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FORMATION COMMISSION

October 3, 2005

VIA HAND DELIVERY

Peter Brundage
Sacramento Local Agency
Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

Re: Scoping Comments for the SMUD Annexation Program Environmental Impact Report

Dear Mr. Brundage:

On behalf of the Coalition of California Utility Employees ("CUE"),[1] this letter provides comments on the September 1, 2005 Notice of Preparation ("NOP") of a Program Environmental Impact Report ("EIR") for the proposed amendment of the Sphere of Influence of the Sacramento Municipal Utility District ("SMUD") and Annexation by SMUD of the Cities of West Sacramento, Davis, and Woodland, and portions of unincorporated areas of Yolo County. CUE provides these comments based on concerns that the proposed project may result in adverse environmental impacts affecting the areas where the members of the unions in CUE live and work.

Without having had the opportunity to examine the potential impacts of this project in detail, our comments at this time are preliminary. Nonetheless, several issues regarding potential air quality impacts immediately stand out. Given that Sacramento County and Yolo County are designated as nonattainment for specific ambient air quality standards, it is vital that potential criteria air pollutant emissions from project activities and resulting impacts on ambient air quality be appropriately analyzed.

[1] CUE is a coalition of unions whose members work at essentially all of the electric utilities in California, both investor owned and publicly owned. The unions include IBEW 1245, whose members work at both SMUD and PG&E.

I. IMPACTS FROM CONSTRUCTION

The NOP identifies construction activities as a potential source of significant air quality impacts. (NOP at p. 15.) However, it appears to dismiss these impacts as "only short term," and merely plans to "define mitigation measures." Impacts on air quality from any particular construction project may be short-term, but construction emissions present a substantial contribution to the existing violations of state and federal ambient air quality standards. (See Sacramento Metropolitan Air Quality Management District, Guide to Air Quality Assessment (July 2004) at p. 3-1.)

Until construction emissions are properly quantified and analyzed, it is impossible to determine adequate mitigation. The EIR must first identify the baseline air quality from both a local and regional perspective, as it exists before the commencement of the project. (14 Cal. Code Regs. § 15125.) Baseline air quality information should include site-specific characteristics of the proposed project, such as climate and topography, existing stationary source emissions, congested roadways, and identification of any nearby facilities that emit toxic air contaminants. Sensitive receptors in the vicinity of the project areas should be clearly identified in the EIR. Areas earmarked as future sites for sensitive receptors (i.e., a future school site or convalescent home) should also be identified.

The EIR must then prepare an inventory of emissions from the project, determine thresholds of significance, compare emissions to the thresholds, specify mitigation measures, determine the emission reduction efficiency of the proposed mitigation measures, and then quantify the mitigated emissions. Proposed mitigation measures must be capable of reducing the impacts to a level that is less than significant. Ambient air quality dispersion modeling may be necessary to determine whether emissions from the project construction result in violations or substantially contribute to violations of ambient air quality standards.

The construction emissions that may result from annexation should be carefully quantified and analyzed to determine the potential increases in NOx, ROG, CO, PM2.5 and PM10 emissions, among other potential criteria pollutants, and the impact of these emissions on air quality. In addition, emissions of toxic air contaminants should be quantified and analyzed. Sources of construction emissions include combustion exhaust emissions from construction equipment, construction worker commutes, haul trucks, portable auxiliary equipment and generators; ROG emissions from architectural coatings, asphalt paving, welding, etc.; and fugitive

dust PM10 emissions from soil disturbance such as earth moving or vehicle trips on unpaved roads. Secondary emissions that must be accounted for include emissions associated with the generation of electricity to power any electrical equipment. In addition, the EIR must consider the mitigation measures it imposes to determine if they would cause secondary impacts in addition to those that would be caused by the Project. (14 Cal. Code Regs. § 15126.4; *Stevens v. City of Glendale* (1981) 125 Cal.App.3d 986.)

Construction emissions should be calculated for all construction activities that may result from the proposed annexation. Potential construction activities identified in the SMUD Annexation Application include: the construction of a new 115 kV transmission line from SMUD's existing Elverta Substation to the Woodland Substation; construction of a new Willow Slough substation; the reconstruction of existing SMUD 115kV transmission lines in order to add an additional transmission line to serve the area, replace lattice towers with steel poles and add additional overhead lines and fiber optic cable; the construction of a new line from PG&E's existing transmission line located on Power Inn Road to SMUD's existing Hedge Substation; the interconnection of existing PG&E and SMUD transmission lines near SMUD's North City Substation; the replacement of existing PG&E overhead transmission line conductor with conductor that can carry additional capacity at various locations within the annexed territory; the reconductoring of 115 kV transmission line from the existing West Sacramento Substation to the Davis Substation; the reconductoring of several existing 12 kV distribution lines; the reduction of multiple terminal lines to more reliable two terminal lines; the installation of remote meters to replace existing single-phase kWh meters; the extension of the SMUD communication system to the Yolo annexation territory; and the construction of the Western Area Power Administration 230 kV line between O'Banion Substation and Elverta/Natomas. The SMUD Annexation Application should be reviewed carefully to ensure identification of all potential construction activities related to the project.

