

4.11 PUBLIC SERVICES

Would the proposal have an effect upon, or result in a need for new or altered, government services in any of the following areas:	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Maintenance of public facilities, including roads?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Other governmental services?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

SETTING

Regional Setting

PG&E owns and operates power plants in various jurisdictions throughout northern and central California. Public services, such as fire and police protection, are provided to PG&E power plants by local cities and communities within these jurisdictions.

PG&E provides its own security services to the power plants through its corporate security office. PG&E security staff provides employee security training, and general security consulting services to power plant staff. PG&E also contracts with private firms to provide its power plant employees with first aid training. Staff at the Morro Bay, Moss Landing and Oakland power plants also receive beginning-level fire protection training.

PG&E relies on local fire departments to respond to emergencies such as fires, hazardous materials incidents, and medical emergencies at its power plants. Except for the Oakland power plant, PG&E contracts with private security companies to provide part-time, on-site security. For incidents that cannot be handled by these security companies, PG&E requests assistance from local law enforcement agencies.

Local Setting

Morro Bay

The Morro Bay power plant receives fire protection services from the Morro Bay Fire Department, which is staffed by 21 sworn and civilian personnel, plus 17 reserve firefighters. The Morro Bay Police Department provides police protection services. The police department is

staffed by 19 sworn officers. PG&E contracts with Paige's Security Services, Inc. to provide on-site security services at the Morro Bay plant.

The Morro Bay power plant is located within the San Luis Coastal Unified School District. The District serves 8,480 students enrolled in grades K-12 from four communities, including Morro Bay.

Other public services and facilities are maintained by the City of Morro Bay. Local roads are also maintained by the City.

Moss Landing

The Moss Landing power plant receives police protection services from the Monterey County Sheriff's Department, which has a staff of 336 sworn officers for the entire county. PG&E contracts with Paige's Security Services, Inc. for on-site security services. The Salinas Valley Rural Fire District provides fire protection services.

Educational services are provided by the Monterey County Unified School District, which has 5,515 students enrolled in grades K-12. The Moss Landing Elementary School has a total enrollment of 595 students. Monterey County is responsible for maintaining roads and other public facilities which serve Moss Landing.

Oakland

The Oakland power plant is served by the Oakland Fire Department which operates with over 500 sworn and civilian employees. The Oakland Police Department provides police protection services, operating with about 650 sworn officer personnel, which is a decline from its 1972 peak of 742 officers.

The power plant is located within the Oakland Unified School District. The District anticipates a stable enrollment over the next several years, though overcrowding is severe in certain neighborhood areas.

The City of Oakland provides and maintains various other public services and facilities within the city.

CHECKLIST ISSUES

a) Fire

Local Issues

Morro Bay

The divestiture of the Morro Bay power plant would not result in the need for new or altered fire protection services. However, if the new owner operated the plant at its maximum technically

feasible capacity, there could be a small increase in employment, which could generate additional demand for emergency medical and fire protection services. Any such added demand would not be substantial. Thus, the project's effect on fire protection services at the Morro Bay plant would be less than significant. See also discussion under checklist item (d) below; Maintenance of Public Facilities.

Moss Landing

The project would not result in new or altered demand for fire protection services if the plant were to be operated at current levels. However, if the new owner operated the Moss Landing plant at its maximum technically feasible capacity, employment levels could increase to a small degree, requiring additional fire protection and medical emergency services from the fire department. Any such added demand would not be substantial. The project's effect on fire protection services at the Moss Landing plant would be less than significant. See also discussion under checklist item 11d.

Oakland

The project would not have a direct or measurable effect on fire protection services. The operating capacity and physical size of this facility is the smallest of the three plants to be divested. Even if a new owner were to operate the facility at its maximum technically feasible capacity, the number of new employees likely to locate at the Oakland site would be minimal, if there were any employees at all. Divestiture of the Oakland power plant would have a less-than-significant impact on fire protection. See also discussion under checklist item (d) below.

Conclusion

The divestiture of these three power plants would not result in the need for new or altered fire protection services, so the project would have a less than significant impact. See also section 4.9(e).

b) Police

Local Issues

Morro Bay

Divestiture of the Morro Bay power plant would not alter or increase the need for police protection. Crime incidents such as vandalism and theft are unlikely to occur on the site due to: (1) restricted access; (2) the types of activities occurring on the site (power generation and transmission); and (3) low employee density, which is less than one employee per acre. Therefore, less than significant impacts would occur to police protection services.

Moss Landing

Divestiture of the Moss Landing power plant would not alter or increase the need for police protection. Crime incidents such as vandalism and theft are unlikely to occur at the plant site due to: (1) restricted access; (2) the types of activities occurring on the site (power generation and transmission); and (3) low employee density, which is less than 0.5 employees per acre.

