CALIFORNIA ENERGY COMMISSION
OFFICE OF THE COMMISSIONERS
1516 NINTH STREET
SACRAMENTO, CA 95814-5512

DOCKET
04-SIT-2
DATE
RECD. DEC 21 2006

NOTICE OF PROPOSED ACTION

FOR ADOPTION OF REVISIONS & AMENDMENTS
TO THE ENERGY COMMISSION'S
RULES OF PRACTICE AND PROCEDURE
&
POWER PLANT SITE CERTIFICATION REGULATIONS

Docket No. 04-SIT-2

December 2006

The California Energy Commission ("Commission") proposes to revise and amend its regulations for Applications for Certification in Title 20, California Code of Regulations. The proposed revisions and amendments are authorized by sections 25213, 25218(e), 25539, and 25541.5 of the Public Resources Code. These regulations would implement, interpret, and make specific various sections of the Warren-Alquist Act (Public Resources Code, section 25000, et seq.) and one section of the California Environmental Quality Act. (Public Resources Code, section 21000 et seq.).

The Energy Commission staff distributed initial proposed changes to its regulations for public comment and discussion at workshops on September 20 and November 13, 2006. Based on the public comment received in writing on October 16, 2006, and at the workshops, several of the originally-proposed amendments have changed substantially, and are now essentially clarifications of existing practice.

NOTICE THAT PUBLIC HEARINGS ARE SCHEDULED AS FOLLOWS:

Siting Committee Hearing, on January 17, 2007, beginning at 1:00 p.m.

California Energy Commission Hearing, on February 14, 2007, beginning at 10:00 a.m.

California Energy Commission
Hearing Room A
(Wheelchair-accessible)
1516 9th Street
Sacramento, CA 95814

ORAL AND WRITTEN STATEMENTS

Interested persons wishing to address the Commission about the proposed amendments either oral or in writing, must submit written comments to the Commission on or prior to February 12, 2007, by mailing them to:

Docket Unit
California Energy Commission
Docket No. 04-SIT-2
1516 9th Street, MS-4
Sacramento, CA 95814

Or e-mailing them to: DOCKET@energy.state.ca.us

All comments must be identified with "**Docket No. 04-SIT-2.**" Oral or written comments will also be accepted during the Final Hearing.

COPIES OF THE INITIAL STATEMENT OF REASONS AND THE TEXT

The Commission has prepared an Initial Statement of Reasons for the proposed regulations. To obtain a copy of the Initial Statement of Reasons or the express terms of the proposed amendments, please contact James W. Reede, Jr., Ed.D. at (916) 653-1245 or by e-mail at jreede@energy.state.ca.us. Additionally, the Commission has available all the information upon which the proposed regulations are based; to obtain copies, please send a request to the Docket Unit at the above address or call (916) 654-5076.

INTERNET ACCESS

The Initial Statement of Reasons and the text can be viewed on the Commission's website at the following address: http://www.energy.ca.gov/siting/rulemaking/.

COPY OF THE FINAL STATEMENT OF REASONS

At the conclusion of the rulemaking, persons may obtain a copy of the Final Statement of Reasons by contacting James W. Reede, Jr., Ed.D. at (916) 653-1245 or by e-mail at jreede@energy.state.ca.us.

POSSIBLE CHANGES

If the Commission considers changes to the proposed regulations pursuant to Government Code section 11346.8, and the changes are sufficiently related to the original text and within the scope of this Notice, a full copy of the text will be available for review at least 15 days prior to the date on which the Commission adopts or amends the resulting regulations.

PUBLIC ADVISER

The Commission's Public Adviser's Office is available to assist any person who wishes to participate in this proceeding. For assistance from the Public Adviser's Office, please call (916)654-4489 or toll-free in California at (800)822-6228.

CONTACT PERSONS

Inquiries concerning all aspects of the amendment process, including the substance of the proposed regulations, should be directed to James W. Reede, Jr., Ed.D. at (916) 653-1245 or by e-mail at jreede@energy.state.ca.us. Inquiries can also be directed to Ms. Kerry Willis, Sr. Staff Counsel, who can be reached at (916) 654-3967 or by email at kwillis@energy.state.ca.us.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Warren-Alquist State Energy Resources Conservation and Development Act (Public Resources Code Section 25000 et seq.) created the Commission and vested it with a wide range

of duties and responsibilities related to the development and conservation of energy resources in California. Included in the Commission's responsibilities is ensuring sufficient electricity to meet California's needs through the siting of thermal electric generating facilities of 50 megawatts (MW) or greater generating capacity.

