

# Memorandum

To: Robert P. Oglesby  
Executive Director

Date : January 25, 2012

Telephone: 653-0363

From : **California Energy Commission**  
1516 Ninth Street  
Sacramento CA 95814-5512

Subject: STAFF RECOMMENDATION TO APPROVE REVISIONS TO THE ENERGY COMMISSION'S STATE ENERGY PROGRAM (SEP) GUIDELINES AT THE FEBRUARY 8<sup>TH</sup> BUSINESS MEETING.

## Summary of Item

At the direction of the Energy Commission's Lead American Recovery and Reinvestment Act (ARRA) Commissioner, revisions are being proposed to the SEP Guidelines to extend the program deadline from March 31, 2012 to April 30, 2012, consistent with the Energy Commission's ARRA SEP award from the U.S. Department of Energy. In addition, references to the Energy Commission's American Recovery and Reinvestment Act Ad Hoc Committee are being deleted, since this committee no longer exists, and is being replaced with a reference to the Energy Commission's Executive Director. The Executive Director will now be authorized to carry out certain activities as specified in the proposed revisions to the SEP Guidelines. Other non-substantive changes to the SEP Guidelines are also being proposed for clarification purposes.

## Justification for Action Requested

These revisions will allow SEP projects to be extended by one month, if necessary to maximize the use of the SEP funds. This extension is consistent with the Energy Commission's ARRA SEP award from the U.S. Department of Energy, award number DE-EE0000221, which has a period of performance that ends on April 30, 2012.

## CEQA Compliance

The Energy Commission's adoption of the revisions to the SEP Guidelines are exempt from review under the California Environmental Quality Act (CEQA) (Pub. Resources Code, §§ 21000 et seq.; Cal. Code of Regs., tit. 14, §§ 15000 et seq.), because the adoption of the revisions does not constitute a project under CEQA. The Guideline revisions relate to the creation of government funding mechanisms or other government fiscal activities, which do not involve a commitment to a specific project that may result in a potentially significant physical impact on the environment. (Cal. Code of Regs., tit. 14, § 15378 (b)(4).)

Additionally, the Guideline revisions fall within the "common sense" exemption of the CEQA regulations. This exemption indicates that CEQA only applies to projects that have a significant effect on the environment. (Cal. Code of Regs., tit. 14, § 15061 (b)(3).) A significant effect on the environment is defined as substantial, or potentially substantial, adverse change in the environment. (Pub. Resources Code, § 21068; Cal. Code of Regs., tit. 14, § 15382.) The Guideline revisions will not create an adverse effect on the environment.

#### Oral Presentation

Staff will be prepared to discuss its recommendation and to respond to questions regarding the SEP Guideline revisions.

#### Business Meeting Participants

Miki Crowell, Special Projects Office, Fuels and Transportation Division.  
Gabe Herrera, Office of Chief Counsel.

#### Commission Action Requested

Approve the revisions to the SEP Guidelines.

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PAT PEREZ, Deputy Director  
Fuels and Transportation Division