4.12 <u>UTILITIES AND SERVICE SYSTEMS</u>

			Potentially Significant		
Would the proposal result in a need for new		Potentially	Unless	Less Than	
systems or supplies, or substantial		Significant	Mitigation	Significant	
alterations, to the following utilities:		Impact	Incorporated	Impact	No Impact
a)	Power or natural gas?			X	
b)	Communications systems?				X
c)	Local or regional water treatment or distribution facilities?				X
d)	Sewer or septic tanks?				X
e)	Storm water drainage?			X	
f)	Solid waste disposal?			X	
g)	Local or regional water supplies?			X	

SETTING

The plant sites that would be sold share a common need for utilities and service systems affiliated with communications, potable water, sewer, storm water drainage, and solid waste disposal.

CHECKLIST ISSUES

a) Power or Natural Gas

The project would not result in a need for new power or natural gas systems or supplies, or substantially alter existing natural gas systems or supplies. The facilities being divested will continue into the future their current use of natural gas and their production, as needed, of electrical power.

The project would result in changes to the electrical power system such that the owners of the divested plants would not be owners of the transmission/distribution system. Presently, the IOUs operate their power plants in such a manner as to protect their assets - the power plants and the transmission/distribution system. The new owners would also operate their power plants in a manner so as to protect their assets, but in this case, they would only own power plant and not the transmission distribution system. IOUs occasionally need to make a decision regarding acceptable failure (e.g., whether to "blow out" a transformer and let a portion of the electric grid

fail, or to accept failure at a power plant and let the power plant shut down). New owners would not necessarily have any incentive to protect the transmission grid, but could be inclined to only protect their own newly acquired resources.

AB 1890 caused the creation the Independent System Operator (ISO), which will coordinate the scheduling and dispatch of electricity, and will ensure that reliability of the transmission system is maintained. The ISO will control and operate the state's transmission system to schedule delivery of electric power supplies, and ensure that all standards for transmission service are met. The ISO will charge a FERC-regulated tariff to cover the cost of operating the system to ensure reliability. Entities that meet the reliability standards established by the Western States Coordinating Council (WSCC) and CPUC will be able to "ship" on the system.

Additionally, the CPUC will continue to have statutory responsibilities for system reliability. Because the project would not substantially alter existing power or natural gas systems or result in a need for new systems or supplies, impacts related to power or natural gas systems would be less than significant.

b) Communications Systems

There are no foreseeable communications systems effects that would result from the project. None of the power plants to be divested would have a direct impact on communication systems, and communication services serving the plants and surrounding areas would continue after project implementation.

Conclusion

Because the project would not substantially affect communication systems, no impacts related to communication systems would result from the project.

c) Local or Regional Water Treatment or Distribution

Cooling water for the plants is supplied through their individual ocean intake facilities. Implementation of the project at the coastal plants would not affect local or regional water distribution facilities. The water for domestic uses at the plants is supplied by on-site wells or local municipal water systems. The project would not be expected to substantially increase demand or require alterations of these facilities.

Conclusion

There are no foreseeable water treatment or distribution systems effects that would result from the project. None of the power plants that would be divested would have a direct impact on local or regional water treatment or distribution systems. Therefore, no impacts related to water treatment or distribution systems would result from the project.

d) Sewer or septic tanks

None of the power plants proposed to be divested would have a direct impact on sewer systems since they would continue to have substantially the same number of employees as they do now, and the generating units do not use the sewer systems. A wastewater treatment plant is located within 1000 feet to the north of the Morro Bay power plant site, but the project will not affect that plant in any substantial manner.

Conclusion

No impacts related to sewer or septic tank systems would result from the project.

e) Storm Water Drainage

Storm water drainage facilities at each of the power plants is described below. See checklist 4.4 for a discussion of water quality issues.

Morro Bay

Storm drainage from the power plant site primarily runs into Morro Creek (via the Willow Camp Creek drainage channel) and then to Morro Bay (PG&E, 1996). The limited construction that may be involved with the project (e.g., any fences)would not substantially change the plant topography or the drainage condition at the plant.

Moss Landing

Storm drainage from the power plant site runs primarily into Moro Cojo Slough and Moss Landing Harbor (PG&E, 1996). The limited construction that may be involved with the project (e.g., any fences)would not substantially change the plant topography or the drainage condition at the plant.

Oakland

Storm drainage from the power plant site runs into the Oakland Inner Harbor and then to the San Francisco Bay (PG&E, 1996). The limited construction that may be involved with the project (e.g., any fences)would not substantially change the plant topography or the drainage condition at the plant.

Conclusion

Drainage conditions are not anticipated to be significantly changed by the project. Therefore, impacts related to storm water drainage systems would be less than significant.

f) Solid Waste Disposal

The project may cause a slight increase in solid waste disposal as a result of minor construction associated with ownership transfer, or the modest addition of employees at the plants. Potential increases in solid waste disposal are anticipated to be small.

Conclusion

Because increases in solid waste disposal would be small, and some would be temporary, less than significant impacts related to solid waste disposal would result from the project.

g) Local or Regional Water Supplies

Cooling water for the plants is supplied through their individual ocean intake facilities. The additional water supply that may be required for the project is discussed in Section 4.4 of this Initial Study. Waste supplies for other purposes at the plant are supplied by on-site wells or municipal water systems. The project would not be anticipated to substantially increase the demand for these supplies.

Conclusion

Because the project would not substantially increase the demand for water, the impact is less than significant.