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# State Office of Administrative Hearings

### Kristofer S. Monson Chief Administrative Law Judge

October 31, 2022

Stephen Journeay, Commission Counsel
Public Utility Commission of Texas
Commission Advising and Docket Management
William B. Travis State Office Building
1701 N. Congress, 7th Floor
Austin, Texas 78701

VIA EFILE TEXAS

Re: SOAH Docket No. 473-22-05831

PUC Docket No. 53727

Joint Application of AEP Texas. Inc. and Sharyland Utilities, L.L.C. to Amend Certificates of Convenience and Necessity for the La Palma-to-Kingfisher Double-Circuit 345-KV Transmission Line in Cameron County

Dear Mr. Journeay:

Enclosed is the Proposal for Decision (PFD) in the above-referenced case. By copy of this letter, the parties to this proceeding are being served with the PFD.

Please place this case on an open meeting agenda for the Commissioners' consideration. The deadline for the Commission's decision in this case is December 26, 2022. Please notify me and the parties of the open meeting date, as well as the deadlines for filing exceptions to the PFD, replies to the exceptions, and requests for oral argument.

Sincerely,

Daniel Wiseman,

Presiding Administrative Law Judge

Sarah Starnes,

Co-Presiding Administrative Law Judge

Enclosure

xc: All Parties of Record

## **Suffix: PUC**

# BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

JOINT APPLICATION OF AEP TEXAS INC. AND SHARYLAND UTILITIES, L.L.C. TO AMEND CERTIFICATES OF CONVENIENCE AND NECESSITY FOR THE LA PALMA-TO-KINGFISHER DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN CAMERON COUNTY

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### TABLE OF ABBREVIATIONS

Abbreviation	Term
AEP	AEP Texas Inc.
Applicants	AEP and Sharyland
CCN	Certificate of Convenience and Necessity
СМР	Texas Coastal Management Program
Commission or PUC	Public Utility Commission of Texas
EA	Environmental Assessment and Alternative Route Analysis
ERCOT	Electric Reliability Council of Texas
FAA	Federal Aviation Administration
FM	Farm-to-Market Road
GLO	Texas General Land Office
kV	Kilovolt
NESC	National Electrical Safety Code
NRHP	National Register of Historic Places
PFD	Proposal for Decision
POWER	POWER Engineers, Inc.
PURA	Public Utility Regulatory Act
Resaca	Resaca de los Fresnos
ROW	Right-of-way
Sharyland	Sharyland Utilities, L.L.C.
SOAH	State Office of Administrative Hearings
Staff	Staff of the Public Utility Commission
SWPPP	Storm Water Pollution Prevention Plan
TAC	Texas Administrative Code
TCEQ	Texas Commission on Environmental Quality
THC	Texas Historical Commission
TPWD	Texas Parks and Wildlife Department
US	United States
USACE	United States Army Corps of Engineers

# BEFORE THE STATE OFFICE OF ADMINISTRATIVE

**Suffix: PUC** 

### **HEARINGS**

JOINT APPLICATION OF AEP TEXAS INC. AND SHARYLAND UTILITIES, L.L.C. TO AMEND CERTIFICATES OF CONVENIENCE AND NECESSITY FOR THE LA PALMA-TO-KINGFISHER DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN CAMERON COUNTY

#### PROPOSAL FOR DECISION

#### I. Introduction

On June 29, 2022, AEP Texas Inc. (AEP) and Sharyland Utilities, L.L.C. (Sharyland) (together, Applicants) filed an application with the Public Utility Commission of Texas (Commission or PUC) to amend their certificates of convenience and necessity (CCNs) to build a new 345-kilovolt (kV) transmission line in Cameron County, Texas. The application was filed pursuant to the Commission's October 14, 2021 Order in Docket No. 52682, which required Applicants to file an application by no later than June 30, 2022, to "construct new

345-kV transmission facilities to close the loop from Palmito to North Edinburg" as part of an overall effort to ensure safe and reliable electric service in the Lower Rio Grande Valley.<sup>1</sup>

The proposed transmission line will connect AEP's existing La Palma 345-kV Station (which would require expansion) to the proposed Sharyland Kingfisher 345-kV Station. Applicants will each construct and own approximately half of the transmission line.<sup>2</sup> The line will be double-circuit capable, with only one circuit initially installed, using steel monopole structures that will range between 130 and 155 feet above grade.<sup>3</sup> The line will utilize 2x954 Aluminum Conductor Steel Reinforced/Aluminum Wire Core conductors with one optical ground wire.<sup>4</sup> The conductor has a continuous summer static current rating of 2,215 amperes and a continuous summer static line capacity of 1,322 megavolt amperes.<sup>5</sup>

Applicants proposed nineteen alternative routes for the transmission line, ranging in estimated length from 4.35 miles to 10.91 miles. Depending on the route selected, the total estimated cost ranges from approximately \$30,122,000 to \$56,238,000, not including substation costs of \$13,638,000 for AEP's existing La Palma station and \$43,709,000 to construct Sharyland's new Kingfisher station.

<sup>1</sup> Project for Commission Ordered Transmission Facilities, Docket No. 52682, Order (Oct. 14, 2021).

<sup>&</sup>lt;sup>2</sup> Applicants Ex. 4 (Scott Direct) at 7.

<sup>&</sup>lt;sup>3</sup> Applicants Ex. 1 at 6; Applicants Ex. 5 (Meyer Direct) at 8, 13; Staff Ex. 1 (Ghanem Direct) at 15.

<sup>&</sup>lt;sup>4</sup> Applicants Ex. 5 (Meyer Direct) at 9.

<sup>&</sup>lt;sup>5</sup> Applicants Ex. 5 (Meyer Direct) at 9.

Though all of the proposed routes and links are viable and feasible, Route 4 was identified by Applicants and Commission staff (Staff) as the route that best meets the routing criteria.<sup>6</sup> Routes 2, 5, 19, and 6 were identified as other top alternatives.<sup>7</sup> One or more intervenors opposes each of those routes. After considering the evidence and arguments of the parties, the Administrative Law Judges (ALJs) recommend approval of Route 4.

#### II. JURISDICTION AND PROCEDURAL HISTORY

The Commission has jurisdiction over Applicants' application under Public Utility Regulatory Act (PURA)<sup>8</sup> sections 14.001, 32.001, 35.005(b), 37.051, 37.053, 37.056, and 39.203(e). The State Office of Administrative Hearings (SOAH) has jurisdiction to conduct a hearing and render a proposal for decision (PFD) on the application under PURA section 14.053 and Texas Government Code section 2003.049.

On July 11, 2022, the Commission issued an Order of Referral and Preliminary Order referring the matter to SOAH, establishing a decision deadline, and including a list of issues to be addressed. SOAH ALJs Daniel Wiseman and Sarah Starnes convened a prehearing conference on July 29, 2022, via the Zoom videoconferencing platform, to address a procedural schedule and other prehearing

<sup>&</sup>lt;sup>6</sup> Applicants Ex. 6 (McClanahan Direct) at 12; Staff Ex. 1 (Ghanem Direct) at 11.

<sup>&</sup>lt;sup>7</sup> Applicants Ex. 6 (McClanahan Direct) at 12.

<sup>&</sup>lt;sup>8</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

<sup>&</sup>lt;sup>9</sup> Order of Referral and Preliminary Order (July 11, 2022).

matters. On August 2, 2022, in SOAH Order No. 3, the ALJs set the hearing on the merits and prehearing schedule.

Thirty-nine individuals or groups of individuals were granted intervenor status in this docket.<sup>10</sup> Twenty-one intervenors were subsequently dismissed for failure to file testimony or a statement of position in accordance with the requirements of SOAH Order Nos. 1 and 3.<sup>11</sup>

On September 6, 2022, SOAH ALJs Wiseman and Starnes convened a hearing on the merits via the Zoom videoconferencing platform. Applicants; Staff; the GOBAR Brothers (consisting of Rolando Gonzalez, Raul A. Gonzalez, and GOBAR Brothers, LLC); the Palo Verde/Las Retamos Neighbors Association; and individual intervenors Blanca and Luis Chapa; Michele de los Santos; Evilia Duran; Ernesto Estrada; Michael Fitzpatrick; David Floodman and U R Home Texas, LLC; Sonia Flores; Zobeyda Morales, and Maria Teresa Guerra Pina appeared at the hearing. Initial briefs were due on September 14, 2022, reply briefs were due on September 21, 2022, and the record closed on September 21, 2022. Pursuant to PURA section 39.203(e), the Commission must issue a final order in this docket by December 26, 2022.

<sup>&</sup>lt;sup>10</sup> SOAH Order Nos. 3, 4, 5 (August 2, 11, and 24, 2022).

<sup>&</sup>lt;sup>11</sup> SOAH Order No. 5 (August 24, 2022). One of those intervenors, Michele de los Santos, subsequently appeared at the hearing and was re-admitted as a party. Hearing Transcript (Tr.) at 28-29.

#### III. APPLICABLE LAW

The Commission may take one of three actions after considering a CCN application for new transmission facilities: grant the certificate as requested, grant the certificate for a portion of the facilities, or refuse to grant the certificate.<sup>12</sup> The transmission facilities must be necessary for the service, accommodation, convenience, or safety of the public.<sup>13</sup> Additionally, the Commission must consider numerous statutory and regulatory factors that include:<sup>14</sup>

- (1) the adequacy of existing service;
- (2) the need for additional service;
- (3) the effect of granting the certificate on the recipient of the certificate and any electric utility serving the proximate area; and
- (4) other factors, such as:
  - (A) community values;
  - (B) recreational and park areas;
  - (C) historical and aesthetic values;
  - (D) environmental integrity;
  - (E) the probable improvement of service or lowering of cost to consumers in the area if the certificate is granted, including potential economic or reliability benefits associated with the dual fuel and fuel storage capabilities in areas outside the ERCOT power region;

9 ( )

<sup>12</sup> PURA § 37.056(b).

<sup>&</sup>lt;sup>13</sup> PURA § 37.056(a); see also 16 Tex. Admin. Code § 25.101(b).

<sup>&</sup>lt;sup>14</sup> The various factors are listed in PURA section 37.056(c) and 16 Texas Administrative Code section 25.101(b)(3)(B).

- (F) to the extent reasonable, the effect of granting the certificate on the ability of this state to meet the goal established by [PURA section 39.904(a);
- (G) engineering constraints;
- (H) costs;
- (I) to the extent reasonable, whether the impact of the line on affected community and landowners can be moderated;
- (J) whether the routes parallel or utilize existing compatible rights-of-way (ROW) for electric facilities, including the use of vacant positions on existing multiple-circuit transmission lines;
- (K) whether the routes parallel or utilize other existing compatible ROW, including roads, highways, railroads, or telephone utility ROW;
- (L) whether the routes parallel property lines or other natural or cultural features; and
- (M) whether the routes conform with the policy of prudent avoidance.<sup>15</sup>

Some of the factors are inherently in conflict, and neither PURA nor Commission rules specify the relative weight to be given to each factor. For example, the factors favor the paralleling of roads and maintaining environmental integrity, which could lead to the conclusion that transmission lines should be placed along roadways and avoid bisecting undeveloped land. However, the factors also favor moderating the impact to the community and consideration of community values (which often includes maximizing the distance from the line to residences). Consideration of these factors could lead to the conclusion that the

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<sup>&</sup>lt;sup>15</sup> See 16 Tex. Admin. Code § 25.101(a)(6) (defining "prudent avoidance" to mean "[t]he limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort").

line should be placed as far from homes as possible. The Commission and the ALJs have the difficult task of considering the totality of all factors, even if individual factors—considered in isolation—could lead to opposite outcomes. The Third Court of Appeals recognized this challenge when it held: "None of the statutory factors is intended to be absolute in the sense that any one shall prevail in all possible circumstances. In making these sometimes delicate accommodations, the agency is required to exercise its 'expertise' to further the overall public interest." <sup>16</sup>

Pursuant to PURA section 39.203(e), because the Commission ordered the Applicants to file an application for the proposed transmission facilities, the Applicants "need not prove that the construction ordered is necessary for the service, accommodation, convenience, or safety of the public and need not address the factors listed in Sections 37.056(c)(1)-(3) and (4)(E)." Accordingly, those factors are not analyzed or addressed in the PFD.<sup>17</sup>

The ALJs also have not considered the effect of granting the application on the ability of the state to meet the goal for renewable energy, as provided in PURA section 37.056(c)(4)(F). This factor is not applicable because the Commission has determined in previous dockets that the state has already met the goal of having

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<sup>&</sup>lt;sup>16</sup> Pub. Util Comm'n of Tex. v. Texland Elec. Co., 701 S.W.2d 271, 267 (Tex. App.—Austin 1985, writ ref'd n.r.e.).

<sup>&</sup>lt;sup>17</sup> See Order of Referral and Preliminary Order at 6-7.

10,000 megawatts of installed renewable capacity by January 1, 2025, set in PURA section 39.904(a).<sup>18</sup>

#### IV. PRELIMINARY ORDER ISSUES

# A. PRELIMINARY ORDER ISSUE No. 1: Is Applicants' application to amend their respective CCNs adequate?

No. 1, Staff was ordered to file comments noting any deficiencies in the application by no later than July 25, 2022. 19 Staff made no filing by that deadline and has not otherwise objected to the application.

Applicants' witness Gary McClanahan testified that data for the environmental/land use criteria were collected for each routing segment, and all of the segments were used by Applicants and their environmental consultant, POWER Engineers, Inc. (POWER) to develop the alternative routes included in the application. Mr. McClanahan opined that, given the distance between the transmission line endpoints and the nature of the project area, the proposed fifty primary alternative routing segments and nineteen primary alternative routes provide an adequate number of geographically differentiated routes to consider for this project.<sup>20</sup> Staff witness Sherryhan Ghanem agreed that "the application is

<sup>&</sup>lt;sup>18</sup> See Application of the City of San Antonio to Amend its Certificate of Convenience and Necessity for the Scenic Loop 138-kV Transmission Line, Docket No. 51023, Order, Findings of Fact (FoF) Nos. 206-207 (Jan. 12, 2022); Application of Rayburn Country Electric Cooperative, Inc. to Amend its Certificate of Convenience and Necessity for the New Hope 138-kV Transmission Line in Collin County, Docket No. 50812, Order, FoF Nos. 158-159 (Jul. 20, 2021).

<sup>&</sup>lt;sup>19</sup> PUC Order No. 1 (June 30, 2022).

<sup>&</sup>lt;sup>20</sup> Applicants Ex. 6 (McClanahan Direct) at 9-11.

adequate and that Joint Applicants['] proposed alternative routes are adequate in number and geographic diversity."<sup>21</sup>

No party raised a challenge to route adequacy by the deadline in SOAH Order No. 3, or otherwise.

Accordingly, the record evidence establishes that Applicants' application is sufficient and contains an adequate number of reasonably differentiated alternative routes for the Commission to conduct a proper evaluation.

B. PRELIMINARY ORDER ISSUE No. 2: Did Applicants provide notice of the application in accordance with 16 TAC § 22.52(a)(1)-(3)?

On July 19, 2022, Applicants filed their Proof of Notice and Publication,<sup>22</sup> which included the affidavit of Mel L. Eckhoff, a regulatory consultant for American Electric Power Service Corporation. As detailed in the affidavit of Mr. Eckhoff, on June 29, 2022, Applicants sent notice of the application and related materials to the following:

• The owners of land, as stated on the current county tax rolls in Cameron County, Texas, who were directly affected by alternative routing options. Notices were sent in English and Spanish, by first-class priority mail.<sup>23</sup>

<sup>&</sup>lt;sup>21</sup> Staff Ex. 2 (Ghanem Direct) at 10.

<sup>&</sup>lt;sup>22</sup> Applicants Ex. 2.

<sup>&</sup>lt;sup>23</sup> Applicants Ex. 2 at 2 and Attachment 1; Applicants Ex. 1, Attachments 9a-9f.

