

CALIFORNIA ENERGY COMMISSION

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August 27, 2009

Mr. Christopher Calfee, Special Counsel
California Resources Agency
1017 L Street, #2223
Sacramento, CA 95814

Re: CEQA Guidelines

Dear Mr. Calfee:

Thank you for the opportunity to comment on the proposed changes to the CEQA Guidelines. In general, the proposed changes are thoughtfully written and will be helpful to Lead Agencies in evaluating greenhouse gas emissions. However, we do have suggested changes that we believe will make the amendments more useful to Lead Agencies.

Our first two changes concern proposed Section 15064.4. The California Energy Commission (Energy Commission) is the lead agency for permitting electric generation facilities with a capacity of 50 megawatts or more. In evaluating the greenhouse gas impacts of these facilities, the Energy Commission assesses the extent to which existing generation facilities will reduce their output when the new facility operates. Because electric generation facilities must respond to changes in load instantaneously and because new facilities are more efficient than older facilities, new facilities typically result in a net reduction in greenhouse gas emissions as soon as they begin operation. This situation may be unique; the Energy Commission is not aware of any other industrial sector that operates in the same manner. Although we believe that the currently proposed language would accommodate our analytical approach, we recommend that the proposed language more specifically indicate that an analysis of a project's greenhouse gas emissions may consider emission reductions from existing facilities in situations in which those changes can be attributed to specific facilities or types of facilities.

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In addition, due to the activities currently underway to implement SB 375 (Stats. 2008, ch. 728), we believe it would be appropriate if the CEQA Guidelines provided more guidance to Lead Agencies in evaluating greenhouse gas impacts associated with energy consumption. To that end, we propose adding language to Section 15064.4 that references Appendix F. Finally, we recommend adding two questions to the proposed Greenhouse Gas Emission section of Appendix G to help capture energy-related greenhouse gas emission impacts.

These changes are shown in the attachment to this letter, in double underline and strikeout. If you have any questions about our recommendation, please do not hesitate to contact Caryn Holmes or Dick Ratliff at (916) 654-3951. Again, we commend you on your proposed language and look forward to seeing the adoption of the Guidelines.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Douglas', with a long horizontal line extending to the right.

KAREN DOUGLAS
Chairman

§15064.4. Determining the Significance of Impacts from Greenhouse Gas Emissions.

(a) – no changes

(b) A lead agency may consider the following when assessing the significance of impacts from greenhouse gas emissions on the environment:

(1) The extent to which the project may increase or reduce greenhouse gas emissions as compared to the existing environmental setting at existing facilities;

(2) Whether the project emissions exceed a threshold of significance that the lead agency determines applies to the project.

(3) The extent to which the project complies with regulations or requirements adopted to implement a statewide, regional, or local plan for the reduction or mitigation of greenhouse gas emissions. Such regulations or requirements must be adopted by the relevant public agency through a public review process and must include specific requirements that reduce or mitigate the project's incremental contribution of greenhouse gas emissions. If there is substantial evidence that the possible effects of a particular project are still cumulatively considerable notwithstanding compliance with the adopted regulations or requirements, an EIR must be prepared for the project.

(4) A Lead Agency shall rely on Appendix F in evaluating the significance of greenhouse gas emissions associated with energy consumption.

Appendix G
Environmental Checklist Form

SAMPLE QUESTION

Issues:

VII. GREENHOUSE GAS EMISSIONS --

Would the project:

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

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b) Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?

c) Result in a cumulatively considerable increase in energy consumption?

d) Conflict with any applicable plan, policy or regulation adopted for the purpose of reducing energy consumption?