Therefore, the project would have a less than significant impact on police protection services.

Oakland

Divestiture of the Oakland power plant would not alter or increase the need for police protection. Crime incidents such as vandalism and theft are unlikely to occur on the site due to: (1) restricted access; (2) the types of activities occurring on the site (power generation and transmission); and (3) low employee density of about one employee per acre. Therefore, the divestiture of the Oakland power plant would have a less-than-significant impact on police protection services.

Combined Issues

PG&E currently contracts with private security firms for part-time security staff at each of the power plants except for Oakland. A new owner may or may not elect to continue to provide private security services. If a new owner did not have private security, it is possible that the number of calls to local police could increase, but it is not anticipated that any such increase would be to a degree that would result in a physical impact. In any event, any increase in the demand for police protection services for the plants is likely to be low, and to be accommodated by existing police resources. Thus, the impact would not be significant.

Conclusion

Divestiture of the three power plants by PG&E would not alter or increase demand for police protection in any of the local jurisdictions. If new owners discontinue providing private security at the plants, it is possible the number of calls to local police could increase, but it is not anticipated that this would result in a physical impact. Therefore, the impact of divestiture on police protection services is considered to be less than significant.

c) Schools

Morro Bay

To the extent that new plant employees and their families were attracted to Morro Bay, there could be increased demand for schools that would not have occurred otherwise. Due to the small amount of likely increased plant employment based on the new owner operating the facility within its maximum operating capacity, divestiture of the Morro Bay plant would have a less-

than-significant impact on schools. See also discussion under checklist item (d) regarding maintenance of public facilities.

Moss Landing

To the extent that new plant employees and their families were to move to Moss Landing, there could be increased demand for schools that would not have occurred otherwise. Due to the small amount of likely increased plant employment based on the new owner operating the facility at its maximum operating capacity, divestiture of the Morro Bay plant would have a less-than-significant impact on schools. See also discussion under checklist item (d) concerning maintenance of public facilities.

Oakland

Due to the size and generating capacity of the Oakland power plant, it is unlikely that this facility would operate with a substantial number of new employees (if any employees at all) that would move to Oakland. Therefore, it is unlikely that the Oakland plant would generate secondary effects on schools. Divestiture of the Oakland power plant would have a less-than-significant impact on schools. See also discussion under checklist item (d) regarding maintenance of public facilities.

Conclusion

The effect of the project on schools would be less than significant.

d) Maintenance of Public Facilities

Local Issues

Morro Bay

The City of Morro Bay currently receives some 2.2 million dollars annually from local property taxes paid by PG&E. This amount was apportioned to the City from a total sum of \$37.3 million paid by PG&E for both the Morro Bay and Diablo Canyon power plants and related facilities in fiscal 1995-1996. Any loss of property tax to the County and the City could affect the ability of the public agencies to maintain public facilities. However, it is not reasonably foreseeable that divestiture of the Morro Bay plant will cause property tax decreases. At the current time, given the fact that the identity and nature of the new owners is unknown, any increases or loss of tax revenues cannot be precisely estimated and would be at best highly speculative. There is indeed no reason to believe that the plant will be sold for an amount less than the current assessed value upon which property taxes are based. Furthermore, even if divestiture did lead to a decrease in property tax revenue, such decrease could only be considered significant if it were so substantial that the maintenance of public facilities and provision of public services would be

diminished or curtailed, and if such changes would lead to adverse physical effects. This chain of events is not foreseeable. For all of these reasons, the maintenance of public facilities in Morro Bay is not expected to be affected by the divestiture of the Morro Bay plant. .

The San Luis Obispo County Board of Supervisors have expressed concerns regarding the issue of restructuring and the divestiture of the Morro Bay power plant. In a study conducted by San Luis Obispo County, the County estimated that the combined effects of restructuring and divestiture could result in a net revenue loss to the county of \$8.4 million in FY 2002/03. This analysis, however, assumed that PG&E would accelerate depreciation of the Diablo Canyon nuclear plant under restructuring, and that the Morro Bay power plant would close under restructuring, (Greystone, 1997). The study conducted by San Luis Obispo County makes assumptions that are not expected or reasonably foreseeable under restructuring or divestiture.

The assumption that the Morro Bay power plant will be sold at less than book value is not supported by any current market data. In fact, recent experience suggests that the assumption of lowered valuation is not reasonable. A sale of similar power facilities at an auction in New England earlier this year brought a sale price of 1.4 times book value. If this were to occur in the case of the Morro Bay facility, property taxes could increase instead of decreasing as predicted by San Luis Obispo County.