- The Brownsville Public Utilities Board, Magic Valley Electric Cooperative, Inc., and South Texas Cooperative, Inc. These are the utilities providing similar service within five miles of the alternative routing options, and their notices were sent by first-class priority mail.<sup>24</sup>
- The County Judge and County Commissioners in Cameron County, and to the mayors of the cities of San Benito, Harlingen, and Brownville. This is the county where the proposed facilities are located and the municipalities within five miles of the alternative routing options, and their notices were sent by first-class priority mail.<sup>25</sup>
- To the Department of Defense Siting Clearinghouse, by email.<sup>26</sup>
- To the Office of Public Utility Counsel, by first-class priority mail. 27
- To the Texas Parks and Wildlife Department (TPWD), by first-class priority mail. Notice included a copy of the application, including the Environmental Assessment and Alternative Route Analysis (EA) for the project.<sup>28</sup>

Mr. Eckhoff also averred that on July 6, 2022, Applicants published notice of their intent to amend their CCNs in *The Brownsville Herald*, which is the newspaper having general circulation in Cameron County. The affidavit attached the publisher's affidavit and tear sheet for the publication.<sup>29</sup>

<sup>&</sup>lt;sup>24</sup> Applicants Ex. 2 at 2; Applicants Ex. 1, Attachments 9b, 9c, 10a.

<sup>&</sup>lt;sup>25</sup> Applicants Ex. 2 at 3; Applicants Ex. 1, Attachments 9b, 9c, 11a.

<sup>&</sup>lt;sup>26</sup> Applicants Ex. 2 at 3; Applicants Ex. 1, Attachment 11c.

<sup>&</sup>lt;sup>27</sup> Applicants Ex. 2 at 2; Applicants Ex. 1, Attachments 9b, 9c, 13.

<sup>&</sup>lt;sup>28</sup> Applicants Ex. 2 at 3; Applicants Ex. 1, Attachments 14a, 14b.

<sup>&</sup>lt;sup>29</sup> Applicants Ex. 2 at Attachments 2, 3.

No party challenged sufficiency of notice in this proceeding, and Staff's witness concluded that the application complies with the applicable notice requirements.<sup>30</sup>

Based on this evidence, the ALJs conclude Applicants complied with the notice requirements of 16 Texas Administrative Code section 22.52(a)(1)-(3).

# C. PRELIMINARY ORDER ISSUE No. 3: Did Applicants provide notice of the public meeting in accordance with 16 TAC § 22.52(a)(4)?

Applicants held three open-house meetings to solicit public input prior to filing the application, on March 8, March 9, and April 12, 2022.<sup>31</sup> The March meetings were held at the San Benito Cultural Heritage Museum, and the April meeting was held at San Benito High School. Notice of the March meetings was mailed, in English and Spanish, to approximately 350 landowners who own property within 500 feet of the preliminary alternative routing links, as determined from the Cameron County tax rolls.<sup>32</sup> For the April meeting, notice was mailed, in English and Spanish, to approximately 145 landowners who own property within 500 feet of the links modified or added after the first two open-house meetings.<sup>33</sup> Each landowner also received a map of the study area depicting the preliminary alternative links with their invitation letter, a questionnaire, and a sheet of

<sup>&</sup>lt;sup>30</sup> Staff Ex. 1 (Ghanem Direct) at 11.

<sup>&</sup>lt;sup>31</sup> Applicants Ex. 4 (Scott Direct) at 17; Applicants Ex. 6 (McClanahan Direct) at 9.

<sup>&</sup>lt;sup>32</sup> Applicants Ex. 4 (Scott Direct) at 17; see also Applicants Ex. 1, Attachment 1, Appendix B.

<sup>&</sup>lt;sup>33</sup> Applicants Ex. 4 (Scott Direct) at 18.

frequently asked questions. Notice of the public meetings was also emailed to the Department of Defense Siting Clearinghouse.<sup>34</sup>

Sixty-five people attended the March 8, 2022 meeting; eighteen attended the March 9, 2022 meeting; and twenty-six attended the April 12, 2022 meeting.<sup>35</sup> At the meetings, information stations were arranged and staffed to explain different aspects of the routing study, and citizens were encouraged to visit each station so the process could be explained in general sequence of route development and to encourage them to have one-on-one discussions with Applicants' representatives manning each station.<sup>36</sup>

The ALJs find that Applicants met the requirements of 16 Texas Administrative Code section 22.52(a)(4) to hold at least one public meeting, to mail notice of the public meeting to affected landowners, and to provide written notice of the meeting to the Department of Defense Siting Clearinghouse.

D. PRELIMINARY ORDER ISSUE No. 4: What were the principal concerns expressed in the questionnaire responses received at or after any public meetings held by the Applicants regarding the proposed transmission facilities?

Applicants received eleven questionnaire responses at the March 8, 2022 public meeting, ten questionnaire responses at the March 9, 2022 public meeting,

<sup>&</sup>lt;sup>34</sup> Applicants Ex. 4 (Scott Direct) at 18.

<sup>&</sup>lt;sup>35</sup> Applicants Ex. 4 (Scott Direct) at 18.

<sup>&</sup>lt;sup>36</sup> Applicants Ex. 4 (Scott Direct) at 16-17.

and five questionnaire responses at the April 12, 2022 public meeting. In addition, fifty questionnaires were received after the public meetings took place.<sup>37</sup>

Questionnaire respondents were asked to rank the importance of thirteen criteria in routing the transmission line. Following the March 8, 2022 meeting, the most highly ranked criteria were, in descending order:

- 1. Maximize distance from residences, businesses, and schools;
- 2. Maximize length along property boundary lines;
- 3. Minimize length across cropland;
- 4. Minimize visibility of the line;
- 5. Minimize loss of trees; and
- 6. Minimize impact on archaeological and historical sites.<sup>38</sup>

Link A was the segment that raised the most concern, with three questionnaire respondents specifying concern with that link.<sup>39</sup>

Following the March 9, 2022 meeting, the mostly highly ranked criteria on questionnaire responses were, in descending order:

- 1. Maximize distance from residences, businesses, and schools;
- 2. Minimize impacts on streams and rivers;
- 3. Minimize impacts to grassland or pasture; and
- 4. Minimize impacts to archaeological and historic sites.<sup>40</sup>

<sup>&</sup>lt;sup>37</sup> Applicants Ex. 4 (Scott Direct) at 18.

<sup>&</sup>lt;sup>38</sup> Applicants Ex. 1, Attachment 1 at 110.

<sup>&</sup>lt;sup>39</sup> Applicants Ex. 1, Attachment 1 at 110.

<sup>&</sup>lt;sup>40</sup> Applicants Ex. 1, Attachment 1 at 111.

In addition, four respondents specified particular concern with Link E.<sup>41</sup>

Input received at the first two public meetings resulted in the addition of new routing links and changes to other routing links (Segments L, AO, AP, and A) and a third open-house meeting was held for landowners near the new links on April 12, 2022.<sup>42</sup> On the five questionnaire responses received at that meeting, the most highly ranked criteria were, in descending order:

- 1. Maximize distance from residences;
- 2. Minimize impacts on streams and rivers;
- 3. Minimize length through wetlands/floodplains; and
- 4. Minimize impacts to archaeological and historic sites.<sup>43</sup>

After the meetings, Applicants and POWER staff reviewed areas of concern raised at the meetings and in public comments and conversations with affected landowners, and some preliminary links were modified to reduce impacts to habitable structures and other restraints, and to improve paralleling of existing compatible ROW.<sup>44</sup>

In the fifty mailed questionnaire responses received after the public meetings, respondents ranked the following criteria as most important, again in descending order:

<sup>&</sup>lt;sup>41</sup> Applicants Ex. 1, Attachment 1 at 112.

<sup>&</sup>lt;sup>42</sup> Applicants Ex. 1, Attachment 1 at 112.

<sup>&</sup>lt;sup>43</sup> Applicants Ex. 1, Attachment 1 at 115.

<sup>&</sup>lt;sup>44</sup> Applicants Ex. 4 (Scott Direct) at 19-20; Applicants Ex. 6 (McClanahan Direct) at 9.

- 1. Maximize distance from residences, businesses, and schools;
- 2. Minimize impacts on streams and rivers;
- 3. Maximize length along property boundary lines;
- 4. Minimize impacts to archaeological and historical sites; and
- 5. Minimize visibility of the transmission line. 45

Links AD and Y were most frequently identified as the segments that raised the most concern for those respondents.<sup>46</sup>

E. PRELIMINARY ORDER ISSUE No. 5: Weighing the factors in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B), which proposed transmission-line route is the best alternative?

#### 1. Background

The proposed transmission line begins at the existing AEP Texas La Palma 345-kV Station, which is located in the City of San Benito approximately 0.80 miles south of United States (US) Highway 77 Business and approximately 0.30 miles southeast of Farm-to-Market Road (FM) 1846.<sup>47</sup> The line will extend to the proposed new Sharyland Kingfisher 345kV Station, which is generally located southwest of the La Palma Station, and more specifically located on the west side of County Road 315 (Casey Road) approximately 0.80 miles south of FM 510 and approximately 0.73 miles southeast of FM 510 in Cameron County.<sup>48</sup>

<sup>&</sup>lt;sup>45</sup> Applicants Ex. 1, Attachment 1 at 117.

<sup>&</sup>lt;sup>46</sup> Applicants Ex. 1, Attachment 1 at 118.

<sup>&</sup>lt;sup>47</sup> Applicants Ex. 1 at 5.

<sup>&</sup>lt;sup>48</sup> Applicants Ex. 1 at 5.

Though all of the proposed routes and links are viable and feasible, Route 4 was identified by Applicants and Staff as the route that best meets the routing criteria. 49 Routes 2, 5, 19, and 6 were identified as other top alternatives. 50 None of these routes is unopposed. Route 4 is opposed by several intervenors—GOBAR Brothers, Michael Fitzpatrick, and Manuel and Evilia Duran—with GOBAR Brothers and Mr. Fitzpatrick instead supporting Route 5 or, alternatively, Route 6.51 Route 5 is opposed by Intervenors Blanca and Luis Chapa, Ernesto Estrada, Martha Reyna, Maria Teresa Guerra Pina, Raul Pina, Sonia Flores, Yolanda Guillen, and Zobeyda Morales, most of whom also expressed opposition to Routes 5A, 6, 7, and 19.52 Intervenor David Floodman, agent for U R Home Texas, LLC, opposed Route 2.53 And, as discussed below, TPWD expressed a preference for Route 19, though it did not oppose any route.

The table below summarizes the links used<sup>54</sup> and parties' position on each of the leading routes, as stated in their post-hearing briefs and/or written direct testimonies:

<sup>49</sup> Applicants Ex. 6 (McClanahan Direct) at 12; Staff Ex. 1 (Ghanem Direct) at 11.

<sup>&</sup>lt;sup>50</sup> Applicants Ex. 6 (McClanahan Direct) at 12.

<sup>&</sup>lt;sup>51</sup> On October 12, 2022, the City of San Benito filed a resolution adopted September 6, 2022, where the City Commission of the City of San Benito, Texas stated its support for Routes 5 and 6 and its opposition to Routes 1-4. The City did not intervene in this proceeding, nor did it file its resolution before the record closed. Thus, the resolution is not addressed further in the PFD.

<sup>&</sup>lt;sup>52</sup> Route 5A (or modified Route 5) was suggested by GOBAR Brothers during discovery. GOBAR Ex. 4. No party advocated for Route 5A or for Route 7 (opposed by the intervenors who object to links N1 and N2) at the hearing or in post-hearing briefs; thus, they are not addressed further in the PFD.

<sup>&</sup>lt;sup>53</sup> Other intervenors filed testimony or position statements opposing routes 1, 3, 7-12, 14, and 17. Because none of those routes were identified as favorable by any party, they are not discussed further in the PFD.

<sup>&</sup>lt;sup>54</sup> Applicants Ex. 1, Attachment 1, Table 4-1; GOBAR Ex. 4.

Route	Links	Supporters	Opponents
Route 2	B1-B2-E1-E2-O-Q	Blanca & Luis Chapa	David Floodman Michael Fitzpatrick
Route 4	A-C-E1-E2-O-Q	Applicants Staff David Floodman Blanca & Luis Chapa Ernesto Estrada	GOBAR Brothers Michael Fitzpatrick; Manuel & Evilia Duran
Route 5	A-D-G-I-N1-N2- O-Q	GOBAR Brothers Michael Fitzpatrick Manuel & Evilia Duran	Blanca & Luis Chapa Ernesto Estrada Sonia Flores Yolanda Guillen Zobeyda Morales Maria Teresa Guerra Pina Raul Pina Martha Reyna
Route 6	A-D-G-J-S1-L- AP-N2-O-Q	GOBAR Brothers Michael Fitzpatrick	Blanca & Luis Chapa Sonia Flores Yolanda Guillen Zobeyda Morales Maria Teresa Guerra Pina Raul Pina Martha Reyna
Route 19	A-D-H-K-S1-L- AP-N2-O-Q	TPWD	Blanca & Luis Chapa Sonia Flores Yolanda Guillen Zobeyda Morales Maria Teresa Guerra Pina Raul Pina Martha Reyna

Generally, the parties' opposition to routes is centered on segments located within the center and eastern side of the study area, where there is more development. All of the routes addressed in this PFD end with Links O and Q to

the southwest, and no party opposes those segments.<sup>55</sup> On the leading alternative routes, the links that have drawn the parties' ire are Link B2 (used in Route 2), Links E1 and E2 (used in Routes 2 and 4), Link N1 (used in Route 5) and Link N2 (used in Routes 5, 6, and 19). The objecting intervenors all own property situated on one or more of those links.

For the most part, the intervenors objected to how the proposed transmission line would affect the future development or, in some cases, present use of their own properties. For example:

- David Floodman, agent for U R Home Texas, LLC, objects to the proposed routes that would affect Russell Ranch, a subdivision where the company plans to develop 103 lots for single-family residences. He contends that routes with Link B2 would "eliminate 22 homesites in the development and damage values of the remaining 81." 56
- Manuel and Evelia Duran are "building [their] permanent dream home" on a tract that borders Link E1, and testified that the link would run "right through where our water well is already installed and where the foundation for our dream house has already been laid out."<sup>57</sup>
- Michael Fitzpatrick owns thirteen tracts that would be affected by various routes, six of which are "prime residential homesites" that would be "truly devastat[ed]" if the transmission line crossed them.<sup>58</sup> He testified that Links B2 and E1 would affect these properties, significantly reducing their usable size and decreasing their value.
- GOBAR Brothers are planning a 41-lot subdivision on property that will be impacted by Links E1 and E2 on the north/northeast side of its

<sup>&</sup>lt;sup>55</sup> See Applicants Ex. 3 (Intervenor Map).

<sup>&</sup>lt;sup>56</sup> Floodman Ex. 1 (Floodman Direct) at 1.

<sup>&</sup>lt;sup>57</sup> Duran Ex. 1 (Duran Direct) at 1.

<sup>&</sup>lt;sup>58</sup> Fitzpatrick Ex. 1 (Fitzpatrick Direct) at 2-3; Fitzpatrick Initial Brief at 1.

property boundary. They contend that "[o]ver 50% to 100% of the planned lots would no longer be viable and marketable due to the unsightly nature of the infrastructure and the perceived environmental concerns of living next to high voltage infrastructure." <sup>59</sup>

- Blanca and Luis Chapa are planning to build a retirement home on property that would be abutted on its southeast corner by Link N2, which they oppose.<sup>60</sup>
- Ernesto Estrada is in the process of building a family home and Link N1 would run through his property. The lot is less than one acre and cannot "absorb" the proposed transmission line, he testified.<sup>61</sup>
- Sonia Flores, Maria Teresa Pina Guerra, and Zobeyda Morales testified that they own property on Link N1 and there are two inhabited residences on or near them. They raised concerns about the "senior citizens who have heart problems" who live in those homes with their caretaker and the caretaker's 12-year-old daughter, who also has health problems.<sup>62</sup>

Some of these concerns are beyond the scope of what the ALJs can consider. For example, the Commission has stated that plans for future land use development (that is, construction started after notice of the transmission line) are "too indefinite as to where or how potential routing areas will be affected and, as such, are irrelevant to [the] Commission's decision." Further, neither PURA nor the Commission's rules list property values or the impact on future or potential development as factors to be considered by the Commission in a CCN proceeding. The Commission also specifically stated in the Order of Referral and Preliminary

<sup>&</sup>lt;sup>59</sup> GOBAR Ex. 1 (Gutierrez Direct) at 11-12.

<sup>60</sup> Chapa Ex. 1 (Chapa Direct) at 2.

