CALIFORNIA
ENERGY
COMMISSION

INITIAL STUDY/PROPOSED NEGATIVE DECLARATION

FOR REGULATIONS ESTABLISHING ENFORCEMENT PROCEDURES FOR THE RENEWABLES PORTFOLIO STANDARD FOR LOCAL PUBLICLY OWNED ELECTRIC UTILITIES

STAFF REPORT

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TABLE OF CONTENTS

PROPOSED NEGATIVE DECLARATION 1
INITIAL STUDY 3
PROJECT DESCRIPTION 5
ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED 10
DISCUSSION OF ENVIRONMENTAL EVALUATION 11
I. Aesthetics – Would the project:..... 11
II. Agriculture and Forest Resources – Would the project:..... 11
III. Air Quality – Would the project:..... 12
IV. Biological Resources – Would the project:..... 13
V. Cultural Resources – Would the project:..... 14
VI. Geology and Soils – Would the project:..... 14
VII. Greenhouse Gas Emissions – Would the project: 15
VIII. Hazards and Hazardous Materials – Would the project:..... 15
IX. Hydrology and Water Quality – Would the project: 16
X. Land Use and Planning – Would the project:..... 17
XI. Mineral Resources – Would the project: 18
XII. Noise – Would the project result in: 18
XIII. Population and Housing – Would the project:..... 19
XIV. Public Services – Would the project: 19
XV. Recreation 20
XVI. Transportation and Traffic – Would the project:..... 20
XVII. Utilities and Service Systems – Would the project: 21
XVIII. Mandatory Findings of Significance..... 22
REFERENCES 22

PROPOSED NEGATIVE DECLARATION

Pursuant to Title 14, California Code of Regulations, Sections 15070 and 15071, and pursuant to the California Energy Commission's Rules of Practice and Procedure (Cal. Code Regs., Title 20, Section 1101 et seq.), the California Energy Commission does prepare, make, declare, and publish this Negative Declaration for Regulations Establishing Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities.

PROJECT NAME:
Regulations Establishing Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities.

LEAD AGENCY:
California Energy Commission (Energy Commission)

PROJECT LOCATION:
The proposed regulations will apply to all local publicly owned electric utilities within the State of California, as defined in Public Utilities Code Section 224.3.

BRIEF PROJECT DESCRIPTION:
The California Energy Commission proposes to adopt new regulations establishing enforcement procedures for the Renewables Portfolio Standard (RPS) for local publicly owned electric utilities (POUs) pursuant to Senate Bill X1-2 (Stats. 2011, 1st Ex. Sess., ch. 1) and Assembly Bill 2227 (Stats. 2012, ch. 606, sec. 8).

Finding:
An Initial Study, attached to this Negative Declaration, was prepared to assess the project's potential effects on the environment and the significance of those effects. Based on the information and analysis in the Initial Study, the Energy Commission finds that there is no substantial evidence, in light of the whole of the record before the Energy Commission, that the project may have a significant effect on the environment. As a result, the Energy Commission finds that the project will result in no significant adverse impact. The Initial Study analysis provides the basis to support adoption of the proposed finding and the Negative Declaration.

Information and Comments:
Questions and comments regarding the proposed Negative Declaration and the Initial Study may be addressed to:

Pierre Martinez, AICP
California Energy Commission
1516 9th Street, MS-15
Sacramento, CA 95814
phone: 916-651-3765
e-mail: pierre.martinez@energy.ca.gov

For further information on the proposed project visit the Energy Commission's website at www.energy.ca.gov/portfolio/pou_rulemaking/, or contact Angela Gould by e-mail at [angela.gould@energy.ca.gov] or by phone at 916-654-4881.

Lead Agency Determination:

On the basis of this initial evaluation:

☒ The Energy Commission finds that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☐ The Energy Commission finds that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ The Energy Commission finds that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐ The Energy Commission finds that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐ The Energy Commission finds that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier ENVIRONMENTAL IMPACT REPORT or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier ENVIRONMENTAL IMPACT REPORT or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature	Date
Printed Name	Title

INITIAL STUDY

PROJECT SUMMARY

1. **Project Title:**
   Regulations Establishing Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities.