The proposed amendments would clarify and update the siting process to ensure that these responsibilities are carried out. The specific changes are contained in the ISOR and can be viewed on the Commission's website at the following address: http://www.energy.ca.gov/siting/rulemaking/.

SMALL BUSINESS IMPACTS

The Commission concludes that the proposed regulations would not affect small business. The proposed regulations would be purely procedural and timing clarifications and would impose no additional requirements upon any small business. Improvements and clarifications to the Commission's siting process would benefit the entire state, including small business, by helping to ensure an adequate supply of electricity. The Commission filed an Economic and Fiscal Impact Statement (STD 399) with the Department of Finance that was approved on September 26, 2006, showing no adverse impacts on small businesses.

LOCAL MANDATE DETERMINATION

If adopted, the proposed regulations would not impose a mandate on local agencies or school districts.

COST/SAVINGS ESTIMATE

There would be approximately $178,000 in cost savings to the Energy Commission the first year, and no costs to any local agencies or school districts that are required to be reimbursed under Government Code section 17500 et seq., resulting from the proposed regulations. Additionally, there would be no cost or savings to any other state agency or in federal funding to the state as a result of these amendments. There would be no other non-discretionary cost or savings imposed on local agencies.

INITIAL DETERMINATION - ECONOMIC IMPACT ON BUSINESSES

The California Energy Commission hereby declares that it has made an initial determination that the proposed changes to the siting regulations will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The Commission and its staff are unaware of any legitimate cause and effect relationship between the proposed procedural and timing clarifications and a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

This initial determination is based upon the following facts: (1) the proposed regulations would mainly clarify Energy Commission procedures, and result in no significant additional burdens,

duties, or costs upon power plant applicants; and (2) the Commission and its staff are unaware of any legitimate cause and effect relationship between the proposed procedural clarifications, revisions, and amendments and a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states; and (3) the Department of Finance has approved the Commission's Economic and Fiscal Impact Statement.

The Energy Commission believes the proposed regulations would assist in the prompt licensing and monitoring of power plants in accordance with the Commission's statutory responsibilities.

ASSESSMENT REGARDING JOBS AND BUSINESSES

The Commission's assessment is that the proposed amendments to the siting regulations would have no effect on the creation or elimination of California jobs and no effect on the creation of new business or the elimination or expansion of existing business within California. The number of power plants applied for, licensed, and then built would not be foreseeably changed by the proposed regulations. The proposed regulations would require no new reports.

POTENTIAL FOR ADVERSE IMPACTS ON BUSINESS AND INDIVIDUALS

The Commission's assessment is that the proposed amendments to the siting regulations would have no potential for adverse economic impact on California business enterprises and individuals. The Commission's further assessment is that the proposed amendments would avoid the imposition of unnecessary or unreasonable regulations or reporting, record keeping, or compliance requirements. The Commission filed an Economic and Fiscal Impact Statement (STD 399) with the Department of Finance that was approved on September 26, 2006, showing no adverse impacts on businesses or individuals.

CONSIDERATION OF ALTERNATIVE PROPOSALS

Before adopting the proposed amendments, the Commission must determine that no reasonable alternative considered by it, or that has otherwise been identified and brought to the attention of the Commission, would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action. To date the Commission is not aware of any alternatives that would be more effective or less burdensome than the proposed regulations.

IMPACT ON HOUSING COSTS

If adopted, the proposed regulations would not have an effect on housing costs.

COST IMPACT ON PRIVATE PERSONS AND BUSINESSES

The Energy Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

RELATIONSHIP TO FEDERAL REGULATIONS

There are no comparable federal regulations or statutes governing the Energy Commission's procedural requirements for licensing power plants in California. Furthermore, no federally mandated regulation or amendment is being proposed.

STATUTORY AUTHORITY AND REFERENCE

Authority: Sections 25213, 25218(e), 25539, and 25541.5 Public Resources Code.

Reference: Section 11180 Government Code; Sections 21080.5, 25210, 25216.5, 25362, 25500, 25519, 25523, 25532, 25534, 25534.1, 25541.5, 25900, and 25967, Public Resources Code.

Date: 12/13/06

JOHN L. GEESMAN
Commissioner and Presiding Member
Siting Committee

JEFFREY D. BYRON
Commissioner and Associate Member
Siting Committee