<sup>61</sup> Estrada Ex. 1 (Estrada Direct) at 2.

<sup>62</sup> Flores Ex. 1 (Flores Direct) at 1; Guerra Ex. 1 (Guerra Direct) at 1; Morales Ex. 1 (Morales Direct) at 1.

<sup>&</sup>lt;sup>63</sup> Application of LCRA Transmission Serv. Corp. to Amend its CCN for a 138-kV Transmission Line in Kendall and Bexar Counties, PUC Docket No. 29684, Order on Rehearing at 4 (March 22, 2006).

Order that appropriate compensation for any ROW or condemnation of property should not be addressed in this proceeding.<sup>64</sup>

PURA section 37.056(c) and the Commission's rule at 16 Texas Administrative Code section 25.101(b)(3)(B) list factors that the Commission must consider in evaluating routes under consideration. To the extent the intervenors addressed those specific routing factors, their positions are addressed in the discussion of the evidence on those factors that follows. At the conclusion of this section IV.E, the ALJs will weigh the evidence on the factors and explain the basis of their recommendation for Route 4.

#### 2. PURA § 37.056(c) Factors

#### a) Community Values

PURA section 37.056(c)(4)(A) requires the Commission to consider "community values" in granting CCN applications or amendments. For purposes of evaluating the impacts of the routes under consideration, POWER defined the term "community values" as a "shared appreciation of an area or other natural resource by a national, regional, or local community," 65 which the parties generally agree is consistent with the definition used by the Commission in prior cases.

In the EA prepared for the application, POWER looked at land uses in the study area and determined that the majority of the area is a suburban setting with a

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<sup>&</sup>lt;sup>64</sup> Order of Referral and Preliminary Order at 6.

<sup>&</sup>lt;sup>65</sup> Applicants Ex. 1, Attachment 1 at 29.

mix of residential subdivisions and commercial structures, and with cropland throughout the study area.<sup>66</sup> The length of a transmission line route is a primary indicator of the relative magnitude of land-use impacts. Here, the total lengths of the alternative routes range from 4.35 miles (Route 1) to 10.91 miles (Route 18).<sup>67</sup> The approximate length of the routes under consideration, from shortest to longest are presented in the following table:<sup>68</sup>

Route	Length	Overall Ranking (of 19 Routes)
Route 2	4.91 miles	2nd-shortest
Route 4	4.92 miles	3rd-shortest
Route 5	5.48 miles	4th-shortest
Route 6	5.72 miles	6th-shortest
Route 19	5.73 miles	8th-shortest

As discussed above in connection with Preliminary Order Issue 4, Applicants collected information from residents, landowners, and other interested persons at three public meetings and through mailed questionnaires, and modified and added alternative links to address some of the concerns raised. Applicants and Staff argue that these efforts provided adequate means by which members of the community could express the community's concerns.<sup>69</sup>

<sup>&</sup>lt;sup>66</sup> Applicants Ex. 1, Attachment 1 at 30.

<sup>&</sup>lt;sup>67</sup> Applicants Ex. 1, Attachment 1 at 131.

<sup>&</sup>lt;sup>68</sup> Applicants Ex. 1, Attachment 1, Table 4-1.

<sup>&</sup>lt;sup>69</sup> Applicants' Initial Brief at 13; Staff's Initial Brief at 8.

The questionnaire responses consistently ranked maximizing distance from residences, businesses, and schools as the top concern of the community. The EA examined the impacts on habitable structures and found that all of the alternative routes have some habitable structures located within 500 feet their centerlines, ranging from thirty (Route 17) to 121 (Route 8).<sup>70</sup> On the routes under consideration here, the number of habitable structures (from least to most) are:<sup>71</sup>

Route	Number of Habitable Structures within 500 Feet of the Centerline	Overall Ranking (of 19 Routes)
Route 2	44	5th-least
Route 4	47	8th-least
Route 5	54	10th-least
Route 6	61	14th-least
Route 19	64	16th-least

The routes with fewer habitable structures than these routes (Routes 14-17) are also among the longest—and hence most expensive—of the proposed routes, at over ten miles long each.<sup>72</sup>

Other highly ranked community concerns, as expressed on the questionnaires, were minimizing impacts to archaeological and historical sites and minimizing visibility of the transmission line (both addressed below in section

<sup>&</sup>lt;sup>70</sup> Applicants Ex. 1, Attachment 1 at 133.

<sup>&</sup>lt;sup>71</sup> Applicants Ex. 1, Attachment 1, Table 4-1. Consistent with 16 Texas Administrative Code section 25.101(a)(3), "Habitable structures" include single- and multi-family dwellings, including mobile homes, apartment buildings; commercial, industrial, and business structures; churches, hospitals, nursing homes, and schools. *Id.* 

<sup>&</sup>lt;sup>72</sup> Applicants Ex. 1, Attachment 1, Table 4-1 and Attachment 3.

IV.E.2.c); minimizing impacts on streams, rivers, wetlands, and floodplains (addressed below in section IV.E.2.d); and maximizing length along property boundary lines (addressed below in section IV.E.3.c).

GOBAR Brothers argue that Route 4 "does not support the concept of community values" because it would negatively impact several intervenors (GOBAR Brothers, the Durans, and Mr. Fitzpatrick). Applicants' witness Mr. McClanahan countered that alternative routes might not affect presently-affected landowners but would instead affect other landowners. On balance, he asserted, the proposed alternative routes minimize impacts on directly affected landowners and alternative route configurations might impact different landowners but would not have less impact overall.

#### b) Recreational and Park Areas

PURA section 37.056(c)(4)(B) requires the Commission to consider recreational and park areas that may be impacted by a CCN application or amendment.

In preparing the EA, POWER reviewed the federal, state, and local websites and maps, and conducted field reconnaissance in order to identify parks and recreation facilities located within the study area.<sup>76</sup> None of the primary alternative

<sup>&</sup>lt;sup>73</sup> GOBAR Brothers' Initial Brief at 6.

<sup>&</sup>lt;sup>74</sup> Applicants Ex. 6 (McClanahan Direct) at 22.

<sup>&</sup>lt;sup>75</sup> Applicants Ex. 6 (McClanahan Direct) at 22.

<sup>&</sup>lt;sup>76</sup> Applicants Ex. 6 (McClanahan Direct) at 17

routes cross any parks or recreation facilities, and none of the primary routes supported by any party (that is, Routes 2, 4, 5, 6 and 19) have parks or recreation facilities within 1,000 feet of the ROW centerline.<sup>77</sup>

Therefore, the evidence shows that none of the routes under consideration will adversely affect the use or enjoyment of parks or recreation facilities.

#### c) Historical and Aesthetic Values

PURA section 37.056(c)(4)(C) requires the Commission to consider "historic and aesthetic values" implicated by a transmission line under consideration. This was one of the higher-ranked concerns of the community, as expressed on the questionnaire responses provided by affected landowners.

POWER contacted the Texas Historical Commission (THC), reviewed Texas Archeological Research Laboratory records, and searched THC's Texas Archeological Sites Atlas and Texas Historical Sites Atlas to determine known locations of cultural resources, recorded cemeteries, properties listed on the National Register of Historic Places (NRHP), and similar cultural or historical sites.<sup>78</sup> As set out in the EA, no recorded culture resource sites are crossed by or located within 1,000 feet of the centerlines of any of the primary routes.<sup>79</sup> All of the proposed routes are within the Cameron County Irrigation District No. 2, which has been determined to be eligible for listing on the NRHP, though no NRHP sites

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<sup>&</sup>lt;sup>77</sup> Applicants Ex. 1, Attachment 1, Table 4-1; Applicants Ex. 6 at 17; GOBAR Ex. 4. Six other primary routes (Routes 13-18) have one park or recreational area within 1,000 feet.

<sup>&</sup>lt;sup>78</sup> Applicants Ex. 1, Attachment 1 at 18.

<sup>&</sup>lt;sup>79</sup> Applicants Ex. 1, Table 4-1.

are located within 1,000 feet of the centerlines of any of the primary routes.<sup>80</sup> The routes all have zero or one cemetery within 1,000 feet, though none of the routes cross a cemetery. The San Benito City cemetery is approximately 163 feet from Routes 2 and 4, approximately 758 feet from Route 5, and 952 feet from Routes 6 and 19.<sup>81</sup>

Every alternative route crosses through areas with high probability for archeological sites, with the length of ROW crossing high archeological site potential ranging from a low of 4.35 miles (Route 1) to a high of 9.17 miles (Route 18).82 The table below shows how the main routes perform on this criterion:

Route	Length of ROW Across Areas of High Archeological Site Potential	Overall Ranking (of 19 Routes)
Route 2	4.91 miles	3rd-lowest
Route 4	4.92 miles	4th-lowest
Route 6	5.18 miles	6th-lowest
Route 19	5.30 miles	8th-lowest
Route 5	5.35 miles	9th-lowest

As for aesthetic considerations, the proposed transmission line could cause both temporary impacts during construction as well as permanent impacts.<sup>83</sup>

<sup>80</sup> Applicants Ex. 6 (McClanahan Direct) at 18.

<sup>&</sup>lt;sup>81</sup> Applicants Ex. 1, Attachment 1 at 140 and Table 4-1.

<sup>82</sup> Applicants Ex. 1, Attachment 1 at 140 and Table 4-1.

<sup>83</sup> Applicants Ex. 1, Attachment 1 at 141.

POWER evaluated the permanent impacts—that is, permanent views of structures and lines—by estimating the length of each alternative route that would fall within the foreground visual zone (i.e., one-half mile with unobstructed views) of major highways, FMs, and parks or recreational areas. None of the alternative routes had any portion of their ROW length located within the foreground visual zone of any parks or recreational areas, and there are no interstate highways located within the study area.<sup>84</sup>

The route lengths within the foreground visual zone of state highways ranged from 1.82 miles (Route 5) to 4.74 miles (Route 17), while the route lengths within the visual foreground of FM roads ranged from 2.15 miles (Route 1) to 5.77 miles (Route 13). For the routes under consideration here, these criteria are summarized in the tables below:

Route:	Length of ROW in Foreground Visual Zone of US and State Highways	Overall Ranking (of 19 Routes)
Route 5	1.82 miles	1st-shortest
Route 4	1.83 miles	2nd-shortest
Route 6	1.95 miles	5th-shortest (tie)
Route 19	1.95 miles	5th-shortest (tie)
Route 2	2.02 miles	7th-shortest

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<sup>84</sup> Applicants Ex. 1, Attachment 1 at 141.

Route	Length of ROW in Foreground Visual FM Roads	Overall Ranking (of 19 Routes)
Route 2	3.32 miles	2nd-shortest
Route 4	3.33 miles	3rd-shortest
Route 5	4.77 miles	15th-shortest
Route 6	5.31 miles	16th-shortest
Route 19	5.32 miles	18th-shortest

Based on these considerations, Staff witness Ms. Ghanem opined that Route 4 performs "among the best from an aesthetic values perspective." So GOBAR Brothers disagree. Their witness, engineer Victor Gutierrez, contended that building the line on Route 4 would create a "significant intrusion on the scenic aesthetic quality of the waterfront shores" of the Resaca de Los Fresnos (Resaca), where GOBAR is planning its residential subdivision.

#### d) Environmental Integrity

PURA section 37.056(c)(4)(D) directs the Commission to consider whether a proposed transmission line will impact environmental integrity.

In evaluating the alternative routes, Applicants and POWER addressed numerous environmental factors that could be impacted by the transmission line. POWER reviewed information on threatened and endangered species from the Texas Natural Diversity Database, TPWD, and United States Fish and Wildlife

<sup>85</sup> Staff Ex. 1 (Ghanem Direct) at 23.

<sup>&</sup>lt;sup>86</sup> GOBAR Ex. 1 (Gutierrez Direct) at 12.

Service, and found there are two federally-listed plant species, three state-listed plant species, twelve federally-listed animal species, and fifty state-listed animal species in Cameron County, where the line would be located.<sup>87</sup> However, none of the alternative routes cross any known habitat or designated critical habitat for federally-listed threatened or endangered species.<sup>88</sup> If any potential threatened or endangered species habitat is identified during field surveys of the Commission-approved route, Applicants have offered assurances that they will work with the proper agencies to determine avoidance or mitigation strategies.<sup>89</sup>

The EA also addresses impacts to wildlife and fisheries resources, including migratory birds. 90 While migratory birds are expected to inhabit the study area as residents or seasonal migrants, the transmission line is not expected to adversely impact them. 91 Applicants will comply with the Migratory Bird Treaty Act and with their respective company-wide Avian Protection Plans, which are developed and implemented according to the standard publications referenced by the Commission in its orders. 92 Such publications include *Reducing Avian Collisions with Power Lines: State of the Art in 2012*, Edison Electric Institute and Avian Power Line Interaction Committee, Washington, D.C. 2012; *Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006*, Edison Electric Institute, Avian Power Line Interaction Committee and the California Energy Commission, Washington,

<sup>87</sup> Applicants Ex. 1, Attachment 1 at 84-86 (Table 2-15).

<sup>88</sup> Applicants Ex. 1, Attachment 1, Table 4-1.

<sup>89</sup> Applicants Ex. 8 (McClanahan Rebuttal) at 8.

<sup>&</sup>lt;sup>90</sup> Applicants Ex. 1, Attachment 1 at 146-47.

<sup>&</sup>lt;sup>91</sup> Applicants Ex. 8 (McClanahan Rebuttal) at 9.

<sup>92</sup> Applicants Ex. 1, Attachment 1 at 146-48; Applicants Ex. 8 (McClanahan Rebuttal) at 9.

D.C. and Sacramento, CA 2006; and the *Avian Protection Plan Guidelines*, Avian Power Line Interaction Committee and United States Fish and Wildlife Service, April 2005.<sup>93</sup> Applicants contend that complying with and using protection measures described in these authorities are adequate to mitigate any impact on migratory birds.

All of the alternative routes cross the Resaca one time, except for Route 1 (which is not a preferred route for any party), which crosses the Resaca three times. The number of stream and canal crossings for the routes range from nine (Route 1) to twenty-seven (Routes 15, 16, and 18). The total length of ROW crossing open water ranges from approximately .09 miles (Routes 2, 5-7 and 19) to approximately .22 miles (Route 1). Length of ROW that parallels streams or rivers ranges from approximately .31 miles (Route 1) to approximately 2.96 miles (Route 18). The tables below show how the primary routes perform on each of these criteria:

Route	Number of Stream and Canal Crossings	Overall Ranking (of 19 Routes)
Route 5	10	2nd-fewest
Route 6	11	4th-fewest (tie)
Route 19	11	4th-fewest (tie)
Route 2	13	6th-fewest (tie)
Route 4	13	6th-fewest (tie)

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 $<sup>^{\</sup>rm 93}$  Applicants Ex. 8 (McClanahan Rebuttal) at 9.

Route	Length of ROW Crossing Open Water	Overall Ranking (of 19 Routes)
Route 2	.09 miles	1st-fewest (tie)
Route 5	.09 miles	1st-fewest (tie)
Route 6	.09 miles	1st-fewest (tie)
Route 19	.09 miles	1st-fewest (tie)
Route 4	.10 miles	6th-fewest

Route	Length of ROW Paralleling Streams and Rivers	Overall Ranking (of 19 Routes)
Route 5	.32 miles	2nd-shortest
Route 19	.38 miles	3rd-shortest
Route 6	.47 miles	4th-shortest
Route 4	.83 miles	6th-shortest
Route 2	1.63 miles	15th-shortest

The length of route ROW across 100-year floodplains ranges from .20 miles (Route 1) to 2.40 miles (Route 17). The table below shows the lengths for the five routes at the center of this case:

Route	Length of ROW Across 100-Year Floodplains	Overall Ranking (of 19 Routes)
Route 4	1.17 miles	2nd-shortest
Route 2	1.25 miles	3rd-shortest
Route 5	1.86 miles	6th-shortest
Route 6	1.88 miles	9th-shortest
Route 19	2.11 miles	14th-shortest

The length of ROW across upland woodlands/brushlands ranges from approximately 1.20 miles (Route 13) to 2.92 miles (Route 18). Alternative Routes 6, 7, and 19 are the only routes that do not cross any bottomlands or riparian woodlands. The remaining routes cross between .05 miles (Route 5) to .55 miles (Routes 15-17). The tables below show how the primary routes perform on these criteria:

Route	Length of ROW Across Upland Woodlands/Brushlands	Overall Ranking (of 19 Routes)
Route 19	1.23 miles	2nd-shortest
Route 6	1.34 miles	3rd-shortest
Route 4	1.42 miles	4th-shortest
Route 5	1.48 miles	5th-shortest
Route 2	1.78 miles	7th-shortest

Route	Length of ROW Across Bottomland/ Riparian Woodlands	Overall Ranking (of 19 Routes)
Route 6	0 miles	1st-shortest (tie)
Route 19	0 miles	1st-shortest (tie)
Route 5	.05 miles	4th-shortest
Route 2	.32 miles	13th-shortest (tie)
Route 4	.32 miles	13th-shortest (tie)

The length of ROW across wetlands for the proposed routes ranges from .01 miles (Routes 1 and 9) to .23 miles (Routes 2, 3, and 4). Routes 5, 6, and 19 each have .09 miles of their ROW length across wetlands, more than ten other routes.

