

CHAPTER 1

INTRODUCTION

The Environmental Impact Report (EIR) for Pacific Gas and Electric (PG&E) Company's Application for Authorization to Sell Certain Generating Plants and Related Assets (Application No. 98-01-008) was prepared by the California Public Utilities Commission (CPUC), pursuant to the requirements of the California Environmental Quality Act (CEQA), to inform decision-makers of the potential environmental impacts that could occur related to the proposed sale. Written and oral comments received in response to the Draft Environmental Impact Report (DEIR) are addressed in this Response to Comments document that, together with the DEIR, issued on August 5, 1998, constitutes the Final EIR.

BACKGROUND

On January 15, 1998, PG&E applied to the CPUC for authority to divest (sell) four of its fossil-fueled power plants (Contra Costa, Pittsburg, Hunters Point, and Potrero) and its geothermal power plant (the Geysers Power Plant) through a competitive auction. The four fossil-fueled plants are located in the San Francisco Bay Area and the Geysers Power Plant is located in Sonoma and Lake Counties. PG&E later withdrew the Hunters Point Power Plant from the proposed sale. The divestiture of the Contra Costa, Pittsburg, Potrero, and Geysers Power Plants is the project proposed by PG&E and analyzed in the Final EIR. The three fossil-fueled power plants, consisting of a mix of 10 steam boiler units and three combustion turbine (CT) units, have a combined net generating capacity of 3,065 megawatts (MW). Each of these plants generates electricity primarily from steam turbines with boilers fueled by natural gas. The Geysers Power Plant has 14 generating units at 11 sites, with a total design generating capacity of 1,224 MW, though limitations in the steam fields supplying those units effectively limits generating capacity at PG&E's Geysers generating units to about 665 MW. (See Chapter 2, Project Description, of the DEIR, for a more detailed description of PG&E's proposed divestiture.)

The divestiture of electric generation facilities (power plants) by state-regulated utilities is a component of the restructuring of the electric industry currently under way in California. Because the CPUC must determine whether the transfer of ownership of these plants would be in the public interest, its ruling on the proposed divestiture requires review under CEQA of the potential environmental impacts of the divestiture project. In February 1998, the CPUC announced it would prepare an EIR on the divestiture project. The CPUC conducted four public meetings in locations near the facilities proposed for divestiture to obtain comments from residents and others on the scope of the EIR. The CPUC also met with 25 public agencies to gather information about local concerns and to take comment on the scope of the DEIR.

On August 5, 1998, the CPUC issued the DEIR on PG&E's proposed divestiture, identifying potentially significant environmental impacts, proposing mitigation measures to reduce or eliminate those impacts, and evaluating alternatives to the project. At the same time, a 45-day public comment period on the DEIR commenced, closing on September 21, 1998. During the public comment period, the CPUC conducted four public information meetings to explain the findings in the DEIR, and conducted one formal public hearing on September 15, 1998 to receive oral comments on the DEIR. (See Chapter 1, Introduction, of the DEIR, for a more detailed discussion of the DEIR process.)

RESPONSE TO COMMENTS

Of the 35 written comment letters received by the CPUC, 12 were from government agencies or elected officials, five were from businesses, primarily energy service companies (including PG&E), five were from community or environmental groups, and 13 were from individual private citizens. Four individuals (three of which represented organizations) gave oral comments on the DEIR at the public hearing.

The following Response to Comments Document was prepared with the assistance of Environmental Science Associates and its subconsultants. It responds to all comments received during the public review period.

The Response to Comments Document adds one new Mitigation Measure (see response to Comment H10) and modifies two other mitigation measures. Mitigation Measure 4.7-1 is modified in response to Comment T5e and Mitigation Measure 4.9-3 is modified in response to Comment F44.

CONCLUSIONS

After considering and responding to all of the comments submitted on the DEIR, this Final EIR concludes that, with the mitigation measures proposed in the DEIR and this Response to Comments Document, all but one potential environmental impact associated with PG&E's divestiture project can be eliminated or reduced to a less than significant level. The one exception, Impact 4.5-5, concludes that depending upon whether and how the Bay Area Air Quality Management District (BAAQMD) modifies Regulation 9 Rule 11, PG&E's divestiture project may be inconsistent with regional air quality plans. However, with implementation of Mitigation Measure 4.5-5 (requiring modification of BAAQMD Regulation 9, Rule 11 to ensure it applies to any new owner of a Bay Area power plant or equivalent revision of the permits for the fossil-fueled plants), this impact will still be significant and unavoidable, but will be of a temporary nature, being alleviated by 2003.

The CPUC has scheduled a business meeting for November 19, 1998, during which it is scheduled to consider certification of the Final EIR. If the Final EIR is certified, the CPUC will consider the document prior to taking any future action to approve or disapprove the project.