2. **Lead Agency Name and Address:**
   California Energy Commission
   1516 9th Street
   Sacramento, CA 95814

3. **Contact Person and Phone Number:**
   Pierre Martinez, AICP, Environmental Project Manager, 916-651-3765
   Angela Gould, Energy Commission Specialist II, 916-654-4881

4. **Project Location:**
   Proposed regulations apply to all local publicly owned electric utilities, as defined in Public Utilities Code Section 224.3. These utilities include the following entities:
   - Municipalities or municipal corporations operating as public utilities furnishing electric service as provided in Public Utilities Code Section 10001
   - Municipal utility districts furnishing electric service formed pursuant to Public Utilities Code Section 11501, et. seq.
   - Public utility districts furnishing electric service formed pursuant to Public Utilities Code Section 15501, et seq.
   - Irrigation districts furnishing electric service formed pursuant to Water Code Section 20500, et seq.
   - Joint powers authorities that include one or more of the above agencies and furnish electric service over their own electric distribution system or over that of one of their members.

5. **Project Sponsor's Name and Address:**
   California Energy Commission
   1516 9th Street
   Sacramento, CA 95814

6. **General Plan Designation and Zoning:**
   Not applicable

7. Description of Project:
See “Project Description” discussion starting on page 5.

8. Surrounding Land Uses and Setting:
Not applicable.

9. Other Public Agencies Whose Approval Is Required:
No other public agency approvals are required other than the California Energy Commission.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) (Public Resources Code §21000, et seq., California Code of Regulations §15000 et seq.) requires that the California Energy Commission conduct an assessment of the potential environmental impacts of a project over which it has discretionary approval authority and take that assessment into consideration before approving the project.

PROJECT REVIEW

The Energy Commission will conduct a hearing on May 8, 2013, to consider adopting the proposed project, Regulations Establishing Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities. At this adoption hearing all parties will have an opportunity to comment on the Initial Study and the proposed project. The Energy Commission will consider the proposed project, staff’s analysis, and any other evidence presented in the proceedings to determine whether to approve or deny the project.

PROJECT DESCRIPTION

PROJECT DESCRIPTION

The California Energy Commission proposes to adopt new regulations establishing enforcement rules and procedures for the Renewables Portfolio Standard (RPS) for local publicly owned electric utilities (POUs) pursuant to Senate Bill X1-2 (Stats. 2011, 1st Ex. Sess., ch. 1) and Assembly Bill 2227 (Stats. 2012, ch. 606, sec. 8).[1]

BACKGROUND AND PURPOSE

The proposed regulations were developed by the California Energy Commission to fulfill the purposes of Public Utilities Code section 399.30 (l), as enacted by Senate Bill X1-2 and subsequently revised by Assembly Bill 2227. Section 399.30 (l) directs the Energy Commission to adopt regulations specifying procedures for the enforcement of the RPS on POUs under Article 16 (commencing with section 399.11) of Chapter 2.3 of Part 1 of the Public Utilities Code. Section 399.30 (l) requires the regulations to "include a public process under which the Energy Commission may issue a notice of violation and correction against a local publicly owned electric utility for failure to comply with this article, and for referral of violations to the State Air Resources Board for penalties…"

The proposed regulations implement, interpret, and make specific the provisions in Public Utilities Code section 399.30 (l). The proposed regulations also implement, interpret, and make specific related provisions in Public Utilities Code sections 399.13, 399.15, 399.16, 399.21, 9507, 9508, and in Public Resources Code sections 25741 and 25747.

The proposed regulations will be codified in the California Code of Regulations, Title 20, Division 2, Chapter 13, sections 3200 through 3208, and in Title 20, Division 2, Chapter 2, Article 4, section 1240. A copy of the proposed regulations, as published on March 1, 2013, is attached.