However, with use of avoidance and minimization measures, Applicants contend that none of the alternative routes would have a significant impact on wetlands.<sup>94</sup>

Staff witness Ms. Ghanem testified that the proposed transmission line would not, in her opinion, present any significant negative impact to environmental integrity. Applicants can minimize any potential negative environmental impacts by implementing usual and customary design and construction practices, she testified. She also contended that of the nineteen alternative routes, Route 4 performs "among the best" from an environmental perspective. 97

# 3. Factors in 16 TAC § 25.101(b)(3)(B)

# a) Engineering Constraints

The Commission is required to consider whether engineering constraints weigh in favor or against any proposed alternative routes. 98 There is no evidence of any significant engineering constraints along any of the alternative routes. As explained in the EA, Applicants reviewed the preliminary alternative links for engineering and constructability. 99 Based on comments received from interested stakeholders, several links were modified to avoid irrigation risers, provide additional alternative Resaca crossings, improve paralleling along existing

<sup>94</sup> Applicants Ex. 1, Attachment 1 at 146.

<sup>95</sup> Staff Ex. 1 (Ghanem Direct) at 24.

<sup>&</sup>lt;sup>96</sup> Staff Ex. 1 (Ghanem Direct) at 25.

<sup>97</sup> Staff Ex. 1 (Ghanem Direct) at 25.

<sup>98 16</sup> Tex. Admin. Code § 25.101(b)(3)(B).

<sup>&</sup>lt;sup>99</sup> Applicants Ex. 1, Attachment 1 at 101.

compatible ROW, and minimize land use impacts.<sup>100</sup> The resulting primary alternative links included no significant engineering constraints.

Applicants plan to use steel monopole structures, consistent with the structures used for the North Edinburg-to-Palmito 345-kV transmission line that will be cut into by the new Sharyland Kingfisher Station. <sup>101</sup> Such structures are appropriate for lines constructed in areas with numerous urban constraints, limited construction access, and physically constrained construction areas. <sup>102</sup> Further, landowners in the region, much of which is densely populated, commonly prefer monopoles due to their more limited structure footprint. <sup>103</sup>

The engineering design for the transmission line project meets or exceeds the requirements for construction as defined in the National Electrical Safety Code (NESC). However, because the NESC is a safety code and not a design guide, Applicants will employ additional design criteria, including the American National Standards Institute standards, their companies' standard practices, and such practices as required by federal, state, and local governments and agencies.<sup>104</sup>

No party contended that engineering constraints should impact the routing determination in this case. Staff asserts that there are no specific engineering

<sup>&</sup>lt;sup>100</sup> Applicants Ex. 1, Attachment 1 at 121.

<sup>&</sup>lt;sup>101</sup> Applicants Ex. 5 (Meyer Direct) at 8; Applicants Ex. 7 (Wantland Direct) at 5.

<sup>&</sup>lt;sup>102</sup> Applicants Ex. 7 (Wantland Direct) at 5.

<sup>&</sup>lt;sup>103</sup> Applicants Ex. 5 (Meyer Direct) at 8.

<sup>&</sup>lt;sup>104</sup> Applicants Ex. 7 (Wantland Direct) at 9.

constraints that are not present in other typical transmission line projects, <sup>105</sup> and its witness, Ms. Ghanem, testified that any constraints could be adequately addressed by industry design and construction practices and standards. <sup>106</sup>

Based on the record evidence, the ALJs conclude that there are no significant engineering constraints along any of the alternative routes.

## b) Costs

The Commission is required to consider cost as a factor in evaluating proposed alternative routes. <sup>107</sup> Applicants prepared cost estimates for all nineteen alternative routes under consideration in this proceeding. The estimated costs range from \$56,238,000 (Route 13) to \$30,064,000 (Route 3), including ROW and land acquisition, engineering and design, material and equipment procurement, and construction of the facilities. <sup>108</sup> The estimated cost of the new Sharyland Kingfisher Station is \$43,709,000, <sup>109</sup> and the estimated cost of the new termination facilities for the existing AEP La Palma Station is \$13,638,000. <sup>110</sup> No party has challenged the reasonableness of these cost estimates.

<sup>&</sup>lt;sup>105</sup> Staff's Initial Brief at 9.

<sup>&</sup>lt;sup>106</sup> Staff Ex. 1 (Ghanem Direct) at 25-26.

<sup>&</sup>lt;sup>107</sup> 16 Tex. Admin Code § 25.101(b)(3)(B).

<sup>&</sup>lt;sup>108</sup> Applicants Ex. 1, Attachment 3 at 1-6.

<sup>&</sup>lt;sup>109</sup> Sharyland's cost estimates varied from those provided in Docket No. 52682 due to a change in the design of the Kingfisher Station to accommodate additional circuits, construction of the project on double-circuit capable structures (consistent with the existing 345-kV system in the Lower Rio Grande Valley) and increases in commodity prices. Applicants Ex. 5 at 12-13.

<sup>&</sup>lt;sup>110</sup> Applicants Ex. 1, Attachment 3 at 7.

Sharyland and AEP will each construct roughly one half of the transmission line. Each proposed route has a "dividing point" at the location of the turning structure closest to the halfway point of the total estimated length. <sup>111</sup> If the dividing point is on AEP's side of the route (that is, the side from the halfway point to the La Palma Station), then the dividing-point turning structure would belong to AEP and AEP's share of the cost would be computed from that turning structure to the La Palma Station, with Sharyland bearing the cost for the other side. Conversely, if the dividing point is on Sharyland's side of the route, then the dividing-point turning structure would belong to Sharyland, Sharyland would bear the costs of the line from that turning structure to the Kingfisher Station, and AEP would pay for the other side. <sup>112</sup>

Of the leading routes under consideration here, their total estimated costs are presented in the following table, organized from least to most expensive:

Route	Expense	Overall Ranking (of 19 routes)
Route 4	\$30,144,000	2nd-least expensive
Route 2	\$30,583,000	3rd-least expensive
Route 5	\$32,620,000	4th-least expensive
Route 6	\$33,704,000	6th-least expensive
Route 19	\$34,720,000	8th-least expensive

<sup>&</sup>lt;sup>111</sup> Applicants Ex. 7 (Wantland Direct) at 7.

<sup>&</sup>lt;sup>112</sup> Applicants Ex. 7 (Wantland Direct) at 7.

# c) Use of Existing Corridors

The Commission is required by 16 Texas Administrative Code section 25.101(b)(3)(B)(i)-(iii) to consider whether the routes being considered parallel or utilize existing compatible ROW for electric facilities; other existing compatible ROW, including roads, highways, railroads, or telephone utility ROW; or property lines or other natural or cultural features. POWER developed criteria to evaluate these factors.<sup>113</sup>

With respect to existing transmission line ROW, none of the alternative routes utilize existing ROW but all of the routes parallel existing ROW for some of their length, from .39 miles (Routes 14 and 17) to 3.12 miles (Route 4).<sup>114</sup> For the alternative routes at issue here, these values are shown in the table below:<sup>115</sup>

Route	Length Parallel and Adjacent to Existing Transmission Line ROW	Overall Ranking (of 19 routes)
Route 4	3.12 miles	1st-longest
Route 2	2.79 miles	2nd-longest
Route 5	2.29 miles	3rd-longest
Route 6	2.29 miles	3rd-longest (tie)
Route 19	2.29 miles	3rd-longest (tie)

<sup>&</sup>lt;sup>113</sup> Applicants Ex. 1, Attachment 1 at 132.

<sup>&</sup>lt;sup>114</sup> Applicants Ex. 1, Attachment 1 at 132.

<sup>&</sup>lt;sup>115</sup> Application Ex. 1, Attachment 1, Table 4-1.

With respect to other existing compatible ROW—including roadways, railways, irrigation or drainage canals, etc.—the total alternative route lengths paralleling these features ranged from .49 miles (Route 5) to 5.96 miles (Route 14). For the most part, the routes with the greatest length paralleling other compatible ROW are longer routes that veer farther to the north and west of the study area, where they use longer segments that run parallel to other compatible ROW for over a mile (links AH, AJ and/or AK). The routes under consideration here proceed in a more southwesterly path. For the alternative routes discussed here, the length parallel to existing compatible ROW is shown below: 117

Route	Length Parallel and Adjacent to Other Existing ROW	Overall Ranking (of 19 routes)
Route 19	2.06 miles	14th-longest
Route 6	1.8 miles	15th-longest
Route 2	1.32 miles	16th-longest
Route 4	.52 miles	18th-longest
Route 5	.49 miles	19th-longest

All of the alternative routes parallel apparent property boundaries and other natural or cultural features to the extent feasible. Consistent with Commission policy, gas pipelines were not considered to be compatible ROW. He length that parallels apparent property boundaries ranges from .10 miles (Routes 1 and 2) to

<sup>&</sup>lt;sup>116</sup> Applicants Ex. 1, Attachment 1 at 132.

<sup>&</sup>lt;sup>117</sup> Applicants Ex. 1, Attachment 1, Table 4-1.

<sup>&</sup>lt;sup>118</sup> Applicants Ex. 1, Attachment 1 at 132.

<sup>&</sup>lt;sup>119</sup> Applicants Ex. 1, Attachment 1 at 132; Applicants Ex. 6 (McClanahan Direct) at 21.

3.51 miles (Route 18). Again, routes utilizing the westernmost links had some of the longest lengths paralleling these features. For the routes at issue here, the length parallel to apparent property lines and natural or cultural features is shown below:<sup>120</sup>

Route	Length Parallel and Adjacent to Apparent Property Lines and Natural or Cultural Features	Overall Ranking (of 19 routes)
Route 5	1.62 miles	7th-longest
Route 6	.87 miles	13th-longest
Route 19	.75 miles	14th-longest
Route 4	.47 miles	17th-longest
Route 2	.10 miles	19th-longest

Finally, when all of these criteria are totalled together, the percentage of each route length that parallels existing transmission line ROW, roads and other compatible ROW, and apparent property lines ranges from 65% (Route 1) to 89% (Routes 7 and 19). The table below shows the total percentage of each route's overall length that parallels the different types of compatible, existing ROW. 122

<sup>&</sup>lt;sup>120</sup> Applicants Ex. 1, Attachment 1, Table 4-1.

<sup>&</sup>lt;sup>121</sup> Applicants Ex. 1, Attachment 1 at 132-33.

<sup>&</sup>lt;sup>122</sup> Applicants Ex. 1, Attachment 1, Table 4-1.

Route	Length Parallel and Adjacent to All Existing Compatible ROW	Percentage of Overall Length
Route 5	4.40 miles	80%
Route 4	4.11 miles	84%
Route 2	4.21 miles	86%
Route 6	4.96 miles	87%
Route 19	5.09 miles	89%

# d) Prudent Avoidance

Commission rules define prudent avoidance as "[t]he limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort." 123

Several intervenors expressed concerns about such exposures. Civil engineer Victor Gutierrez, Jr., testified that GOBAR Brothers have "general safety and health concerns" about living around transmission lines and believe that the homebuilder's customers would attach a negative stigma to the property out of concern that the transmission line could cause health problems and possible cancer. He contended that such public safety and health concerns should be given the "highest priority and should be non-negotiable." Blanca and Luis Chapa also expressed concerns for neighbors with heart problems, liver

<sup>123 16</sup> Tex. Admin. Code § 25.101(a)(6).

<sup>&</sup>lt;sup>124</sup> GOBAR Ex. 1 (Gutierrez Direct) at 15.

<sup>125</sup> GOBAR Ex. 1 (Gutierrez Direct) at 10.

cancer, and other health problems who "do not need all the electromagnetic waves on or near the property." Several other intervenors echoed those concerns. 127

Limiting exposure to electric and magnetic fields can be accomplished by choosing a route that avoids habitable structures, population centers, or other locations where people gather. However, prudent avoidance does not mean that a proposed transmission line must avoid habitable structures at all costs, but that reasonable alternatives must be considered.<sup>128</sup>

Applicants' witness Mr. McClanahan testified that all of the routes in the application reflect reasonable investments of money and effort to limit exposure to electric and magnetic fields, and therefore they all conform to the Commission's policy of prudent avoidance.<sup>129</sup>

# e) Additional Routing Concerns

POWER identified no AM radio transmitters within 10,000 feet of the centerlines of the primary alternative routes, and between zero and two FM radio transmitters or electronic communication towers within 2,000 feet of the centerlines of the alternative routes—on the routes at issue, there was one on Route 2 and none on Routes 3-6 and 19.130 None of the alternative routes are

<sup>126</sup> Chapa Ex. 1 (Chapa Direct) at 4.

<sup>&</sup>lt;sup>127</sup> Flores Ex. 1 (Flores Direct) at 1; Guerra Ex. 1 (Guerra Direct) at 1; Morales Ex. 1 (Morales Direct) at 1 (all using same phrasing as the Chapas).

<sup>&</sup>lt;sup>128</sup> Applicants Ex. 6 (McClanahan Direct) at 23.

<sup>&</sup>lt;sup>129</sup> Applicants Ex. 7 (McClanahan Direct) at 24.

<sup>&</sup>lt;sup>130</sup> Applicants Ex. 1, Attachment 1, Table 4-1.

expected to have a significant impact on electronic communication facilities or operations.<sup>131</sup>

There is one airport registered with the Federal Aviation Administration (FAA), the Valley International Airport, with a runway over 3,200 feet located within 20,000 of some of the routes (though not in the study area itself), but none of the leading routes in this case (Routes 2, 4-6, and 19) are near that airport.<sup>132</sup> There are no FAA-registered airports with runways over 3,200 feet within 10,000 feet of the alternative routes and no public- or private-use heliports within 5,000 feet of any routes.<sup>133</sup> FAA notification is not expected to be required for any of the alternative routes, though Applicants will make a final determination regarding the need to notify the FAA after the Commission has approved a route. FAA notification and any subsequent coordination with the FAA could result in changes to the line design or potential requirements to mark the conductors and/or light the structures.<sup>134</sup>

In opposing Route 4, GOBAR Brothers point out that there is already a double-circuit 138-kV transmission line that crosses the middle of their property, and a single-circuit 69-kV line that borders the north edge of their property, both with 100-foot easements. If the transmission line in this case uses Links E1 and E2, the route would have a 150-foot easement that would abut the ROW for the

<sup>131</sup> Applicants Ex. 1, Attachment 1 at 136-37.

<sup>&</sup>lt;sup>132</sup> Applicants Ex. 1, Attachment 1 at 135.

<sup>&</sup>lt;sup>133</sup> Applicants Ex. 1, Attachment 1 at 129-30.

<sup>&</sup>lt;sup>134</sup> Applicants Ex. 6 (McClanahan Direct) at 14.

