

Executive Summary

Introduction

This supplemental Proponent's Environmental Assessment (PEA) has been prepared to support an application by Lodi Gas Storage LLC to the California Public Utilities Commission (CPUC) for an amendment to the Certificate of Public Convenience and Necessity (CPCN) for Phase II of the Kirby Hills Gas Storage Project in Solano County. The amended application requests authorization to develop, construct, and operate additional underground natural gas storage facilities in a rural agricultural area in the Montezuma Hills of southeastern Solano County, California, immediately north of the Sacramento–San Joaquin River Delta. The existing Kirby Hills facility (constructed in 2006) and the proposed additional facilities are located approximately 6 miles west of Rio Vista and 8 miles southeast of Fairfield.

For the purpose of this PEA and the preconstruction permitting processes, the natural gas facility and all associated components are referred to as the “Phase II project.” The PEA evaluates and analyzes the effects of the physical act of constructing the proposed Phase II project components. When the proposed Phase II project components have been approved by the CPUC and constructed, it will be referred to in the future as the “facility.”

This PEA describes each of the Phase II project facility components and their relationship to the Kirby Hills I facility (constructed in 2006), construction methods, schedule, and Applicant-Proposed Measures (APMs) that were implemented as part of the Kirby Hills I project and will be implemented as part of the Phase II project to avoid and minimize long-term effects on environmental resources within and adjacent to the new proposed facilities.

The proposed project comprises the following five components, which are described in detail in Chapter 2 of this PEA:

1. Injection/withdrawal wells
2. Flow line

3. Compression/dehydration
4. PG&E interconnection
5. Conversion of abandoned wells

As part of the proposed project, Lodi Gas Storage will implement APMs and previously identified mitigation measures to avoid and minimize long-term effects on environmental resources within and adjacent to the proposed Phase II project components. The APMs are described in detail in Chapter 2 of this PEA.

PEA Purpose and Approach

The purpose of this supplemental PEA is to provide an adequate level of information to the CPUC to assist in determination of impacts that may be of concern and to facilitate preparation of a California Environmental Quality Act document (subsequent initial study/mitigated negative declaration). This PEA contains the project information and studies required by the CPUC's Information and Criteria List that are applicable to the proposed project.

Section V, 3 of the CPUC's Information and Criteria List states:

If it can be seen with certainty that there is no possibility that the project in question may have a significant adverse effect on the environment, the PEA for the project should be limited to a statement of this conclusion and any additional explanation or information which may be necessary for an independent evaluation of such assertion by the Commission.

Although such a conclusory statement is applicable to the proposed project, Lodi Gas Storage has provided additional detail to expedite the CPUC's review of the project and to fully demonstrate that the criterion has been satisfied. In addition, the upfront work by Lodi Gas Storage in this PEA is intended to expedite the CPUC's review of the application in order to allow for construction during the 2008 late-spring/summer/fall season and thereby have the facility in operation to meet the winter 2008 season.

The analysis conducted for this PEA indicates that no aspect of this project (as proposed with the APMs and mitigation) would cause a significant and unavoidable impact on the environment.