The RPS was established to increase the amount of electricity generated from eligible renewable energy sources that is procured for California retail customers. An eligible renewable energy resource generally refers to an electrical generating facility or power plant that uses qualifying renewable energy resources, such as wind, solar, biomass, landfill gas, digester gas, geothermal, or small hydroelectric resources, to generate electricity. (Pub. Util. Code, § 399.12, subd. (e); Pub. Res. Code, § 25741, subd. (a).) Increased reliance on electricity generated from eligible renewable energy resources will reduce the amount of electricity generated and procured from nonrenewable energy

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1 Assembly Bill 2227 repealed some of the reporting requirements for POUs in Public Utilities Code Section 399.30 and recodified these requirements elsewhere in the Public Utilities Code without making substantive changes to the requirements. As a result of this change, subdivisions (h) through (p) of Public Utilities Code Section 399.30, as enacted by Senate Bill X1-2, have now been renumbered subdivisions (g) through (n).

sources, such as fossil fuel-based power plants, and may ameliorate air quality problems and improve public health by reducing the burning of fossil fuels for power generation purposes and the associated environmental impacts and by reducing in-state fossil fuel consumption.[2]

The RPS was established in 2002 as a result of SB 1078 (Stats. 2002, ch. 516), which required retail sellers of electricity (retail sellers)[3] to increase their procurement of electricity from eligible renewable energy resources by at least 1 percent per year so that 20 percent of their retail sales are procured from eligible renewable energy resources by 2017. SB 1078 additionally required each governing body of a POU to be responsible for implementing and enforcing a renewables portfolio standard that recognizes the intent of the Legislature to encourage renewable resources. SB 107 (Stats. 2006, ch. 464) accelerated the RPS goal for retail sellers to 20 percent renewables by 2010. SB 107 also required each POU in California to report to the Energy Commission on the POU's status of implementing an RPS program and the progress made toward achieving its RPS goals.

SB X1-2 adjusts the RPS goal of 20 percent by 2010 to an average of 20 percent for the years 2011 through 2013, increases the long-term RPS goal to 33 percent by the end of 2020, and expands these requirements to include POUs as well as retail sellers. (Pub. Util. Code § 399.15, subd. (b), § 399.30, subd. (b) and (c).) SB X1-2 gives the Energy Commission new oversight responsibilities with respect to POUs, including adopting regulations for enforcement of the RPS procurement requirements of POUs. (Pub. Util. Code § 399.30, subd. (l).) SB X1-2 authorizes the Energy Commission to issue a notice of violation and correction for potential penalties to the California Air Resources Board (ARB) for a POU's failure to comply with the RPS requirements. (Pub. Util. Code § 399.30, subd. (m).)

The problem the Energy Commission is attempting to address with the proposed regulations is the inconsistent application and enforcement of the state's RPS to POUs. Prior to SB X1-2, POUs had discretion to establish and enforce their own RPS requirements. Unlike retail sellers, which were required to meet their RPS procurement

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2 Former Public Utilities Code Section 399.11(c), as enacted by SB 1078 (Stats. of 2002, ch. 516, sec.3). Section 399.11 was amended by SBX1-2 in 2011. Under SBX1-2 the intended benefits of the RPS include (1) displacing fossil fuel consumption within the state, (2) adding new electrical generating facilities in the transmission network within the Western Electricity Coordinating Council service area, (3) reducing air pollution in the state, (4) meeting the state's climate change goals by reducing emissions of greenhouse gases associated with electrical generation, (5) promoting stable retail rates for electric service, (6) meeting the state's need for a diversified and balanced energy generation portfolio, (7) assistance with meeting the state's resource adequacy requirements, (8) contributing to the safe and reliable operation of the electrical grid, including providing predictable electrical supply, voltage support, lower line losses, and congestion relief, and (9) implementing the state's transmission and land use planning activities related to development of eligible renewable energy resources. (Pub. Util. Code, § 399.11, subd. (b)(1)-(9).)