For each of these activities, the EIR must determine the activities involved, specify a construction schedule, identify the types and number of construction equipment operating during the various activities of project construction, estimate the number of daily and total hours of use, calculate the number of construction workers for each construction site, identify the predominant soil type at each construction location, determine the load factors and emission factors for each piece of equipment, determine the quantity of architectural coatings, asphalt paving and striping, and so forth. Typical construction equipment includes loaders, dozers,

excavators, tractors, graders, pavers, rollers, drill rigs, cranes, compressors, welders, forklifts, haul trucks, generators, water trucks, compressors, digger derricks, trenchers, cable plows, and borers. Even if the precise route or location is not yet known, the EIR must identify and analyze all potential impacts to the extent known or reasonably foreseeable. (Pub. Resources Code §§ 21068, 21100; 14 Cal. Code Regs. § 15126.2; *Laurel Heights Improvement Ass'n v. Regents of Univ. of Cal.* (1988) 47 Cal.3d 376, 396; *Berkeley Keep Jets Over the Bay Comm. v. Board of Port Comm'rs* (2001) 91 Cal.App.4th 1344, 1370.)

For its construction emissions inventory, the EIR should use the most current methodology and emission factors.[2] The magnitude of fugitive dust emissions resulting from vehicle traffic on unpaved roads, dirt-pushing and bulldozing operations, and wind erosion depends in part on the silt content of the surface materials. Accordingly, the EIR should include an analysis of the specific silt content of the areas proposed for construction.

The EIR must then use this data to calculate the combustion emissions from construction equipment, calculate fugitive dust emissions from construction activities, calculate combustion emissions from construction worker trips for each specific construction activity and sum the emissions and compare to the significance criteria. The EIR must also identify any impact emissions may have on sensitive receptors. The EIR should evaluate these findings and require feasible mitigation to reduce any significant impacts to less than significance.

II. IMPACTS FROM OPERATION AFTER ANNEXATION

While it acknowledges potential construction impacts, the NOP states that "substantial emission of air pollutants is not expected to be generated during project operation." (NOP at p. 15.) We believe this is incorrect. At least two components of the project may result in operational air quality impacts: increased diesel truck travel and increased power demands at the Cosumnes power plant. The NOP alludes to this second source of impacts when it states "changes in generation supply resources when SMUD replaces PG&E as the electric service provider may have a secondary impact on air quality." (*Id.*)

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[2] A study commissioned by the South Coast Air Quality Management District ("SCAQMD") recently identified the most accurate methodology for calculating construction emissions.

A. Increased Service Vehicle Emissions

The project may result in increased vehicle combustion exhaust emissions because there will be no SMUD service centers within the annexed territory. PG&E currently operates several service centers within the proposed annexation area. SMUD, on the other hand, operates all of its service centers east of the Sacramento River. As a result, SMUD's service trucks will need to travel a much greater distance to conduct the same service activities. This may result in a significant increase in combustion exhaust emissions. The EIR must analyze and quantify these increased emissions to determine their potential adverse impacts on ambient air quality and provide adequate mitigation. These impacts should be determined using the methodology and emission factors provided by the California Air Resources Board's on-road vehicle emissions model, EMFAC.

B. Increased Emissions at the Cosumnes and Roseville Power Plants

The SMUD Annexation Application states that at least two power plants must be commissioned in order to have adequate load serving capacity for the annexation territory (SMUD Application at 55-56, Attachment F):

- The 500-MW Cosumnes Power Plant, which is scheduled to be commissioned in early 2006.
- The 160-MW Roseville Energy Park, which is scheduled to be commissioned in early 2007.

The EIR must disclose and analyze the relationship between the SMUD annexation and these power plants to determine if SMUD's reliance upon these plants may result in increased air pollutant emissions. As mentioned above, the NOP appears to recognize this possibility with its statement that "changes in generation supply resources when SMUD replaces PG&E as the electric service provider may have a secondary impact on air quality." (NOP at p. 15.) The potential increase of air pollutant emissions from this relationship must be quantified to determine the extent of the potential impact on air quality.

For example, the amount of electricity generated at the Cosumnes power plant is dependent upon whether or not the annexation is approved. When SMUD's new Cosumnes power plant is operated to meet SMUD loads, it does not incur any

California Independent System Operator ("CAISO") uplift charges, but when SMUD either exports Cosumnes power or buys non-Cosumnes power using the CAISO-controlled grid, then SMUD is subject to various ISO charges. If the annexation is not approved, SMUD will run Cosumnes above the level required to meet its native load only when the market price for electricity is greater than the Cosumnes cost of production *plus* the ISO uplift charges associated with delivery of Cosumnes generation to non-SMUD markets. If the annexation is approved, SMUD will run Cosumnes above the level required to meet its existing native load whenever there is sufficient annexed-area load to justify doing so and the market price of energy is above the cost of Cosumnes production *minus* the ISO uplift charges associated with importing across the ISO grid.

It is thus possible to estimate the impact that the SMUD annexation will have on the increased operation of the Cosumnes power plant. The impact of the SMUD annexation on the operation of the Cosumnes plant may be calculated by estimating the percentage of time that the market price for electricity will be no less than the cost of production minus the ISO charge and no more than the cost of production plus the ISO charge. During such periods, it will be economically appropriate to increase Cosumnes generation to meet Yolo County loads (if the annexation occurs) but will not be economically appropriate to increase Cosumnes generation to make off-system sales (if the annexation does not occur).

This calculation should be made to determine the number of additional megawatt-hours that would be generated at the Cosumnes plant. The EIR should then calculate the additional emissions associated with that additional generation and impose the appropriate mitigation measures. Again, the lead agency is required to identify and analyze all potential environmental impacts in the EIR. (14 Cal. Code Regs. § 15126.2.)

Because the SMUD application identifies the Roseville plant as necessary, the EIR should also disclose and analyze the relationship between the SMUD annexation and the Roseville Energy Park to determine if SMUD's reliance upon this power plant may also result in increased air pollutant emissions.

CUE appreciates this opportunity to participate in the California Environmental Quality Act process for the proposed project. We hope our comments are helpful as you begin to analyze the potential impacts of this project in more detail.

Sincerely,

Thomas A. Enslow

TAE:cnh