<sup>&</sup>lt;sup>135</sup> Tr. at 56-58 (McClanahan Cross); GOBAR Ex. 1 (Gutierrez Direct) at 17 (Exhibit A).

existing 69-kV line on that side of the GOBAR Brothers' property. They contend that Route 4—and specifically Link E1—would "box in" their property in a way that will "devastate" their planned development. Mr. Fitzpatrick raised similar concerns. The existing 69-kV line also already impacts Mr. Fitzpatrick's properties on Link E1, and he testified that the easement already consumes 1.4 acres of his 5-acre lot. He believes that his affected lots would be "severely depreciated," if not rendered "useless," with an additional easement for any route using Link E1. 138

Applicants point out that Mr. Fitzpatrick's land currently has no habitable structures, and GOBAR Brothers have only one vacant residence on their undeveloped property. All of these intervenors' concerns pertain to future, not current, development. Testifying for the Applicants, Mr. McClanahan explained that, due to the congested nature of the study area along the Resaca and near AEP's La Palma Station, it would be impossible to develop an adequate number of geographically differentiated alternative routes that avoid all future land use development plans. This is, in part, why impacts on future planned developments are not usually factors the Commission considers in its routing decisions.

<sup>&</sup>lt;sup>136</sup> Tr. at 59 (McClanahan Cross).

<sup>&</sup>lt;sup>137</sup> GOBAR's Initial Brief at 10.

<sup>&</sup>lt;sup>138</sup> Fitzpatrick Ex. 5 (Fitzpatrick Direct) at 2; Tr. 65 (Fitzpatrick Cross).

<sup>&</sup>lt;sup>139</sup> Applicants Ex. 8 (McClanahan Rebuttal) at 18, 24; GOBAR Ex. 1 (Gutierrez Direct) at 7).

<sup>&</sup>lt;sup>140</sup> Applicants Ex. 8 (McClanahan Rebuttal) at 10-12.

<sup>&</sup>lt;sup>141</sup> Applicants' Reply Brief at 3.

Mr. McClanahan also asserted that transmission lines "can and do coexist" with residential and commercial developments, and he pointed to several master-planned developments that have multiple transmission lines and substations that were present prior to their development. Thus, Applicants contend that the intervenors' concerns are overblown and the evidence does not show that building the transmission line in this case would necessarily preclude future development of any intervenor's property.

Applicants further argue that, even if the transmission line might impact the buildable portion of an affected owner's property, that would only be relevant for purposes of determining the compensation they are owed if ROW is needed across a property.<sup>143</sup> Compensation is one of the issues the Commission expressly said cannot be addressed by the ALJs in this proceeding.<sup>144</sup>

# 4. Recommendation on Routing Factors

With regard to the main routes under consideration, the ALJs find that Routes 2 and 4 perform best with regard to community values principally because they impact fewer currently constructed habitable structures, which was the routing issue deemed most important by the local community, and because they have a comparatively shorter length than the other leading routes.

<sup>&</sup>lt;sup>142</sup> Applicants Ex. 8 (McClanahan Rebuttal) at 11.

<sup>&</sup>lt;sup>143</sup> Applicants' Reply Brief at 7.

<sup>&</sup>lt;sup>144</sup> Order of Referral and Preliminary Order.

Between Routes 2 and 4, the ALJs find that Route 4 outperforms Route 2, taking into account the various routing factors and the concerns of the parties. Route 4 is the route recommended by Applicants and Staff, who note that Route 4:

- Is the second-lowest cost route;
- Represents the third-shortest route;
- Impacts forty-seven habitable structures, the second-least of the routes supported by the parties;
- Uses existing ROW or parallels compatible ROW for 84% of its length;
- Neither crosses nor lies within 1,000 feet of any parks or recreation areas;
- Crosses the fourth-least amount of cropland (2.72 miles) and the sixth-least amount of pasture/rangeland (.70 miles);
- Ranks as second-least impactful route to foreground visual zones of US or state highways;
- Represents the fourth-lowest length across upland woodlands/brushlands (1.42 miles);
- Crosses no critical known habitat of federally listed threatened or endangered species;
- Crosses the Resaca located within the study area only once and is tied with four other routes for the fourth fewest stream crossings; and
- Has a length of 4.92 miles across areas of high archaeological site potential, among the shorter such lengths of the proposed routes.

Three intervenors—GOBAR Brothers, Mr. Fitzpatrick, and the Durans—oppose Route 4. But while GOBAR Brothers and Mr. Fitzpatrick support Routes 5

or 6, a number of other intervenors oppose those routes. <sup>145</sup> Moreover, GOBAR Brothers opposes Route 4 due to its alleged adverse effect on the future development of its property. However, as noted by Staff and Applicants, the Commission has declined to consider future use in routing decisions, stating that such future plans are "too indefinite" and are "irrelevant to" the Commission routing determination. <sup>146</sup> Applicants also point out that transmission lines do not tend to significantly impede future development. <sup>147</sup> And, due to the congested nature of the study area, developing a suitable route that does not infringe on someone's future plans would likely be impossible. Nor, unfortunately, is it possible to avoid some infringement on property owners' preferences, such as those voiced by Mr. Fitzpatrick. Finally, Route 4 is comparable to Routes 5 and 6 in terms of environmental integrity, but it impacts fewer habitable structures, is shorter, less expensive, and performs better in terms of cultural, aesthetic, and historical values than those routes preferred by GOBAR Brothers and Mr. Fitzpatrick.

The Durans oppose Route 4 because Link E1 will border the corner of their property where they have installed a well and laid out a foundation for their future home. Applicants point out that the well was installed *after* the Durans received notice of the proposed transmission line.<sup>148</sup> In any case, Applicants emphasize that

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<sup>&</sup>lt;sup>145</sup> Route 5 is opposed by Intervenors Blanca and Luis Chapa, Ernesto Estrada, Martha Reyna, Maria Teresa Guerra Pina, Raul Pina, Sonia Flores, Yolanda Guillen, and Zobeyda Morales. With the exception of Mr. Estrada, those same intervenors also expressed opposition to Route 6.

<sup>&</sup>lt;sup>146</sup> Docket No. 29684, Order on Rehearing at 4.

<sup>&</sup>lt;sup>147</sup> Applicants' Initial Brief at 3 (identifying several instances of transmission lines coexisting with residential and commercial development).

<sup>&</sup>lt;sup>148</sup> Duran Ex. 1 (Duran Direct) at 2.

they will cooperate with the Durans, as well as any other directly affected landowners, to implement minor deviations necessary to minimize the burden of the transmission line. For the Durans, this could include pole-placement modification to avoid disruption to their well.<sup>149</sup>

For these reasons, the ALJs find that the objections and concerns of GOBAR Brothers, Mr. Fitzpatrick, and the Durans do not outweigh the evidence that Route 4 is the route that best meets the applicable routing criteria. Therefore, the ALJs recommend that the Commission select Route 4 as the approved route for the project.

F. PRELIMINARY ORDER ISSUE No. 6: Are there alternative routes or facilities configurations that would have a less negative impact on landowners? What would be the incremental cost of those routes?

No party proposed additional alternative routes or facility configurations beyond the nineteen routes set out in the application. Applicants' witness Mr. McClanahan testified that the proposed alternative routes were identified to minimize adverse landowner impact in accordance with the requisite routing criteria. He explained that any number of alternatives could be formulated that might not affect presently affected landowners but would instead affect other landowners. On balance, the proposed alternative routes minimize adverse impacts

<sup>150</sup> Applicants Ex. 6 (McClanahan Direct) at 22.

<sup>&</sup>lt;sup>149</sup> Applicants' Reply Brief at 8-9.

on directly affected landowners and no additional alternative route configurations for the transmission line would have less overall landowner impact.<sup>151</sup>

Applicants also maintain that they will cooperate with any Commission order to cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the transmission facilities.<sup>152</sup>

No other party addressed Preliminary Order Issue 6 in their briefing. Based on the record evidence, the ALJs conclude that there are no alternative routes or facilities configurations that would have a less negative impact on landowners than the routes already discussed above.

G. PRELIMINARY ORDER ISSUE No. 7: If alternative routes or configurations of facilities are considered because of individual landowners' preferences, (1) Have the affected landowners made adequate contributions to offset any additional costs associated with the accommodations?, and (2) Have the accommodations to landowners diminished the electric efficiency of the line or reliability?

In their direct testimonies and briefs, none of the intervenors offered to make any contributions to offset any additional costs associated with any routing

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<sup>&</sup>lt;sup>151</sup> Applicants Ex. 6 (McClanahan Direct) at 22.

<sup>152</sup> Applicants' Initial Brief at 22.

accommodations. Nor has a party contended that any requested modifications would diminish the electric efficiency or reliability of the transmission line.

# H. PRELIMINARY ORDER ISSUE No. 8: Did the TPWD provide any recommendations or informational comments? 153

During development of the EA, POWER received a response from TPWD dated February 3, 2022.<sup>154</sup> In that letter, TPWD generally recommended: reducing habitat fragmentation by routing along existing road, pipeline, or ROW; avoiding migratory bird nesting season when clearing vegetation and considering avian safety in constructing and marking lines; and warning contractors of any state-listed species they might encounter and avoid impacts to those species. Consistent with TPWD's recommendations, POWER reviewed the Texas Natural Diversity Database records of state-listed species occurrences and sensitive vegetation communities in the project area and considered those records and TPWD's comments in the route development process.<sup>155</sup>

If so please address the following issues:

- a. What modifications, if any, should be made to the proposed transmission facilities as a result of any recommendations or comments?
- b. What conditions or limitations, if any, should be included in the final order in this docket as a result of any recommendations or comments?
- c. What other disposition, if any, should be made of any recommendations or comments?
- d. If any recommendation or comment should not be incorporated in the proposed transmission facilities or the final order, should not be acted on, or is otherwise inappropriate or incorrect in light of the specific facts and circumstances presented by this application or the law applicable to contested cases, please explain why that is the case.

<sup>&</sup>lt;sup>153</sup> In the Preliminary Order, Issue 8 continued:

<sup>&</sup>lt;sup>154</sup> Applicants Ex. 1, Attachment 1, Appendix A at 32-41.

<sup>&</sup>lt;sup>155</sup> Applicants Ex. 1, Attachment 1 at 17.

In their application, Applicants represented that, once the Commission approves a route, they will complete a field review of the proposed ROW if necessary to identify potential suitable habitat for state-listed species. They will also coordinate with TPWD if necessary to determine measures to avoid or minimize impact to state-listed threatened or endangered species, or to other state-regulated fish and wildlife resources. The commission approves a route, they will complete a field review of the proposed ROW if necessary to identify potential suitable habitat for state-listed species. They will also coordinate with TPWD if necessary to determine measures to avoid or minimize impact to state-listed threatened or endangered species, or to other state-regulated fish and wildlife resources.

On September 9, 2022—after the hearing on the merits concluded—TPWD filed a letter with more comments and recommendations regarding the project. <sup>158</sup> In the letter, TPWD recommended Route 19 as having the least potential to impact fish and wildlife resources. <sup>159</sup> TPWD wrote that Applicants' preferred Route 4 crosses riparian woodlands on link E2, which TPWD prefers to avoid. <sup>160</sup> Applicants state that, like every route under consideration, Route 19 is feasible, but they note that TPWD does not evaluate all of the routing factors that the Commission must consider. <sup>161</sup>

In the September 9, 2022 letter, TPWD also identified eleven beneficial management practices that it recommended to protect fish and wildlife resources during clearing, construction, and maintenance. Staff's witness, Ms. Ghanem

<sup>&</sup>lt;sup>156</sup> Applicants Ex. 1, Attachment 1 at 17.

<sup>&</sup>lt;sup>157</sup> Applicants Ex. 1, Attachment 1 at 17.

<sup>&</sup>lt;sup>158</sup> TPWD initially filed its letter on September 2, 2022 (the last business day before the hearing), but subsequently asked that the prior letter be voided and the corrected version filed September 9, 2022, be accepted instead. Both letters made essentially the same recommendations.

<sup>&</sup>lt;sup>159</sup> Staff's brief incorrectly stated that TPWD supported Route 4. Staff's Initial Brief at 13.

<sup>&</sup>lt;sup>160</sup> TPWD's Corrected Comments in PUC Docket 53727 at 5 (Sept. 9, 2022).

<sup>&</sup>lt;sup>161</sup> Applicants' Initial Brief at 24.

<sup>&</sup>lt;sup>162</sup> TPWD's Corrected Comments in PUC Docket 53727.

recommended nine mitigation measures in her testimony, and Applicants contend these and other mitigation measures proposed in POWER's environmental analysis are sufficient to address most of TPWD's concerns. No party opposed the mitigation measures listed by Ms. Ghanem and proposed by Applicants, nor has any party contended that additional measures are needed to protect wildlife or plant species in response to TPWD's concerns. Therefore, the ALJs recommend that the mitigation measures be adopted, and they are included in the Ordering Paragraphs with this PFD. Otherwise, the ALJs find that the evidence does not show any other modifications, conditions, or limitations need be imposed to address TPWD's concerns.

I. Preliminary Order Issue No. 9: What permits, licenses, plans, or permission will be required for construction and operation of the proposed transmission facilities?<sup>164</sup>

What permits or approvals would be required depends, in part, on where transmission facilities are ultimately located. Applicants have represented that they

If any alternative route requires permission or an easement from a state or federal agency, please address in detail the following:

<sup>&</sup>lt;sup>163</sup> Staff Ex. 1 (Ghanem Direct) at 12-14; Applicants' Initial Brief at 25.

<sup>&</sup>lt;sup>164</sup> In the Preliminary Order, Issue 9 continued:

a. What agency is involved, and what prior communication have the applicants had with the agency regarding the proposed transmission facilities?

b. Has the agency granted the required permission or easement? If not, when is a decision by the agency expected?

c. What contingencies are in place if the agency does not grant the required permission or easement or if the process to obtain the required permission or easement would materially affect the estimated cost, proposed design plans, or anticipated timeline to construct the proposed transmission facilities?

will coordinate with all appropriate federal state, and local agencies with jurisdiction regarding the construction of the transmission facilities, though requests for permits or approvals cannot be submitted until final alignment of the approved route is determined.<sup>165</sup> However, Applicants have identified the following permits or approvals that may be required:

- Floodplain development permits and road crossing permits might be required by the counties in which the approved route is located, depending on the location of the approved transmission line structures.
- Permits for crossing state-maintained roads/highways will be obtained from the Texas Department of Transportation.
- Cultural resource clearance will be obtained from the THC for any necessary ROW.
- A Storm Water Pollution Prevention Plan (SWPPP) might be required by the Texas Commission on Environmental Quality (TCEQ). Applicants or their contractor, as necessary, will submit a Notice of Intent to the TCEQ at least 48 hours prior to the beginning of construction; and will have the SWPPP on site at the initiation of clearing and construction activities.
- A Miscellaneous Easement from the Texas General Land Office (GLO) will be obtained as necessary for any ROW that crosses a state-owned riverbed or navigable stream. Permitting action might be required by the GLO under the Texas Coastal Management Program (CMP) for an approved route that is located within the CMP boundary.
- Notification to the FAA might be required depending on the alignment of the approved route, structure locations, and structure designs. Requirements to alter the design of the structures or potential requirements to mark and/or illuminate the line will be coordinated with the FAA as necessary.

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<sup>&</sup>lt;sup>165</sup> Applicants Ex. 1 at 13.

- Permits or other requirements associated with possible impacts to endangered/threatened species will be coordinated with the United States Fish and Wildlife Service as necessary.
- Permits or other requirements associated with possible impacts to waters
  of the United States under the jurisdiction of the United States Army
  Corps of Engineers (USACE) will be coordinated with the USACE as
  necessary. None of the routing links for this project crosses property that
  is owned by the USACE, and no easements on USACE property will be
  necessary. 166

During the route development process, Applicants developed a list of local officials and departments and local, state, and federal regulatory agencies to receive a consultation letter regarding the proposed transmission line facilities. The letter, sent in December 2021, informed the various officials and agencies of the proposed project and gave them an opportunity to provide any information they had regarding the transmission line and facilities or the project area. In the developing the proposed routes, Applicants attempted to address any concerns expressed in the responses received to the consultation letter. Applicants believe this will limit difficulties in obtaining the permits or permission from such officials, departments, and agencies; thus, Applicants contend there is no need for any particular contingency planning at this point. If such issues do arise, Applicants will seek options that would limit the impact on the schedule and the overall cost. 168

<sup>&</sup>lt;sup>166</sup> Applicants Ex. 6 (McClanahan Direct) at 16.

<sup>&</sup>lt;sup>167</sup> Applicants Ex. 1, Attachment 1; Applicants Ex. 6 (McClanahan Direct) at 7-8.

<sup>&</sup>lt;sup>168</sup> Applicants' Initial Brief at 27.