3 By statute, the definition of "retailer sellers" includes electrical corporations, community choice aggregators, and electric service providers, but excludes local publicly owned electric utilities. (Pub. Util. Code, § 399.12, subd. (j).)

requirements with electricity procured from eligible renewable energy resources certified by the Energy Commission, a POU could establish its own eligibility requirements for renewable resources to meet the POU's RPS procurement requirements. Similarly, POUs were not subject to the minimum annual procurement requirements, procurement plan requirements, reporting requirements, or enforcement requirements applicable to retail sellers. Nor were POUs subject to the penalties applicable to retail sellers for noncompliance. POUs had broad discretion to implement and enforce their own self-established RPS procurement requirements. As a result, the RPS requirements for POUs could vary from POU to POU and differ from the requirements applicable to retail sellers and enforced by the California Public Utilities Commission (CPUC).

Under SB X1-2, POUs are now subject to many of the same or similar RPS requirements as retail sellers.

The proposed regulations establish the rules and procedures by which the Energy Commission will assess a POU's procurement actions and determine whether those actions meet the RPS procurement requirements in the law. The proposed regulations determine what POU action is required by the law; so when the Energy Commission evaluates a POU's actions, it may determine whether the POU complied with the law. The proposed regulations require POUs to submit various information and reports to the Energy Commission, so the Energy Commission may verify and determine compliance with the RPS, and, if appropriate, issue a notice of violation and correction for a POU's failure to comply and refer the violation to the ARB for potential penalties.

The benefits anticipated from the proposed regulations are a more consistent application and enforcement of the state's RPS, which will help promote the underlying goals of the RPS, including reducing air pollution associated with fossil fuel-based electrical generation and helping the state meet its climate change goals by reducing greenhouse gas emissions associated with electrical generation. The proposed regulations will ensure POUs are subjected to a uniform set of rules for satisfying the RPS requirements. The proposed regulations will also ensure the POU rules are consistent with the rules for retail sellers to the extent appropriate in accordance with SBX1-2. Consistent rules will help provide market certainty for stakeholders participating in the California RPS and renewable energy market. If a POU and retail seller purchase the same electricity product from an eligible renewable energy resource, it makes no sense to characterize the product differently depending on which utility, POU or retail seller, purchases the electricity product. Likewise, it makes no sense to characterize the electricity product differently depending on which of two POUs purchased the electricity product.

Consistency in the application of the rules among POUs and between POUs and retail sellers may also ease the contracting processes for utilities, developers of eligible renewable energy resources, and other market participants, thereby accelerating the development of new eligible renewable energy resources, which in turn helps promote the underlying goals of the RPS.

The proposed regulations will also help the POUs by providing direction and guidance on how the Energy Commission will interpret, apply, and enforce the law, so the POUs

can plan accordingly in procuring renewable electricity products to meet their RPS requirements.

While POUs still retain discretion under the law to develop and implement procurement rules, plans, and policies that meet their particular needs, they are now required to take certain actions to implement the RPS.

