I. INTRODUCTION

The City of Los Angeles is a municipal corporation and charter city organized under the provisions of the California Constitution. Los Angeles Department of Water and Power (LADWP) is a proprietary department of the City of Los Angeles that supplies both safe and reliable water and power to Los Angeles' residents, approximately 1.4 million customers, pursuant to the Los Angeles City Charter.

LADWP is a vertically integrated utility that owns generation, transmission and distribution facilities. LADWP owns and operates over 20,000 circuit miles of AC and DC lines, with voltages up to 500 KV. Of its total number of circuit miles, approximately 3,000 circuit miles are out-of- LA basin, therefore enabling the importation of power from out-of-state resources.

The LADWP is undertaking a utility-wide transformation and making billions of dollars in investments on behalf of its ratepayers to replace more than 70 percent of the energy resources over the next 25 years that it has relied upon for the last 50 years, as a result of combined regulatory mandates for increased renewable energy, emissions performance standard on fossil fuel generation, energy efficiency, solar roofs, reduction in GHG emissions, and the elimination of using once-through cooling (OTC) for coastal power plants.

As LADWP transforms itself into a renewable-based utility, building transmission is one of the main activities being pursued to reliably and effectively integrate renewable energy into the LADWP grid. It is from this perspective that

LADWP provides comments to the questions posed by the Department of Energy Request for Information (RFI).

II. REQUEST FOR INFORMATION (RFI)

(1). The development timelines for generation and attendant transmission are often not coordinated or run concurrently. Because of the lengthy time to obtain regulatory reviews, permits and approvals (collectively ''Regulatory Permits''), major new transmission lines can take significantly longer to develop than some types of generation to which the transmission would connect. This Request for Information will refer to the difference in development times between generation and transmission as ''Incongruent Development Times.'' Please answer the following:

a. Describe the challenges created both by the timeline for obtaining Regulatory Permits for transmission and by the Incongruent Development Times.

Comments: LADWP has recently been more involved in the planning and development of new transmission lines and related high voltage substations with the intent to be available for interconnection to renewable energy generators. These renewable energy generators have typically been developed by other entities.

These generation developers will typically approach LADWP with requests asking to evaluate the feasibility (availability, schedule and cost) of interconnecting new generation to LADWP transmission facilities. In these

scenarios, each generator developer has applied for their required permits, and LADWP has taken the lead to plan and apply for applicable reviews and permits related to transmission facilities.

There are various challenges that LADWP faces when pursuing transmission. For example, new transmission line Right-of-Ways (ROWs) require large and sometimes complicated land purchases. Further, the environmental permitting process requires the analysis of multiple alternatives to the Proposed Action. Unfortunately, land purchases cannot be initiated until the Record of Decision and/or Notice of Determination are recorded on any particular alternative. This serial process lengthens the timeline and costs for transmission development.

Another challenge is the large number of stakeholders associated with new transmission lines (i.e. land owners, regulatory agencies, environmental groups), and the delay implications in the process. For example, the longer the permitting process, the higher probability of introducing continuous input and objections to any particular transmission routing. This could increase the permitting process even more as the schedule is extended by the lead agencies to follow up on all the public comments received. This is particularly the case prior to the release of the draft environmental documents.

In cases where LADWP has existing transmission facilities, renewable generators take the lead in requesting reviews and permits for their generators, and the required transmission lines needed to access LADWP facilities.

Generally it can take approximately 3 to 4 years to obtain all necessary environmental approvals, and an additional 3 to 4 years to design and construct new transmission facilities. Generation is built in a shorter time frame (2-5 years?), and the generation developers normally want faster availability dates for transmission to be available for their generators to interconnect. Reducing permitting process duration can reduce the risk and costs to developers and utility customers.

b. To what extent do the Incongruent Development Times hamper transmission and/or generation infrastructure development?

Comments: One of the challenges is that LADWP receives more requests for feasibility studies than actual projects that reach an interconnection agreement. This may be a real problem for generation developers as they seek certainty as to the feasibility of their projects into the LADWP Grid system.

The other issue in infrastructure development is the reality of constructing transmission lines. As noted above, transmission line construction takes about 7-8 years in California, and generation developers have shorter timelines (2-5 years?). Generators have an interest to build and generate as soon as possible to start recovering their investment, but if not properly coordinated with the transmission builder, they face waiting or seeking other alternatives for their generation.

This incongruent timeline have caused good projects to fail because timelines no longer provided for the use of beneficial federal tax incentives.

c. What are the primary risks associated with developing transmission vis-a`-vis the timeline for obtaining Regulatory Permits as well as the Incongruent Development Times?

Comments: The primary risk is that LADWP may commit to lengthy (and costly) permitting, designing and construction of new transmission facilities, and generators will no longer be interested or available to interconnect (tax incentives for projects might no longer be available). These additional transmission line resources built would be stranded and they would no longer be needed under this scenario.

d. How is the financing for developing the attendant transmission influenced by its lengthy development time and by the Dissonant Development Times?