J. PRELIMINARY ORDER ISSUE No. 10: Is any part of the proposed transmission facilities located within the coastal management program boundary as defined in 31 TAC § 503.1(a)?

It is uncontested that no part of the proposed transmission facilities is located within the CMP boundary.<sup>169</sup> Therefore, no party addressed the sub-issues included in this issue.

K. PRELIMINARY ORDER ISSUE No. 11: Are the circumstances for this line such that the seven-year limit should be changed?

Applicants anticipate that the facilities will be constructed and energized by April 2026.<sup>170</sup> Applicants have not objected to the seven-year limit to energize the line, and no party argued that the limit should not apply.<sup>171</sup> Accordingly, the evidence demonstrates the seven-year limit should not be changed.

<sup>&</sup>lt;sup>169</sup> Applicants Ex. 1 (Application) at 17; Applicants Ex. 6 (McClanahan Direct) at 19; Staff Ex. 1 (Ghanem Direct) at 17.

<sup>&</sup>lt;sup>170</sup> Applicants Ex. 4 (Scott Direct) at 13; Applicants Ex. 5 (Meyer Direct) at 15.

<sup>&</sup>lt;sup>171</sup> Staff Ex. 1 (Ghanem Direct) at 26.

L. PRELIMINARY ORDER ISSUE No. 12: Will anything occur during construction that will preclude or limit a generator from generating or delivering power or that will adversely affect the reliability of the ERCOT system?

Applicants do not anticipate that construction of the project will preclude or limit a generator from generating or delivering power, or that construction will adversely impact the reliability of the ERCOT system.<sup>172</sup> No party contended otherwise. Accordingly, the evidence demonstrates that construction will not limit generation or delivery of power or affect reliability of the ERCOT system.

M. PRELIMINARY ORDER ISSUE No. 13: Have the parties reached a complete or partial agreement on a route that relies on modification to the route segments as noticed in the application? If so, (a) were additional notice requirements met and (b) was written consent obtained from landowners?

The parties reached no agreement as to routing, so this issue is not applicable to this proceeding.

<sup>&</sup>lt;sup>172</sup> Applicants Ex. 5 (Meyer Direct) at 15.

#### V. FINDINGS OF FACT

## Applicants & Application

- 1. AEP Texas Inc. (AEP) is a Delaware corporation registered with the Texas Secretary of State under filing number 802611352.
- 2. AEP owns and operates for compensation in Texas, facilities and equipment to transmit and distribute electricity in the Electric Reliability Council of Texas (ERCOT) region.
- 3. AEP is authorized under Certificate of Convenience and Necessity (CCN) number 300281 to provide service to the public and to provide retail electric utility service within its certificated service area.
- 4. Sharyland Utilities, LLC (Sharyland) is a Delaware limited liability company registered with the Texas Secretary of State under filing number 803319844.
- 5. Sharyland owns and operates for compensation in Texas, facilities and equipment to transmit electricity in the ERCOT region.
- 6. Sharyland is authorized under CCN number 30192 to provide service to the public.
- 7. The Public Utility Commission of Texas's (Commission's) Order in Docket No. 52682 mandated the construction of the La Palma to Kingfisher line pursuant to Public Utility Regulatory Act (PURA, Texas Utilities Code sections 11.001-66.016) sections 35.055(b) and 39.203(e), and required that the application for that line be filed by no later than June 30, 2022.
- 8. On June 29, 2022, AEP and Sharyland (collectively, Applicants) filed an application requesting an amendment to their CCNs to construct the new La Palma to Kingfisher 345-kilovolt (kV) Transmission Line Project in Cameron County, Texas.
- 9. Applicants retained POWER Engineers, Inc. (POWER) to prepare an Environmental Assessment and Alternative Route Analysis (EA) for the proposed transmission line.

## Description of the Proposed Transmission Facilities

- 10. Applicants will construct a new double-circuit capable 345-kV transmission line with one circuit installed initially in Cameron County, Texas.
- 11. The transmission line will begin at the existing La Palma 345-kV Station, which is located in the City of San Benito approximately 0.80 miles south of United States Highway Business 77 and approximately 0.30 miles southeast of Farm-to-Market Road (FM) 1846. The line will extend southeast until it reaches the new Kingfisher 345-kV Station, to be located on the west side of County Road 315 (Casey Road) approximately 0.80 miles south of FM 510 and approximately 0.73 miles southeast of FM 510.
- 12. AEP and Sharyland will each own approximately one-half of the transmission line. AEP will construct and own the western portion of the new transmission line terminating into the La Palma Station, and Sharyland will construct and own the eastern portion of the new transmission line terminating into the Kingfisher Station.
- 13. AEP owns the La Palma Station and Sharyland will own the new Kingfisher Station.
- 14. AEP and Sharyland will own 100 percent of its respective portion of the transmission line and will have no ownership interest in the other's portion of the line. Applicants will not own any part of the transmission line facilities as tenants in common, partners, or any other form of joint ownership.
- 15. Applicants plan to construct the transmission line using steel monopole structures, which will range in height between 130 to 200 feet above grade and will be located in a 150-foot right-of-way (ROW).
- 16. The line will utilize 2x954 Aluminum Conductor Steel Reinforced/Aluminum Wire Core conductors with one optical ground wire. The conductor has a continuous summer static current rating of 2,215 amperes and a continuous summer static line capacity of 1,322 megavolt amperes.
- 17. Applicants expect the facilities will be energized by April of 2026.

#### Route Development

- 18. POWER used a project team with expertise in different environmental disciplines to develop and analyze the primary alternative routes in the application based upon environmental conditions present along each potential route, augmented by aerial photograph interpretation and field surveys, where possible.
- 19. POWER examined the study area and the primary alternative routes, taking into consideration the routing factors in PURA section 37.056(c), the Commission's rule at 16 Texas Administrative Code section 25.101(b)(3)(B), and the Commission's CCN application.
- 20. Applicants' application included nineteen alternative routes that range from approximately 4.35 miles in length (Route 1) to approximately 10.91 miles (Route 18).
- 21. In the application, Route 4 was identified by Applicants as the route that best meets the routing criteria, and Commission staff (Staff) agrees. Routes 2, 5, 19, and 6 were identified as other top alternatives. One or more intervenors opposes each of those routes.
- 22. All alternative routes are viable and constructible.

# Referral to SOAH for a Hearing

- 23. On June 29, 2022, Applicants requested referral of this case to the State Office of Administrative Hearings (SOAH).
- 24. On July 11, 2022, the Commission issued an Order of Referral and Preliminary Order referring the matter to SOAH, establishing a decision deadline, and including a list of issues to be addressed.
- 25. SOAH Administrative Law Judges (ALJs) Daniel Wiseman and Sarah Starnes convened a prehearing conference on July 29, 2022, via the Zoom videoconferencing platform, to address a procedural schedule and other prehearing matters.

- 26. On August 2, 2022, in SOAH Order No. 3, the ALJs set the hearing on the merits and prehearing schedule.
- 27. Also in SOAH Order No. 3, the SOAH ALJs granted the motions to intervene filed by: Palo Verde/Las Retamos Neighbors Association; GOBAR Brothers (consisting of Rolando Gonzalez, Raul A. Gonzalez, and GOBAR Brothers, LLC); Randall P. Crane; Jose A. Quintanilla; Frank X. Hernandez; Ramiro Gonzalez; David Floodman as agent for UR Home Texas; D/T Carson Trust (via Dale Larson); Wilson B. Fry; Ignacio and Minerva Delgado; Michael Fitzpatrick; Bernardo Elder; Gustavo Cantu, Jr.; Ricardo Morado; Terry and Stephanie Rhyner; STX Premier Properties, LLC; Blanca and Luis Chapa; Francisco Grajales; John Grajales; and Cerafin Grajales.
- In SOAH Order No. 4, issued on August 11, 2022, the SOAH ALJs granted 28. the motions to intervene filed by: Ernesto Estrada; Phillip Ogdee; Fred Ogdee; Ronald Ogdee; Marjorie Kay Johnson; Wanda Walker; Mari de la Fuente-Pena, et al.; Martha Reyna; Raul Pena; Zobeyda Morales; Maria Pina; Guillen; Sonia Flores; Teresa Guerra Yolanda Marjory Colvin Batsell; Norton A. Colvin, Ir.; Hejar, Ltd.; Gustavo J. Gonzalez; and Michele de los Santos.
- 29. In SOAH Order No. 5, issued on August 24, 2022, the SOAH ALJs dismissed the following intervenors for failing to file direct testimony or a statement of position: Randall P. Crane; Frank X. Hernandez; Ramiro Gonzalez; D/T Carson Family Trust; Ignacio and Minerva Delgado; Bernardo Elder; Gustavo Cantu, Jr.; Ricardo Morado; Terry and Stephanie Rhyner; STX Premier Properties, LLC; Francisco Grajales; John Grajales; Cerafin Grajales; Marjorie Kay Johnson; Wanda Walker; Mari de la Fuente-Pena, et al.; Marjory Colvin Batsell; Norton A. Colvin, Jr.; Hejar, Ltd.; Gustavo J. Gonzalez; and Michele de los Santos.
- 30. One intervenor, Michele de los Santos, was readmitted as a party at the hearing without objection.
- 31. On September 6, 2022, SOAH ALJs Wiseman and Starnes convened a hearing on the merits via the Zoom videoconferencing platform. Applicants; Staff; GOBAR Brothers; the Palo Verde/Las Retamos Neighbors

Association; and individual intervenors Blanca and Luis Chapa; Michele de los Santos; Evilia Duran; Ernesto Estrada; Michael Fitzpatrick; David Floodman and U R Home Texas, LLC; Sonia Flores; Zobeyda Morales, and Maria Teresa Guerra Pina appeared at the hearing.

32. Initial briefs were due on September 14, 2022, reply briefs were due on September 21, 2022, and the record closed on September 21, 2022.

## Statements of Position and Testimony

- 33. On June 29, 2022, Applicants filed the direct testimony of the following witnesses: Eric W. Scott, a Project Manager in the Transmission Services Department of American Electric Power Service Company (AEPSC); Annie C. Wantland, a Planning & Engineering Supervisor, Transmission Line Engineering ERCOT at AEPSC; Mark D. Meyer, Vice President of Operations at Hunt Utility Services, L.L.C., and Gary L. McClanahan, Jr., a Project Manager in the Environmental Division of POWER. These direct testimonies were admitted at the hearing.
- 34. The following intervenor direct testimonies were offered and admitted at the hearing: Blanca and Luis Chapa, Michael Fitzpatrick, Zobeyda Morales, Maria Teresa Pina Guerra, Sonia Flores, Victor M. Guiterrez, Jr., P.E. and Brian C. Andrews on behalf of GOBAR Brothers, Ernesto Estrada, Manuel and Evelia Duran Jr., and David Floodman on behalf of U R Home Texas, LLC.
- 35. On August 26, 2022, Staff filed the direct testimony of its witness, Sherryhan Ghanem. This direct testimony was admitted at the hearing.
- 36. On September 1, 2022, Applicants filed the rebuttal testimony of Mr. McClanahan. This rebuttal testimony was admitted at the hearing.
- 37. On September 9, 2022, the Texas Parks and Wildlife Department (TPWD) filed comments in this proceeding. TPWD did not seek to intervene in this proceeding.

## Need for the Proposed Transmission Line

- 38. In September 2021, the Commission determined that additional transmission facilities were needed to be constructed pursuant to PURA sections 35.005(b) and 39.203(e), to ensure safe and reliable electric service in the Lower Rio Grande Valley.
- 39. On October 14, 2021, the Commission issued an order in Docket No. 52682 that required Applicants to develop a CCN application for approval to construct transmission facilities to "close the loop from Palmito to North Edinburg."
- 40. This transmission line will close the loop from Palmito to North Edinburg in accordance with the Commission's order in Docket No. 52682.

# Route Adequacy & Adequacy of the Application

- 41. No party challenged the adequacy of Applicants' application.
- 42. No party filed testimony or a position statement challenging whether the application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation, and no party requested a hearing on route adequacy.
- 43. The application's nineteen routes are an adequate number of reasonably differentiated routes to conduct a proper evaluation.

## Notice of Application

44. On June 29, 2022, Applicants provided notice of the application to: (a) all landowners, as stated on the current county tax rolls in Cameron County, Texas, who are directly affected by the alternative routing options; (b) utilities providing similar service within five miles of the alternative routing options, which included the Brownsville Public Utilities Board, Magic Valley Electric Cooperative, Inc., and South Texas Electric Cooperative, Inc.; (c) the County Judge and County Commissioners in Cameron County; and (d) the Mayors of the cities of San Benito, Harlingen, and Brownsville (the only municipalities within five miles of the alternative routing options).

- 45. On June 29, 2022, Applicants provided the application and EA in this project to TPWD.
- 46. On June 29, 2022, Applicants provided notice of the application to the Department of Defense Siting Clearinghouse.
- 47. On June 29, 2022, Applicants provided notice of the application to the Office of Public Utility Counsel.
- 48. On July 6, 2022, Applicants caused notice to be published in the *Brownsville Herald*, the newspaper of general circulation in Cameron County.
- 49. On July 19, 2022, Applicants filed the affidavit of Mel L. Eckhoff, a Regulatory Consultant for American Electric Power Service Corporation, attesting to proof of notice by first-class priority mail, email, and publication. Attached to Mr. Eckhoff's affidavit was a publisher's affidavit from the newspaper and a copy of the notice as published.

#### Public Notice

- 50. Prior to filing the application, Applicants held three public open house meetings within the study area to solicit comments from residents, landowners, and other interested parties regarding the new transmission line. The first two meetings were held on March 8 and 9, 2022, at the San Benito Cultural Heritage Museum, and the third meeting was held on April 12, 2022, at the San Benito High School in the City of San Benito.
- 51. A public open house meeting notice was mailed to landowners who own property located within 500 feet of the preliminary alternative link centerlines. There were approximately 350 notices mailed to landowners and entities for the March 8 and 9, 2022 open house meetings and 145 notices mailed to landowners and entities for the April 12, 2022 open house meeting. Each landowner also received a map of the study area depicting the preliminary alternative links with their invitation letter, a questionnaire, and a regulatory frequently asked questions (FAQs) sheet. The invitation letter, questionnaire, and FAQs sheet were also provided in Spanish.

- 52. Each of the approximately 495 individuals and entities who received an invitation letter also received a Public Meeting Postcard in both English and Spanish inviting them again to the public open house meetings.
- 53. Applicants provided notice of the public meetings to the Department of Defense Siting Clearinghouse.
- 54. A total of sixty-five individuals attended the March 8, 2022 public open house meeting according to the sign-in sheet.
- 55. A total of eighteen individuals attended the March 9, 2022 public open house meeting according to the sign-in sheet.
- 56. Following the March open house meetings, Applicants modified several preliminary alternative links and added preliminary alternative links L, AO, AP, and AQ.
- 57. Applicants hosted a third open house meeting for landowners located near the modified and newly added alternative links. A total of twenty-six individuals attended the April 12, 2022 public open house meeting according to the sign-in sheet.
- 58. Information received from the public open house meetings and from local, state, and federal agencies was considered and incorporated into POWER's EA.
- 59. Following the public open house meetings, POWER and Applicants added several links, and modified several links to avoid irrigation risers, provide additional crossings over the Resaca de los Fresnos, and improve paralleling existing compatible ROW and minimize land-use impacts.