The assumption that PG&E would accelerate depreciation of the Diablo Canyon nuclear plant under restructuring does not relate to the impacts of the project, which assumes that restructuring will occur and involves only the divestiture of certain fossil fuel plants. The effect to revenues and public services in San Luis Obispo County caused by an action that is not a consequence of divestiture of the Morro Bay plant is not a subject to be evaluated in this Initial Study (since it does not represent an impact based upon the project) and is highly speculative at best. In any event, this situation is not foreseeable as a result of the project and therefore represents no impact caused by the project.

No reduction in the maintenance of public facilities is reasonably foreseen or anticipated as a result of the project. Therefore, the project's effect on public facilities maintenance and provision of public services will be less than significant.

Moss Landing

Maintenance of public facilities at Moss Landing could be affected if the project resulted in a reduction in the amount of property taxes distributed to Monterey County. In the short term, a reduction in property taxes could occur if the market value established during the auction process is lower than the plant's book value.

Small, unincorporated communities such as Moss Landing have fewer resources for increasing revenues for public services and facilities, and are more dependent on county funding than cities

in larger urban areas. Currently, PG&E pays about 2.2 million dollars in local property taxes to Monterey County, an estimated 1.2 percent of the county's total property tax revenues.

The probability that the divestiture of the Moss Landing Power Plant will result in a loss of revenues is not reasonably foreseeable. There is no current market data that suggests that PG&E would receive a sale offer at book value lower than that upon which the county currently determines property tax valuation. A recent sale of similar power plants sold in New England brought a sale price at 1.4 times book value. Under this scenario the property tax allocated to Monterey County would increase and not be lowered, thereby making divestiture of the Moss Landing plant a positive or net benefit to the county. As discussed above for the Morro Bay plant, there is no reason to believe that property tax revenues would decrease under divestiture or that any revenue decrease would produce significant physical impacts. No reduction in the maintenance of public facilities is reasonably foreseen or anticipated as a result of the project. Therefore, the project's effect on public facilities maintenance and provision of public services will be less than significant.

Oakland

PG&E currently pays about \$200,000 in local property taxes which is less than 0.05 percent of the total Alameda County property tax revenues. As discussed above for the Morro Bay plant, there is no reason to believe that property tax revenues would decrease under divestiture or that any revenue decrease would produce significant physical impacts. In any event, a reduction of \$200,000 of revenue would have a less-than-significant impact on the maintenance of public facilities and provision of public services.

Combined Issues

In a post-Proposition 13 climate, any loss in property tax revenues affects the ability of local jurisdictions to provide services and maintain facilities. Overall, PG&E pays a higher proportion of property taxes to smaller jurisdictions such as Morro Bay and Moss Landing than to urban communities such as Oakland. As a result, a loss in power plant property tax revenues would affect these communities more acutely.

Conclusion

There are no foreseeable significant changes in property tax revenues as a consequence of divestiture with respect to any of the three PG&E plants. Therefore the effect of the project on the maintenance of public services will be less than significant.

e) Governmental Services

Local Issues

Morro Bay

No additional demand for governmental services is likely to result from the sale of the plant, or an increase in its operations of the plant. Therefore, the impact on government services would be less than significant.

Moss Landing

No additional demand for governmental services is likely to result from the sale of the plant, or an increase in its operations of the plant. Therefore, there would be a less than significant impact on government services as a result of the project.

Oakland

No additional demand for governmental services is likely to result from the sale of the plant, or an increase in its operations of the plant. Therefore, the project would have a less than significant impact on government services.

Regional Issues

A new "Oversight Board" proposed by the state to oversee the ISO and PX may be considered a new government agency that would be providing government services. The Oversight Board would report to the State Governor. Alternatively, the Federal Energy Regulatory Commission (FERC) has issued an order mandating the ISO and PX to be under FERC control. If FERC ultimately gains control, there would be no need for the Oversight Board, and thus no new government agency. The new ISO and PX would be non-profit organizations, not government agencies, with operations/management activities similar to a public utility.

This new regulatory structure would shift regulatory authority over divested sites and facilities to local jurisdictions. A local agency would become the "lead agency" as defined under the California Environmental Quality Act for any future site improvements. Likewise, permitting activities related to site planning, site improvements, building construction, and hazardous materials handling would be processed by local permitting authorities (i.e., various city or county departments). This, however, would be a consequence of restructuring, and not divestiture. There are no reasonably foreseeable impacts on these local government services as a result of divestiture.

Conclusion

There are no foreseeable significant changes in other government services as a consequence of the divestiture with respect to any of the plants. Therefore, the effect of the project is less than significant.