impacts.
3. If *asked*, use of this route may require the removal of 9 buildings.

- **Lake Elsinore**

1. Due to its increased length, this route would have more potential environmental impacts.
2. The line would be longer and thus more costly.
3. The line would present more engineering and construction constraints due to mountainous terrain.
4. The project would take longer to construct.
5. There have been no electrical interconnection studies conducted on this suggested project
6. The potential increased permitting timeframe for such a project would not allow SDG&E to meet a June 2005 in-service date. Moreover, the permitting for a stand-alone transmission line project through Forest Service lands would be more difficult.
7. This route could require the construction of an additional 500kV switchyard.

- **Devers to Ramona**

1. This was just a portion of one of the conceptual alternatives consisting of 500kV transmission lines that was included in the Southern California Long-Term Regional Transmission Study, dated February 15, 2002, prepared jointly by the California Independent System Operator, SDG&E and Southern California Edison. Such conceptual alternatives would include a Devers to Imperial Valley or a Devers to Miguel 500kV line.
2. A major 500kV interconnection would not integrate into SDG&E's existing 69 kV transmission system in the Ramona area.
3. In order for this route to tie into the existing SDG&E 230kV system, additional 230kV lines would need to be built.

- **Ivy/Miguel to Devers**

1. This route would not help to get power into the northern part of SDG&E's system, because it ties into the southern part of the system only.
2. This route would be more than 200 miles in length compared to the 31-mile line currently proposed