# Questionnaire Responses

- 60. Questionnaire respondents were asked to rank the importance of thirteen criteria in routing the transmission line.
- 61. Applicants received eleven questionnaire responses at the March 8, 2022 public meeting. The most highly ranked criteria in those responses were, in descending order:

- 1) Maximize distance from residences, businesses, and schools;
- 2) Maximize length along property boundary lines;
- 3) Minimize length across cropland;
- 4) Minimize visibility of the line;
- 5) Minimize loss of trees; and
- 6) Minimize impact on archaeological and historical sites.
- 62. Applicants received ten questionnaire responses at the March 9, 2022 public meeting. The most highly ranked criteria in those responses were, in descending order:
  - 1) Maximize distance from residences, businesses, and schools;
  - 2) Minimize impacts on streams and rivers;
  - 3) Minimize impacts to grassland or pasture; and
  - 4) Minimize impacts to archaeological and historic sites.
- 63. Applicants received five questionnaire responses at the April 12, 2022 public meeting. The most highly ranked criteria in those responses were, in descending order:
  - 1) Maximize distance from residences;
  - 2) Minimize impacts on streams and rivers;
  - 3) Minimize length through wetlands/floodplains; and
  - 4) Minimize impacts to archaeological and historic sites.
- 64. Applicants received fifty questionnaires by mail after the public meetings took place. The most highly ranked criteria in those responses were, in descending order:

- 1) Maximize distance from residences, businesses, and schools;
- 2) Minimize impacts on streams and rivers;
- 3) Maximize length along property boundary lines;
- 4) Minimize impacts to archaeological and historical sites; and
- 5) Minimize visibility of the transmission line.
- 65. On all of the responses, the most highly ranked concern was maximizing the distance of the transmission line from residences, businesses, and schools.

## Routing of the Transmission Facilities

## **Background**

- 66. The POWER project team included professionals with expertise in different environmental and land use disciplines who were involved in data acquisition, routing analysis, and environmental assessment for the transmission facilities.
- 67. To identify preliminary alternative route segments for the transmission facilities, POWER delineated a study area, sought public official and agency input, gathered data regarding the study area, performed constraints mapping, reviewed geographic diversity information within the study as well as numerous environmental and land use criteria, identified alternative route segments, and reviewed and adjusted the alternative route segments following field reconnaissance and the public meetings.
- 68. The majority of the study area is in a suburban setting with a mix of residential subdivisions and commercial structures. The study area is predominantly residential with cropland throughout the study area.
- 69. The study area is located within the Coastal Prairies sub-province of the Gulf Coastal Plains Physiographic Province. Elevations within the study area range between approximately twenty and twenty-five feet above mean sea level.

- 70. Using the alternative route segments, POWER and Applicants identified nineteen reasonable and feasible alternative routes.
- 71. All alternative routes can be safely and reliably constructed and operated without significant adverse effects on property uses.
- 72. The consensus opinion of POWER's evaluators was to recommend Route 4 as the route that best addresses the requirements of PURA and the Commission's rules from an environmental and land-use perspective, followed by Routes 2, 5, 19, and 6. These routes use the following links:

Route 2: B1-B2-E1-E2-O-Q

Route 4: A-C-E1-E2-O-Q

Route 5: A-D-G-I-N1-N2-O-Q

Route 6: A-D-G-J-S1-L-AP-N2-O-Q

Route 19: A-D-H-K-S1-L-AP-N2-O-Q

- 73. Applicants considered POWER's recommendations as well as engineering and construction constraints, estimated costs, and agency and landowner concerns.
- 74. Route 4 is opposed by Intervenors GOBAR Brothers, Michael Fitzpatrick, and Manuel and Evilia Duran. GOBAR Brothers and Mr. Fitzpatrick instead support Route 5 or, alternatively, Route 6.
- 75. Route 5 is opposed by Intervenors Blanca and Luis Chapa, Ernesto Estrada, Martha Reyna, Maria Teresa Guerra Pina, Raul Pina, Sonia Flores, Yolanda Guillen, and Zobeyda Morales, most of whom also expressed opposition to Routes 6, 7, and 19. No party recommended Route 7 (using links B1-B2-F-G-J-S1-L-AP-N2-O-Q).
- 76. Intervenor David Floodman, agent for U R Home Texas, LLC, is opposed to Route 2.
- 77. On the leading alternative routes, the links that have drawn the parties' objections are Link B2 (used on Routes 2 and 7), Links E1 and E2 (used on

Routes 2 and 4), Link N1 (used on Route 5) and Link N2 (used on Routes 5, 6, 7, and 19). The objecting intervenors all own property situated on one or more of those links and are concerned with how the proposed transmission line would affect the future development or, in some cases, present use of their own properties

### Community Values

- 78. To ensure that the decision-making process adequately identified and considered community values, Applicants solicited input from residents, landowners, and other interested persons about the preliminary alternative links through the three public meetings held on March 8 and 9, 2022 and April 12, 2022, as well as through the mailed questionnaires.
- 79. The public meetings were designed to promote a better understanding of the proposed transmission line project, including the purpose and need for the project, the benefits and potential impacts of the new transmission line, and the Commission's regulatory approval process; inform and educate the public about the routing procedure, schedule, and selection process; and identify the values and concerns of the landowners and other interested parties in the study area.
- 80. The length of a transmission line route is a primary indicator of the relative magnitude of land-use impacts. Here, the total lengths of the alternative routes range from 4.35 miles (Route 1) to 10.91 miles (Route 18).
- 81. Route 4 is 4.92 miles long, the third-shortest of the nineteen alternative routes.
- 82. In questionnaire responses, affected landowners consistently ranked maximizing distance from residences, businesses, and schools as the top concern of the community.
- 83. All of the alternative routes have some habitable structures located within 500 feet their centerlines, ranging from thirty (Route 17) to 121 (Route 8).
- 84. Route 4 has forty-seven habitable structures within 500 feet of its centerline, fewer than Route 2 (forty-four habitable structures), Route 5 (fifty-four

- habitable structures), Route 6 (sixty-one habitable structures), Route 7 (fifty-eight habitable structures), and Route 19 (sixty-four habitable structures).
- 85. The routes with fewer habitable structures than these routes (Routes 14-17) are also among the longest—and hence most expensive—of the proposed routes, at over ten miles long each.
- 86. The proposed alternative routes minimize impacts on directly affected landowners. Alternative route configurations might impact different landowners but would not have less impact overall.
- 87. Route 4 adequately addresses the expressed community values.

### Recreation and Park Areas

- 88. POWER reviewed federal, state, and local websites and maps and conducted field reconnaissance surveys to identify parks and recreation facilities located within the study area.
- 89. None of the primary alternative routes cross any parks or recreation facilities.
- 90. The number of parks or recreational areas located within 1,000 feet of the centerline of any of the alternative routes ranges from zero to one.
- 91. Route 4 does not cross any park or recreational areas, nor are there any parks or recreational areas located within 1,000 feet of the centerline of this route.
- 92. The presence of transmission facilities along any of the alternative routes, including Route 4, is unlikely to adversely affect the use or enjoyment of any park or recreational area.

#### Historical and Aesthetic Values

- 93. None of the alternative routes cross or are within 1,000 feet of recorded cultural resource sites.
- 94. None of the alternative routes are located within 1,000 feet of any property listed on the National Register of Historic Places.

- 95. The number of cemeteries located within 1,000 feet of a proposed route ranges from zero to one. Routes 2, 4, 5, 6, and 19 all have one cemetery (the San Benito City cemetery) located within 1,000 feet of their centerlines.
- 96. Every alternative route crosses through areas with high probability for archeological sites, with the length of ROW crossing high archeological site potential ranging from a low of 4.35 miles (Route 1) to a high of 9.17 miles (Route 18).
- 97. Route 4 has 4.92 miles of its length across areas of high archeological site potential, the fourth-least of the nineteen alternative routes.
- 98. It is unlikely that the presence of the transmission facilities along any proposed alternative route will adversely affect historical or archeological resources.
- 99. Construction of the proposed transmission facilities could have both temporary and permanent aesthetic impacts. Temporary impacts would include views of the actual assembly and erection of the tower structures. Where wooded areas are cleared, the brush and wood debris could have an additional negative temporary impact on the local visual environment. Permanent impacts from the transmission facilities would involve the views of the cleared ROW, tower structures, and lines.
- 100. No known high-quality aesthetic resources, designated views, or designated scenic roads or highways were identified within the study area.
- 101. Since no designated landscapes protected from most forms of development or by legislation exist within the study area, potential aesthetic impacts were evaluated by estimating the length of each alternative route that would fall within the foreground visual zone (i.e., one-half mile with unobstructed views) of major highways, FM roads, and parks or recreational areas. There are no interstate highways located within the study area.
- 102. All of the alternative routes have some portion of ROW located within the foreground visual zone of United States Highways and state highways. Route 5 has the shortest amount of its length of ROW within the foreground visual zone of United States highways and state highways, followed closely by Route 4, which has approximately 1.83 miles.

- 103. All of the alternative routes have some portion of ROW located within the foreground visual zone of FM roads, ranging from 2.15 miles (Route 1) to 5.77 miles (Route 13). Route 4 has the third least amount of its length within the foreground visual zone of FM roads at 3.33 miles.
- 104. None of the alternative routes is located within the visual foreground of any park or recreational area.
- 105. It is unlikely that the construction of any of the alternative routes will significantly impact the aesthetic quality of the landscape.
- 106. The relatively shorter length of Route 4 within the foreground of United States highways and state highways (1.83 miles) and FM roads (3.33 miles) as compared to most other routes helps to mitigate those impacts compared to other routes.

# **Environmental Integrity**

- 107. The EA analyzed the possible effects of the transmission facilities on numerous environmental factors.
- 108. Review of information from the Texas Natural Diversity Database, TPWD, and United States Fish and Wildlife Service indicate there are two federally listed plant species, three state-listed plant species, twelve federally listed animal species, and fifty state-listed animal species in Cameron County, where the line would be located.
- 109. None of the alternative routes cross any known habitat or designated critical habitat for federally listed threatened or endangered species.
- 110. It is unlikely that the transmission line approved by this Order will have any significant adverse effects on the physiographic or geologic features and resources of the area.
- 111. It is unlikely that geologic hazards will be created by the transmission facilities.

- 112. It is unlikely that the construction, operation, and maintenance of the transmission line will adversely affect groundwater resources within the study area.
- 113. It is unlikely that construction activities will impede the flow of water within watersheds or floodplains.
- 114. No future surface water projects were identified as occurring within the study area, and no impacts are anticipated.
- 115. It is unlikely that construction activities will significantly impede the flow of receding floodwaters within special hazard areas.
- 116. It is unlikely that the conversion of prime farmland soils will occur because of the transmission facilities.
- 117. The transmission line is anticipated to have short-term minimal impacts to soil, water, and ecological resources. Most of the impacts will be during initial construction and will consist of erosion and soil compaction.
- 118. All of the alternative routes cross the Resaca de los Fresnos one time, except for Route 1, which crosses the Resaca three times.
- 119. The number of stream and canal crossings for the routes range from nine (Route 1) to twenty-seven (Routes 15, 16, and 18). Route 4 has thirteen stream and canal crossings, the sixth-fewest of the nineteen alternative routes.
- 120. The total length of ROW crossing open water ranges from approximately .09 miles (Routes 2, 5-6 and 19) to approximately .22 miles (Route 1). Route 4 has .10 miles of ROW crossing open water.
- 121. Length of ROW that parallels streams or rivers ranges from approximately .31 miles (Route 1) to approximately 2.96 miles (Route 18). Route 4 has .83 miles of its ROW paralleling streams or rivers, the sixth-shortest of the nineteen alternative routes.

- 122. The length of ROW across 100-year floodplains ranges from .20 miles (Route 1) to 2.40 miles (Route 17). Route 4 has 1.17 miles of ROW across 100-year floodplains, the second-shortest of the nineteen alternative routes.
- 123. The impacts on vegetation would be the result of clearing and maintaining the ROW, and the length of upland woodland or brushland along the ROW of the alternative routes ranges from 1.20 miles (Route 13) to 2.92 miles (Route 18). Route 4 has 1.42 miles of ROW across upland woodlands or brushlands, the fourth-shortest of the nineteen alternative routes.
- 124. The length of ROW across wetlands for the routes ranges from .01 miles (Routes 1 and 9) to .23 miles (Routes 2, 3, and 4). Routes 5, 6, 7, and 19 each have .09 miles of their ROW length across wetlands, more than ten other routes. However, with use of avoidance and minimization measures, none of the alternative routes would have a significant impact on wetlands.
- 125. It is appropriate for Applicants to employ erosion control during initial construction. Applicants indicated they would develop a stormwater pollution prevention plan (SWPPP) prior to construction to minimize potential impacts to soils, primarily erosion, compaction, and off-ROW sedimentation. The SWPPP will also identify avoidance measures of potential contamination of water resources and include best management practices to prevent off-ROW sedimentation and degradation of potential coastal natural resource areas including potential wetland areas and to minimize potential impacts to aquatic habitats.
- 126. Review of the Texas Natural Diversity Database (2020) identified one occurrence record for a Texas Ebony-snake-eyes Shrubland vegetation community mapped within the north central portion of the study area. None of the alternative routes cross this occurrence record.
- 127. After Commission approval of a route, field surveys may be performed, if necessary, to identify potential suitable habitat for federally- and state-listed animal species and determine the need for any additional species-specific surveys. If potential suitable habitat is identified or federally- or state-listed animal species are observed during a field survey of the Commission-approved route, Applicants may further work with the TPWD and United

- States Fish and Wildlife Service to determine avoidance or mitigation strategies.
- 128. It is unlikely that the transmission facilities will have significant adverse impacts on populations of any federally listed endangered or threatened species.
- 129. Applicants can construct the transmission facilities in an ecologically sensitive manner on any proposed route.
- 130. Applicants will mitigate any effect on federally listed plant or animal species according to standard practices and measures taken in accordance with the Endangered Species Act.
- 131. It is appropriate for Applicants to protect raptors and migratory birds by following the procedures outlined in the following publications: Reducing Avian Collisions with Power Lines: The State of the Art in 2012, Edison Electric Institute and Avian Power Line Interaction Committee, Washington, D.C. 2012; Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006, Edison Electric Institute, Avian Power Line Interaction Committee and the California Energy Commission, Washington, D.C. and Sacramento, CA 2006; and Avian Protection Plan Guidelines, Avian Power Line Interaction Committee and USFWS, April 2005.
- 132. It is appropriate for Applicants to take precautions to avoid disturbing occupied nests and take steps to minimize the burden of construction on migratory birds during the nesting season of the migratory bird species identified in the area of construction.
- 133. It is appropriate for Applicants to minimize the amount of flora and fauna disturbed during construction of the transmission facilities.
- 134. It is appropriate for Applicants to re-vegetate cleared and disturbed areas using native species and consider landowner preferences and wildlife needs in doing so.
- 135. It is appropriate for Applicants to avoid, to the maximum extent possible, causing adverse environmental effects on sensitive plant and animal species

- and their habitats as identified by the TPWD and the United States Fish and Wildlife Service.
- 136. It is appropriate for Applicants to implement erosion-control measures and return each affected landowner's property to its original contours and grades unless the landowners agree otherwise. However, it is not appropriate for Applicants to restore original contours and grades where different contours or grades are necessary to ensure the safety or stability of any transmission line.
- 137. It is appropriate for Applicants to exercise extreme care to avoid affecting nontargeted vegetation or animal life when using chemical herbicides to control vegetation within rights-of-way. The use of chemical herbicides to control vegetation within rights-of-way is required to comply with the rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agriculture regulations.
- 138. It is appropriate for Applicants to use best management practices to minimize potential harm that the approved route presents to any migratory birds and threatened or endangered species.
- 139. It is unlikely that the presence of transmission facilities along any proposed alternative route will adversely affect the environmental integrity of the surrounding landscape.
- 140. All of the alternative routes, including Route 4, are environmentally acceptable.

# **Engineering Constraints**

- 141. Applicants evaluated engineering and construction constraints when developing routes.
- 142. There are no significant engineering constraints along any of the alternative routes that cannot be adequately addressed by using design and construction practices and techniques usual and customary in the electric utility industry.
- 143. All alternative routes are viable, feasible, and reasonable from an engineering perspective

#### Costs

- 144. The estimated construction cost of the nineteen alternative routes presented in the application range from \$30,122,000 (Route 3) to \$56,238,000 (Route 13), not including the estimated substation costs of approximately \$43,709,000 for construction of the new Kingfisher Station and approximately \$13,638,000 for construction of the new termination facilities for the existing La Palma substation.
- 145. No party has challenged the reasonableness of Applicants' cost estimates.
- 146. Route 4 is estimated to cost \$30,144,000, not including the estimated substation costs, which is the second-least expensive of the nineteen alternative routes.
- 147. The estimated cost of Route 4 is reasonable considering the range of cost estimates for the routes.

