

March 7, 2016

## **CITY COUNCIL STUDY SESSION ITEM**

### **SUBJECT**

Follow-up to review of Energize Eastside Phase I Draft Environmental Impact Statement (DEIS) with regard to City Council scoping comments.

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### **POLICY ISSUES**

The Energize Eastside Phase I Draft Environmental Impact Statement (DEIS) was issued on January 28, 2016. The City Council submitted scoping comments on behalf of the City and its citizens to help ensure that the EIS adequately considers sufficient feasible and reasonable alternatives to the project under the State Environmental Policy Act. See Attachment 1.

On February 22, 2016, City Council reviewed in study session the staff conclusions that the Phase I DEIS is responsive to Council comments, and considers the breadth of reasonable alternatives suggested by the Council in its June 8, 2015 scoping comment letter.

Follow-up comments were identified by Councilmembers. Staff research into these is provided with this memo.

### **DIRECTION NEEDED FROM COUNCIL**

X Action  
X Discussion  
Information

### **BACKGROUND/ANALYSIS**

At the February 22 study session staff provided an overview of how the Phase I Draft EIS responded to the Council's scoping letter. Concluding that the DEIS had provided information in each of the areas addressed in the scoping letter, staff recommended that a formal comment letter on the Phase I Draft EIS was not needed to accomplish Council's objective of transparency. Instead, staff would work to develop a scoping letter for the Phase II DEIS process; the Phase II scoping period is anticipated to require submittal of a letter in April. See Attachment 2.

#### **Purpose and Need for Project:**

Council raised questions about how the Phase I DEIS addresses the need for the project, as well as how the alternatives reviewed in the Phase I DEIS were evaluated. Attachment 3 is an excerpt from the DEIS that includes the overview of the need for the project, as well as PSE's electrical and non-

electrical criteria that the project must meet in order for an alternative to be considered responsive to that need defined in its objectives.

The DEIS in Chapter 2 Project Alternatives lays out the process used to evaluate the project alternatives ability to feasibly meet or approximate project objectives. Under SEPA, these project objectives must be defined in a manner that does not preclude feasible alternatives that would have lower environmental cost (WAC 197-11-440(5)(b)). Project objectives, described in Chapter 1, include:

- Addressing a deficiency in transmission capacity on the Eastside that PSE expects will arise in the near future;
- Find a cost-effective solution that can be implemented before system reliability is impaired;
- Meet Federal, state and local regulatory requirements; and
- Address PSE's electrical and non-electrical criteria

The DEIS specifically notes the following:

*The transmission capacity deficiency PSE has identified is a product of the complex system that PSE uses to supply power to the Eastside, and also a product of the regulations PSE must follow as a utility provider making use of the regional electrical grid. As such, the criteria for what constitutes a viable solution are correspondingly complex.*

*Chapter 2 Project Alternatives p. 2-1*

The project criteria used for this effort were used to identify reasonable alternatives for EIS consideration. The DEIS notes (p. 2-3) that while important in consideration of the solution, for the Phase I DEIS the non-electrical criteria were not used to screen out alternatives. This is consistent with SEPA statute. Further, under SEPA, alternatives may be considered that are not lowest feasible cost, and cost was not used to screen out alternatives in Phase I, in order to provide a more complete understanding of the environmental effects of alternatives before project-level alternatives are selected.

Attachment 4 includes the DEIS Operation Impacts Comparison table for the alternatives. PSE will likely submit their own analysis about how the alternatives analysis meets their project objectives, to the extent the impacts to the SEPA elements of the environment are not the same across the analysis.

*Why is there no Final EIS for Phase I, prior to moving to Phase II?*

The City, as "lead agency" under the State Environmental Policy Act (SEPA), along with the partner jurisdictions, identified a two phase EIS process to allow for a more thorough understanding of the project's objectives and technical requirements, and in order to accurately identify feasible and reasonable project alternatives for consideration WAC 197-11-060 (3)(a). Phase I focuses on answering questions about the need and the project objectives that must be met for alternatives to be considered viable. Phase II will focus further on specific impacts of viable alternatives and identify mitigation for those impacts. The two phases are part of a single EIS that will support the partner cities' permitting actions on a specific project permit anticipated from PSE. There is no government decision or choice at this phase in the process that would allow the partner cities to require a separate Final EIS at this point in the process. A final EIS will be prepared, including both Phases I and II of the process prior to any permit issuance for the project.