Specifically, SB X1-2 requires that the governing board of a POU take the following actions, unless otherwise exempted by the law. The governing board of a POU shall implement procurement targets for the POU that require the utility to procure a minimum quantity of eligible renewable energy resources for each of the following compliance periods: January 1, 2011, to December 31, 2013, inclusive; January 1, 2014, to December 31, 2016, inclusive; and January 1, 2017, to December 31, 2020, inclusive. (Pub. Util. Code § 399.30, subd. (b).) The governing board of a POU shall ensure that quantities of eligible renewable energy resources to be procured for the first compliance period from January 1, 2011, to December 31, 2013, are equal to an average of 20 percent of the POU's retail sales. (Pub. Util. Code § 399.30, subd. (c)(1).) The governing board of a POU shall ensure that the quantities of eligible renewable energy resources to be procured for all other compliance periods reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of eligible renewable energy resources achieves 25 percent of the POU's retail sales by December 31, 2016, and 33 percent of the POU's retail sales by December 31, 2020. (Pub. Util. Code § 399.30, subd. (c)(2).) The governing board of a POU shall require that the POU procure not less than 33 percent of retail sales from eligible renewable energy resources in all subsequent years. (Pub. Util. Code § 399.30, subd. (c)(2).) The procurement requirement adopted by the governing board of a POU shall be consistent with the procurement requirements for retail sellers in Public Utilities Code section 399.16. (Pub. Util. Code § 399.30, subd. (c)(3).) When adopting a procurement plan, the governing board of a POU may adopt optional compliance measures, including rules permitting the POU to apply excess procurement in one compliance period to subsequent compliance periods, conditions that allow for delaying timely compliance, and cost limitations for procurement expenditures. (Pub. Util. Code § 399.30, subd. (d).) The governing board of a POU shall adopt a program for the enforcement of the RPS procurement requirements. (Pub. Util. Code § 399.30, subd. (e).) A POU must annually notify and provide information to its customers and the Energy Commission when the POU's governing board considers the adoption, status or changes to its procurement plan. (Pub. Util. Code § 399.30, subd. (f).) Lastly, a POU shall annually report information to the Energy Commission on the POU's procurement contracts for eligible renewable energy resources, expenditures of funds for eligible renewable energy resources, the resource mix used to serve its customers, and the POU's status and progress in implementing the RPS. (Pub. Util. Code §§ 9507 and 9508.)

SB X1-2 establishes exemptions from various provisions in the statute for certain POUs. These exemptions are addressed in Public Utilities Code section 399.30, subd. (g) – (j).

The proposed regulations will help California realize the intended benefits of the RPS by ensuring POUs are subjected to a uniform set of rules for satisfying and enforcing the RPS requirements. The proposed regulations will be codified in Chapters 2 and 13 of

Division 2 of Title 20 of the California Code of Regulations. Chapter 2 is an existing chapter that specifies rules of practice and procedures for the Energy Commission. The proposed regulations will add section 1240 to Article 4 of Chapter 2. Article 4 specifies procedures for initiating and adjudicating complaints of alleged violations of any statute, order, decision, or regulation adopted, administered, or enforced by the Energy Commission or for initiating and adjudicating investigations to determine the applicability of any such statue, order, decision, or regulation. The proposed regulations will also add sections 3200 through 3208 to Chapter 13, which is a new chapter.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

	Aesthetics		Agriculture and Forest Resources		Air Quality
	Biological Resources		Cultural Resources		Geology and Soils
	Greenhouse Gas Emissions		Hazards and Hazardous Materials		Hydrology and Water Quality
	Land Use and Planning		Mineral Resources		Noise
	Population and Housing		Public Services		Recreation
	Transportation/Traffic		Utilities and Service Systems		Mandatory Findings of Significance

No boxes are checked because none would be potentially affected.

DISCUSSION OF ENVIRONMENTAL EVALUATION

I. Aesthetics – Would the project:	**Potentially Significant Impact**	**Less Than Significant With Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Have a substantial adverse effect on a scenic vista?				X
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				X
c) Substantially degrade the existing visual character or quality of the site and its surroundings?				X
d) Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the Renewables Portfolio Standard (RPS), is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on aesthetics.

II. Agriculture and Forest Resources – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X
b) Conflict with existing zoning for agricultural use or a Williamson Act contract?				X
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?				X
d) Result in the loss of forest land or conversion of forest land to non-forest use?				X
e) Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on agricultural or forestry resources.

III. Air Quality – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Conflict with or obstruct implementation of the applicable air quality plan?				X
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				X
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?				X
d) Expose sensitive receptors to substantial pollutant concentrations?				X
e) Create objectionable odors affecting a substantial number of people?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact related to air quality.