### Use of Existing Corridors

- 148. None of the alternative routes utilize existing transmission line ROW but all of the routes parallel existing ROW for some of their length, from .39 miles (Routes 14 and 17) to 3.12 miles (Route 4).
- 149. The total route lengths paralleling other existing compatible ROW (roadways, railways, irrigation or drainage canals, etc.) ranged from .49 miles (Route 5) to 5.96 miles (Route 14). Route 4 parallels other existing compatible ROW .52 miles.
- 150. Routes with the greatest length paralleling other compatible ROW are generally longer routes that veer farther to the north and west of the study area. Routes 2, 4-6, and 19 proceed in a more southwesterly path.
- 151. All of the alternative routes parallel apparent property boundaries and other natural or cultural features to the extent feasible. The length that parallels apparent property boundaries ranges from .10 miles (Routes 1 and 2) to 3.51 miles (Route 18). Routes utilizing the westernmost links had some of the longest lengths paralleling these features. Route 4 parallels apparent property boundaries for .47 miles.

- 152. The alternative routes parallel existing transmission line ROW, other existing compatible ROW, or apparent property boundaries for approximately 65% (Route 1) to 89% (Route 7 and 19) of the length of the route.
- 153. Route 4 parallels or uses existing transmission line ROW or other existing compatible ROW or parallels apparent property boundaries for approximately 4.11 miles, or 84 % of the route.
- 154. Route 4 uses or parallels existing compatible ROW or apparent property boundaries to a reasonable extent.

#### Prudent Avoidance

- 155. Prudent avoidance is the limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.
- 156. All of the alternative routes conform to the Commission's policy of prudent avoidance in that they reflect reasonable investments of money and effort to limit exposure to electric and magnetic fields.
- 157. The number of habitable structures within 500 feet of the centerline of the proposed alternative routes ranges from thirty to 121.
- 158. There are forty-seven habitable structures within 500 feet of the centerline of Route 4.
- 159. Construction of the transmission facilities along Route 4 will comply with the Commission's policy of prudent avoidance.

# **Additional Routing Concerns**

160. There are no AM radio transmitters within 10,000 feet of the centerlines of the primary alternative routes, and between zero and two FM radio transmitters or electronic communication towers within 2,000 feet of the centerlines of the alternative routes—of the routes under consideration here, there is one on Route 2 and none on Routes 3-6 and 19.

- 161. None of the alternative routes are expected to have a significant impact on electronic communication facilities or operations.
- 162. There is one airport registered with the Federal Aviation Administration (FAA), the Valley International Airport, with a runway over 3,200 feet located within 20,000 of some of the routes (though not in the study area itself), but none of Routes 2, 4-6, and 19 are near that airport.
- 163. There are no FAA-registered airports with runways over 3,200 feet within 10,000 feet of the alternative routes and no public- or private-use heliports within 5,000 feet of any routes.
- 164. FAA notification is not expected to be required for any of the alternative routes, though Applicants will make a final determination regarding the need to notify the FAA after the Commission has approved a route. FAA notification and any subsequent coordination with the FAA could result in changes to the line design or potential requirements to mark the conductors and/or light the structures.

## Proposed Alternative Routes or Facilities Configurations

- 165. No party suggested additional alternative routes or facility configurations beyond the nineteen alternative routes set out in the application.
- 166. The nineteen proposed alternative routes minimize adverse impacts on directly affected landowners and no additional alternative route configurations for the transmission line would have less overall landowner impact.
- 167. No intervenor offered to make any contributions to offset any additional costs associated with any routing accommodations.
- 168. No party contended that any requested modifications would diminish the electric efficiency or reliability of the transmission line.

#### TPWD Comments

- 169. TPWD's wildlife habitat assessment program provided information and recommendations regarding the preliminary study area for the transmission line to POWER on February 3, 2022.
- 170. On September 9, 2022, a letter from TPWD was filed in this proceeding making various comments and recommendations regarding the proposed transmission facilities.
- 171. TPWD included comments and recommendations regarding the transmission facilities and potential impacts on sensitive fish and wildlife resources, habitats or other sensitive natural resources. The letter includes concerns, comments, and recommendations that are often provided by TPWD regarding proposed transmission-line projects. POWER and Applicants have already taken into consideration several of the recommendations offered by TPWD as Applicants follow many of the recommendations in the TPWD letter relating to use of existing ROW, proper use and placement of sediment-control fencing, avoiding impacts to water resources, avoiding potential impacts to endangered species, and revegetation of disturbed areas.
- 172. TPWD's comment letter identified Route 19 as the route that best minimizes adverse effects on natural resources. TPWD did not oppose any route.
- 173. Applicants will implement mitigation measures and best management practices set forth in the EA, those included in the recommendations of the Commission's engineering staff, and those typically included in the Commission's final orders in transmission-line CCN cases. The mitigation measures and best management practices recommended by Staff, combined with the mitigation practices set out in the application, will minimize the impact of line construction on wildlife, including following certain procedures for protecting raptors, using extreme care in the application of chemical herbicides, minimizing disruption of flora and fauna, and revegetating with native species following completion of construction.

- 174. Before beginning construction, it is appropriate for Applicants to undertake appropriate measures to identify whether a habitat for potential endangered or threatened species exists and to respond as required.
- 175. Applicants will use avoidance and mitigation procedures to comply with laws protecting federally listed species.
- 176. Applicants will re-vegetate the new ROW as necessary and according to Applicants' vegetation management practices, the storm water pollution prevention plan developed for construction of the transmission facilities, and (in many instances) landowner preferences or requests.
- 177. Applicants' standard vegetation-removal, construction, and maintenance practices adequately mitigate concerns expressed by the TPWD.
- 178. Applicants will use appropriate avian protection procedures.
- 179. Applicants will comply with all environmental laws and regulations, including those governing threatened and endangered species.
- 180. Applicants will comply with all applicable regulatory requirements in constructing the transmission facilities approved by this Order, including any applicable requirements under section 404 of the Clean Water Act.
- 181. Applicants will cooperate with the United States Fish and Wildlife Services and the TPWD if threatened or endangered species' habitats are identified during field surveys.
- 182. If construction affects federally listed species or their habitat or affects water under the jurisdiction of the United States Army Corps of Engineers or the Texas Commission on Environmental Quality (TCEQ), Applicants will cooperate with the United States Fish and Wildlife Service (USFWS), the United States Army Corps of Engineers, and the TCEQ as appropriate, to coordinate permitting and perform any required mitigation.
- 183. The standard mitigation requirements included in the ordering paragraphs in this Order, coupled with Applicants' current practices, are reasonable measures for a utility to undertake when constructing a transmission line and are sufficient to address the TPWD's comments and recommendations.

#### **Permits**

- 184. Before beginning construction of the transmission facilities approved by the Commission, Applicants will obtain any necessary permits from the Texas Department of Transportation or any other applicable state agency if the facilities cross state-owned or maintained properties, roads, or highways.
- 185. Before beginning construction of the transmission facilities approved by this Order, Applicants will obtain a miscellaneous easement from the General Land Office if the transmission line crosses any state-owned riverbed or navigable stream.
- 186. Before beginning construction of the transmission facilities approved by this Order, Applicants will obtain any necessary permits or clearances from federal, state, or local authorities.
- 187. It is appropriate for Applicants, before commencing construction, to obtain a general permit to discharge under the Texas pollutant discharge elimination system for stormwater discharges associated with construction activities as required by the TCEQ
- 188. It is appropriate for Applicants to conduct a field assessment of the approved route before beginning construction of the transmission facilities approved by the Commission to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered species' habitats disrupted by the transmission line. As a result of these assessments, Applicants will identify all necessary permits from county, state, and federal agencies. Applicants will comply with the relevant permit conditions during construction and operation of the transmission facilities along the approved route.
- 189. After designing and engineering the alignments, structure locations, and structure heights, Applicants will determine the need to notify the Federal Aviation Administration (FAA) based on the final structure locations and designs. If necessary, Applicants will use lower than-typical structure heights, line marking, or line lighting on certain structures to avoid or accommodate requirements of the FAA.

### Coastal Management Program

190. The transmission facilities are not located, either in whole or in part, within the Coastal Management Program boundary as defined in 31 Texas Administrative Code section 503.1.

#### Seven-Year Time Limit

- 191. In the application, Applicants estimated they would acquire all ROW and land by May 2024, finalize engineering and design by September 2024, procure material and equipment by June 2025, complete construction by April 2026, and energize the proposed facilities by April 2026.
- 192. It is reasonable and appropriate for a CCN order not to be valid indefinitely because it is issued based on the facts known at the time of issuance.
- 193. Seven years is a reasonable and appropriate limit to place on the authority granted in this Order for Applicants to construct the transmission facilities.

## Power Generation and ERCOT Reliability

194. Applicants do not anticipate, and no party contended, that construction of the transmission line facilities will preclude or limit a generator from generating or delivering power, or that construction will adversely impact the reliability of the ERCOT system.

# Agreements of Parties on Routing

195. The parties reached no agreement as to routing.

# Renewable Energy Goal

- 196. The goal in PURA section 39.904(a) for 10,000 megawatts of renewable capacity to be installed in Texas by January 1, 2025, has already been met.
- 197. The transmission facilities along Route 4 cannot adversely affect the goal for renewable energy development established in PURA section 39.904(a)

### VI. CONCLUSIONS OF LAW

- 1. Applicants are both public utilities as defined in PURA section 11.004(1) and electric utilities as defined in PURA section 31.002(6).
- 2. The Commission has jurisdiction over this matter under PURA sections 14.001, 32.001, 35.005(b), 37.051, .053, .056, and 39.203(e).
- 3. Applicants are required to obtain the approval of the Commission to construct the proposed transmission facilities and provide service to the public using those facilities.
- 4. Pursuant to PURA section 39.203(e), the Commission must issue a final order in this docket by December 26, 2022.
- 5. SOAH exercised jurisdiction over the proceeding under PURA section 14.053 and Texas Government Code sections 2001.058 and 2003.021 and .049.
- 6. The application is sufficient under 16 Texas Administrative Code section 22.75(d).
- 7. The Commission processed this application in accordance with the requirements of PURA, the Administrative Procedure Act under Texas Government Code sections 2001.001-.902, and the Commission's rules.
- 8. Applicants provided notice of their application in compliance with PURA section 37.054 and 16 Texas Administrative Code section 22.52(a).
- 9. Applicants held public meetings and provided notice of the public meetings in compliance with 16 Texas Administrative Code section 22.52(a)(4).
- 10. The hearing on the merits was set, and notice of the hearing was provided, in compliance with PURA section 37.054 and Texas Government Code sections 2001.051-.052.
- 11. PURA section 39.203(e) exempts electric utilities that are ordered under that subsection to construct or enlarge transmission or transmission-related facilities from proving that the construction ordered in necessary for the

service, accommodation, convenience, or safety of the public in any proceeding brought under chapter 37. It also exempts electric utilities from addressing the factors listed in PURA sections 37.056(c)(1)-(3) and (4)(E) in any proceeding brought under chapter 37

- 12. The transmission facilities using Route 4 are necessary for the service, accommodation, convenience, or safety of the public, taking into consideration the factors set forth in PURA section 37.056 and 16 Texas Administrative Code section 25.101.
- 13. Route 4 best meets the routing criteria set forth in PURA section 37.056 and 16 Texas Administrative Code section 25.101(b)(3)(B).
- 14. The Texas Coastal Management Program does not apply to any of the transmission facilities approved by this Order, and the requirements of 16 Texas Administrative Code section 25.102 do not apply to the Application.

#### VII. PROPOSED ORDERING PARAGRAPHS

- 1. The Commission adopts the proposal for decision, including findings of fact and conclusions of law, and approves the application.
- 2. The Commission amends Applicants' CCN numbers 30028 and 30192 to include the construction and operation of the transmission facilities, including a 345-kV single-circuit transmission line on double-circuit-capable structures along Route 4 (links A-C-El-E2-O-Q), the new Sharyland Kingfisher Station, and station work at the existing AEP Texas La Palma Station as described in this Order. The Commission is not certificating a second circuit through this Order.
- 3. Applicants must consult with pipeline owners or operators in the vicinity of the approved route regarding the pipeline owners' or operators' assessment of the need to install measures to mitigate the effects of alternating-current interference on existing pipelines that are paralleled by the proposed electric transmission facilities.
- 4. Applicants must conduct surveys, if not already completed, to identify metallic pipelines that could be affected by the transmission line approved by

this Order and cooperate with pipeline owners in modeling and analyzing potential hazards because of alternating-current interference affecting metallic pipelines being paralleled.

- 5. Applicants must obtain all permits, licenses, plans, and permissions required by state and federal law that are necessary to construct the transmission facilities approved by this Order, and if Applicants fail to obtain any such permit, license, plan, or permission, they must notify the Commission immediately.
- 6. Applicants must identify any additional permits that are necessary, consult any required agencies (such as the U.S. Army Corps of Engineers and the USFWS), obtain all necessary environmental permits, and comply with the relevant conditions during construction and operation of the transmission facilities approved by this Order.
- 7. If Applicants encounter any archeological artifacts or other cultural resources during construction, work must cease immediately in the vicinity of the artifact or resource, and Applicants must report the discovery to, and act as directed by, the THC.
- 8. Before beginning construction, Applicants must undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and must respond as required.
- 9. Applicants must use best management practices to minimize the potential harm to migratory birds and threatened or endangered species that is presented by the approved route.
- 10. Applicants must follow the procedures to protect raptors and migratory birds as outlined in the following publications: Reducing Avian Collisions with Power Lines: State of the Art in 2012, Edison Electric Institute and Avian Power Line Interaction Committee, Washington, D.C. 2012; Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006, Edison Electric Institute, Avian Power Line Interaction Committee, and the California Energy Commission, Washington, D.C. and Sacramento, CA 2006; and Avian Protection Plan Guidelines, Avian Power Line Interaction Committee and USFWS, April 2005. Applicants must take precautions to avoid disturbing occupied nests and take steps to minimize the burden of

- construction on migratory birds during the nesting season of the migratory bird species identified in the area of construction.
- 11. Applicants must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the rights-of-way. Herbicide use must comply with rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with Texas Department of Agriculture regulations.
- 12. Applicants must minimize the amount of flora and fauna disturbed during construction of the transmission facilities, except to the extent necessary to establish appropriate ROW clearance for the transmission facilities. In addition, Applicants must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practical, Applicants must avoid adverse environmental effects on sensitive plant and animal species and their habitats, as identified by the TPWD and the USFWS.
- 13. Applicants must implement erosion-control measures as appropriate. Erosion-control measures may include inspection of the rights-of-way before and during construction to identify erosion areas and implement special precautions as determined reasonable to minimize the effect of vehicular traffic over the areas. Also, Applicants must return each affected landowner property to its original contours and grades unless otherwise agreed to by the landowner or the landowner's representative. However, the Commission does not require Applicants to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the transmission facilities' structures or the safe operation and maintenance of the transmission facilities.
- 14. Applicants must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the transmission facilities. Any minor deviations in the approved route must only directly affect the landowners who were sent notice of the transmission facilities in accordance with 16 Texas Administrative Code section 22.52(a)(3) and have agreed to the minor deviation, excluding public rights of way.

- 15. The Commission does not permit Applicants to deviate from the approved route in any instance in which the deviation would be more than a minor deviation without first further amending its CCN.
- 16. If possible, and subject to the other provisions of this Order, Applicants must prudently implement appropriate final design for the transmission facilities to avoid being subject to the FAA's notification requirements. If required by federal law, Applicants must notify and work with the FAA to ensure compliance with applicable federal laws and regulations. The Commission does not authorize Applicants to deviate materially from this Order to meet the FAA's recommendations or requirements. If a material change would be necessary to meet the FAA's recommendations or requirements, then Applicants must file an application to amend its CCN as necessary.
- 17. Applicants must include the transmission facilities approved by this Order on their monthly construction progress reports before the start of construction to reflect the final estimated cost and schedule in accordance with 16 Texas Administrative Code section 25.83(b). In addition, Applicants must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when Applicants identify all charges.
- 18. The Commission limits the authority granted by this Order to a period of seven years from the date the Order is signed unless, before that time, the transmission facilities are commercially energized.
- 19. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

SIGNED OCTOBER 31, 2022.

ALJ Signatures:

Daniel Wiseman

Presiding Administrative Law Judge

Sarah Starres

Sarah Starnes

Co-Presiding Administrative Law Judge