### Access to Critical Energy Infrastructure Information (CEII)

At the February 22 meeting, members of the Council expressed interest in whether PSE or any other agency had approved access to proprietary information through the Critical Energy Infrastructure Information (CEII) process. CEII governs access to proprietary information in the projections and modeling that transmission providers use to perform needs assessment and respond to electrical criteria in project proposals.

Access to proprietary information is protected by security clearance vetting process. This process is designed to assure the security of proprietary information that a transmission provider or regulator uses to operate the electric grid. The premise for this procedure, rooted in 9/11, is that access—similar to access regarding information and data about how the nation's air corridors are operated—is intended to prevent gaining access to that information for purposes of disrupting the infrastructure. This does not mean that entities seeking CEII clearance are security risks, only that there is heightened qualification standard. This standard, solely the purview of the transmission provider, is regulated under FERC orders defined in the Code of Federal Regulations (CFR) which are the national equivalent of the RCW. The City does not have a role in determining CEII qualification.

The City directed its consultants (both USE, who performed the City's earlier Independent Technical Analysis and Stantec, a consultant participating in development of the EIS) to receive CEII clearance for purposes of a technical understanding of the security-protected information. Sufficient clearance was obtained by both consultants to allow them to perform the work required of them and is reflected in their separate reports. The Stantec Report evaluating the need for the project is available in the Energize Eastside EIS document library.

### Detailed Questions about Specific Alternatives:

- *Is Alternative 1B (undergrounding) precluded from being located in proximity to the Olympic pipeline?*

This Phase I DEIS examined at a high-level the impacts of any of the alternatives which would collocate electrical infrastructure in the Olympic pipeline corridor and its easement. These include Alternative 1 (Options A and D), Alternative 2 (Distributed Generation, energy storage component, and peak generation component) and Alternative 3. Although high-level impacts of collocation are considered, the Phase 1 DEIS does not include a specific analysis of the area required for underground, and compare that to the space available within the existing shared utility corridor. This level of detail would be developed if an undergrounding alternative is carried into the Phase 2 DEIS, where more precise areas and distances will be reviewed. Council's interest in ensuring that the implications of undergrounding within the shared utility corridor are examined could be included in a Phase 2 scoping letter.

- *And, are proven alternatives to wired alternative examined?*

Alternative 2 focuses on energy conservation and the use of technologies other than transmission lines to address the project objectives. Other proven approaches are examined in Chapter 2 Section 2.4.5 including phased approaches, combining alternatives to provide partial solutions, conversion from AC to DC, and reducing the scope to only Bellevue. While proven, the DEIS concludes (pp. 2-53 to 2-54) that these would variously did not address the deficiency, increase the problem, had other harm, or would require other alternatives that would not meet SEPA requirements.

## **ALTERNATIVES**

N/A

## **RECOMMENDATION**

Following completion of the comment period for this Phase I DEIS, the partner Cities will continue to examine more specific impacts and mitigation for the project through the Phase II DEIS. A scoping period will precede development of that DEIS.

Staff recommends that the Council submit a letter to that Phase II scoping process, including requests for examination of not only variations to specific alignments of a 230kV line solution for Energize Eastside, but also further examination of any viable alternative from the Phase I DEIS.

The scoping comment letter would also highlight the particular elements of the environment that should be examined at a closer level of detail, including public safety impacts of collocation with the Olympic pipeline and necessary mitigation measures, impacts to view and aesthetics, including mitigation measures and study of alternative pole design, size, placement and other measures.

## **ATTACHMENTS**

1. June 8, 2015 Council scoping comment letter
2. EIS Calendar Schedule
3. DEIS description of need, proponent objectives and criteria
4. DEIS Table 1-3 Operation Impacts Comparison