IV. Biological Resources – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?				X
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?				X
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				X
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites?				X
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on biological resources.

V. Cultural Resources – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?				X
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?				X
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d) Disturb any human remains, including those interred outside of formal cemeteries?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the (RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on cultural or paleontological resources, unique geologic feature, or disturb any human remains.

VI. Geology and Soils – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				X
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.				X
ii) Strong seismic ground shaking?				X
iii) Seismic-related ground failure, including liquefaction?				X
iv) Landslides?				X
b) Result in substantial soil erosion or the loss of topsoil?				X
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				X
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?				X

e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on geology and soils.

VII. Greenhouse Gas Emissions – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				X
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on greenhouse gas emissions.

VIII. Hazards and Hazardous Materials – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				X
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				X
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X
d) Be located on a site included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				X
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h) Expose people or structures to a significant risk of loss, injury or death involving wild land fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on or be exposed to hazards and hazardous materials.

IX. Hydrology and Water Quality – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Violate any water quality standards or waste discharge requirements?				X
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level that would not support existing land uses or planned uses for which permits have been granted)?				X
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, that would result in substantial erosion or siltation on- or off-site?				X
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?				X

e) Create or contribute runoff water that would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?				X
f) Otherwise substantially degrade water quality?				X
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
h) Place within a 100-year flood hazard area structures that would impede or redirect flood flows?				X
i) Expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
j) Inundation by seiche, tsunami, or mudflow?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on the hydrology and water quality issues noted above.

X. Land Use and Planning – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Physically divide an established community?				X
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on the land use and planning issues noted above.

XI. Mineral Resources – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on mineral resources.

XII. Noise – Would the project result in:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				X
b) Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?				X
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				X
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above existing levels without the project?				X
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on issues related to noise noted above.

XIII. Population and Housing – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				X
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on population and housing.

XIV. Public Services – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				X
Fire protection?				X
Police protection?				X
Schools?				X
Parks?				X
Other public facilities?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the

Legislature. It will not result in physical impacts and will therefore have no adverse impact on public services.

XV. Recreation	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on recreation.

XVI. Transportation and Traffic – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				X
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?				X
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X

f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance of safety of such facilities?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on the transportation and traffic issues noted above.

XVII. Utilities and Service Systems – Would the project:	**Potentially Significant Impact**	**Less Than Significant with Mitigation Incorporated**	**Less Than Significant Impact**	**No Impact**
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				X
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e) Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the providers' existing commitments?				X
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X
g) Comply with federal, state, and local statutes and regulations related to solid waste?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with RPS goals already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on utility and service systems noted above.

XVIII. Mandatory Findings of Significance	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?				X
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considered when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)				X
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?				X

Conclusion:

The proposed project, to adopt new regulations establishing enforcement rules and procedures for the RPS, is primarily an administrative process to ensure compliance with the RPS goals and directives already set by the Legislature. It will not result in physical impacts and will therefore have no adverse impact on environment, including cumulative effects. The project acts to implement existing laws that require utilities to increase the amount of electricity products procured from eligible renewable energy resources (e.g. wind, solar, biomass, landfill gas, etc.) over time to the most recent RPS mandate of 33 percent by the end of 2020, resulting in a reduction in the amount of electricity generated and procured from nonrenewable energy sources, such as fossil-fuel based power plants, and ameliorating air quality problems and improving public health by reducing the burning of fossil fuels for power generation purposes and the associated environmental and greenhouse gas impacts, and by reducing in-state fossil fuel consumption.

REFERENCES

California Energy Commission, *Proposed Regulations for Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities.* March 2013, copy attached.

Copies of all the rulemaking documents for the proposed regulations, including the Notice of Proposed Action, Initial Statement of Reasons, Supporting Material for the Economic and Fiscal Impact Statement and Assessment, and the POU Cost Analysis are available from the Energy Commission's website at www.energy.ca.gov/portfolio/pou_rulemaking/.