Comments: The financing is not influenced by the dissonant development times because LADWP will not proceed with a development unless there are firm resources available to serve native load.

e. How if at all, do development timelines and the Incongruent Development Times affect the decisions made in utilities' integrated resource planning, if applicable?

Comments: LADWP puts great emphasis on long-term transmission planning, usually looking forward at least 10 years. There are certain in-service dates for

transmission, based on permitting, planning, designing and installing requirements.

A strong IRP is the key to ensuring coordination between the resource requirements and the timing of transmission. Vvertically integrated utilities have a significant advantage to optimize these activities.

f. How do development timelines and the Incongruent Development Times affect the ability of parties to enter into open seasons or power-purchase agreements?

Comments: As noted above, the in-congruency in timelines for transmission line construction and generation development, may require generators, if not properly coordinated, or due to unforeseen delays in permitting, to seek other alternatives for their generation, such as seeking purchase power agreements with other utilities if physically possible .

LADWP pursues resources using RFP's that identify known (existing or being developed) points of interconnection. LADWP does not pursue a PPA for a project without a clear transmission path.

(2) Besides improving the efficiency of permitting and approving transmission, are there any other steps the federal government could take to eliminate the barriers created by the Dissonant Development Times?

Comments: A Memorandum of Understanding (MOU) among the agencies doesn't seem enough. The agencies should work together to see where they can

avoid duplication of requirements, review, study, and analysis. They should coordinate with each other to streamline the requirements and cut out requirements that are already required by another agency. If the requirements are not exactly alike but are similar, they should try to make them the same. Below are some suggestions:

- *Avoid duplication of requirements, review, study, and analysis amongst Federal agencies by having a better mechanism for sharing data on recently done studies.*
- *Coordinate with each other to streamline the requirements and avoid duplicate requirements or inconsistent requirements.*
- *Make requirements as consistent between different federal agencies as possible.*
- *Provide and identify optimum locations for development of resources and transmission on federal lands.*
- *For example, on a current project with joint Bureau of Land Development (BLM) and US Forest Service (USFS) co-lead National Environmental Policy Act (NEPA) agencies, each entity has some different interpretations or guidelines for implementing NEPA. For example each has different appeal requirements or requirements for posting of Final Environmental Impact Statement (EIS). Also, they have different guidelines for compilation of the project record.*

(3) What strategies can the Federal government take to decrease the time that Federal agencies require for evaluating Regulatory Permits for transmission? What other steps can the Federal government take to address the challenges created by Incongruent Development Times?

Comments: The federal government should take into account any other study that has been done in the affected areas in a reasonably recent time frame to avoid duplication of effort. There should be a way to easily share current or even ongoing studies.

Also, see answers to Question 2 to streamline approval processes.

(4) One way to make the Regulatory Permit process and development times between remote generation and attendant transmission more commensurate, is to decrease the time for permitting transmission by some amount. In determining how much time can be saved, developing a benchmark may be helpful. What benchmark should be used?

a. Example—power purchase agreements as the benchmark: how far in the future do load serving entities (LSE's) seek to purchase energy or capacity from remote resources? Do LSE's seek PPAs that begin delivering energy/capacity 3 years from the signing of the PPA? 7 years? 10 years? Please explain why PPA's are signed at this time.

b. Example—development times as the benchmark: How long does it take to design, permit and build different types of remote generation?

Comments: LADWP uses PPAs, but also design and builds a number of its resources; 2-5 years for solar projects, 3-5 years for wind, up to 7 years for generation and 3-7 years for small hydro..

(5) In your experience, how long does it take to design, permit and build transmission?

Comments: As noted above, it can take approximately 3 to 4 years to obtain all necessary environmental approvals from the California Environmental Quality Act (CEQA)/ National Environmental Policy Act (NEPA) and other required permitting, and an additional 3 to 4 years to design and construct new transmission facilities. Again, reducing regulatory permitting process duration can help.

(6) Assume that Federal, state, Tribal and local governments sought to set a goal for the length of time used for completing the Regulatory Permitting process for transmission projects so that the development times between generation and transmission were more commensurate, what goal should that be?

Comments: It would probably have to vary based on length, area(s) covered, resources affected, etc. It is difficult to come up with a one-size fits all formula since there are so many variables.

One particularly limiting factor, however, revolves around biological surveys that often have set time frames and requirements. A possible general

rule was to require no more time on surveys than the most "restrictive" species' survey requirements and allow that, although NEPA generally calls for an equal look at all impacts, some species simply require more than others but not all should/need to be held to the same time (years of survey) standard.

Also, see answers to Question 2 to streamline approval processes.

As the length of the project and the number of governments with jurisdictions increase so will the time necessary for permitting and approvals; accordingly, consider providing a goal that could be scalable according to the length of the line.

Comments: A possible timeline for transmission permitting and approvals processes are as follows:

- *For a transmission line between 20-100 miles, it should take < 2 years*
- *For a transmission line greater than 100 miles, it should take < 3 years*