

## **4.11 PUBLIC SERVICES**

### **4.11.1 REGIONAL SETTING**

#### ***POLICE, FIRE AND SCHOOL SERVICES***

PG&E owns and operates power generation plants throughout the greater San Francisco Bay Area. Public services are provided to PG&E by local jurisdictions. Fire and police protection are provided to PG&E power plants by local city and county service providers. Educational services for employee families are provided by local school districts. The maintenance of public facilities and other governmental services are provided by local city and county government agencies or service districts.

PG&E maintains a corporate security department which provides various security services to its power plants as well as to the rest of PG&E. Corporate security representatives conduct investigations of criminal acts against the company and its employees; investigate employee conduct matters; conduct physical security surveys of power plant facilities; provide employee security training; and provide general security consulting services to the power plants. The corporate security group and power plant managers work very closely with local police and fire departments. PG&E also contracts with private firms to provide its power plant employees with first aid training.

The Potrero, Contra Costa, Pittsburg and the Geysers Power Plant employees are trained for fire protection during the initial stage of an incident. PG&E relies on local fire departments to respond to emergencies such as fires, hazardous material incidents, and medical emergencies at its power plants. These plants also contract with local private security companies to provide part-time, on-site security.

In the event that support from a local service provider is required, a designated PG&E staff person at the affected facility is trained to contact the appropriate emergency service provider directly or to contact “911” for emergency assistance.

#### ***OTHER GOVERNMENT SERVICES***

Other government services, such as road maintenance, are provided by various local and county government agencies.

#### ***PROPERTY TAXES***

With the exception of school districts, local jurisdictions rely primarily on property tax revenues to pay for public services such as police and fire protection. Public utility assets, including generating facilities, are subject to taxation to the same extent as other property.<sup>1</sup> Unlike most property (e.g., private homes and commercial businesses), whose value is determined by local

---

<sup>1</sup> California Constitution Article XIII, Section 19.

assessors, the value of electric utility holdings is assessed by the State Board of Equalization. By state law (Article XIII, Section 19 of the California State Constitution), public utilities pay their property taxes directly to the State Board of Equalization (BOE) which, in turn, distributes PG&E taxes back to the local taxing jurisdictions in which the power plants are located. The amount of property tax assessed to PG&E is determined each year on January 1 (Lee, 1998). The BOE establishes property taxes for utility companies based on the value of all utility operated property and assets throughout the state as a single unitary value, rather than the separate value of individual component parts.<sup>2</sup>

The BOE allocates the unitary value of public utility assets among taxing jurisdictions within the state in proportion to the replacement cost new less depreciation (RCLD) value of each item of unitary property. The amount of the tax revenues distributed back to each County is based on the ratio of the total unitary value to the proportion of total PG&E property located in a particular County (Lee, 1998). In cases where property is identifiable by location, or is a continuous structure (e.g., transmission and distribution lines), its value is associated with the tax-rate area in which it is located. Likewise, land is individually appraised based on comparable sales data.

There are four key aspects for determining the assessment and distribution of PG&E's property taxes: 1) what entity assesses PG&E property; 2) how PG&E property value is determined; 3) what constitutes the property to be valued; and 4) how will property taxes be allocated among jurisdictions. Fair market value can be defined as what a willing buyer and seller would agree upon as a value for the exchange of properties.

The historical cost less depreciation (HCLD) has traditionally been the dominant method of valuing regulated utilities, where earnings are limited to a set recovery of the rate base plus an allowed rate of return. A 1992 agreement between the BOE, the Attorney General, all 58 California counties, and PG&E, among others, stipulates that the historical cost less depreciation (HCLD) method be used as the basis for valuation until fiscal year (FY) 1999/2000.<sup>3</sup> After this, the valuation method for electric utility assets could change.

Property tax is generally applied to tangible, rather than intangible, assets. However, in the case of public utilities, some intangible rights-such as a special franchise to perform services in a designated area-cannot be separated from the total value of the property, and as a result is included in the BOE's assessment of utilities.<sup>4</sup>

---

<sup>2</sup> The unitary method assumes that the value of an operating utility exceeds the sum of the value of the individual parts. For example, three generating units with full access to transmission and distribution facilities, and operating in concert to deliver electricity, may have a greater value than a single unit that has neither ongoing transmission and distribution facilities, nor the ability to fulfill demand.

<sup>3</sup> *Settlement Agreement Among the State Board of Equalization, Attorney General, Counties, and State Assessors*, May 1, 1992. The HCLD-determined value is adjusted to reflect a 25 percent reduction in each assessee's property-related deferred income tax reserve. The settlement further stipulates that neither that Property Value nor the approach for calculating such Property Value is intended to be a precedent for, or in any way an indication of, the fair market value or full value that might be determined or the valuation approach that might be used to determine fair market value or full value for years after the end of the term on the Settlement Agreement. Although the Settlement Agreement expires in FY1999/2000/2000, a Subsidiary Agreement between PG&E and the County of San Luis Obispo extends some terms through FY2001.

<sup>4</sup> Revenue and Taxation Code Section 23154.

## 4.11.2 LOCAL SETTING

### **POTRERO POWER PLANT**

#### **Fire**

The San Francisco Fire Department provides fire protection and emergency medical services in the City and County of San Francisco. Station No. 25, located approximately three-fourths of a mile away, at 3305 Third Street serves the Potrero Power Plant. Station 25 is staffed with one officer and three fire fighters per watch. The station is equipped with one pumper engine, and responds to incidents within its service area, including the Potrero Power Plant, within three minutes. PG&E currently has an oral agreement with the local fire department to provide fire fighting services for any incident beyond small trash can fires. In addition, the San Francisco Fire Department conducts periodic training of its staff on how to fight various types of fires at the PG&E plant.

#### **Police**

The Potrero Power Plant is served by the Bayview Police Station located at 201 Williams, which is approximately two miles southeast east of the plant. Under the direction of a police captain and sergeant, the Bayview Police Station is staffed with 112 sworn personnel. The Potrero Power Plant is located in a service area that is patrolled by a “one car” unit (e.g., one officer per car).

Officers at the Bayview Police Station indicate there have been several incidents of vandalism and theft at the Potrero Power Plant, particularly of copper wire (White, 1998). PG&E’s Corporate Security Department indicates this is due, in large part, to the storage of copper and aluminum wire in an abandoned substation located near the fence line (Shaffer, 1993). Apparently, trespassers cut the fence and steal copper and aluminum wire to sell to scrap metal dealers. Theft of this type has been an ongoing problem for other businesses in the vicinity of the power plant as well. Theft incidents on the PG&E property have been a problem since 1997 when the substation was abandoned. Approximately 10 arrests for theft were made in 1997, and approximately six arrests have been made between January and March 1998 (Shaffer, 1998).

#### **Schools**

Educational services within the City and County of San Francisco are provided by the San Francisco Unified School District (SFUSD). In fiscal year 1997/98, total student enrollment was 61,011 for grades Kindergarten through 12 (see Table 4.11-1).<sup>5</sup>

In the past five years, student enrollment has declined slightly, from 64,422 in fiscal year 1992/93 to a current enrollment of 61,011, or a 6 percent decrease. The San Francisco Unified School District (SFUSD) assigns students to schools based on their home address; however, transfers to

---

<sup>5</sup> Fiscal year 1998/99 student enrollment figures for the S.F. Unified School District and other districts affected by the divestiture project (e.g., Pittsburg and Antioch) will not be available until fall of 1998.

**TABLE 4.11-1  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
STUDENT ENROLLMENT FY 1997-98**

Type of School	Total Schools	Enrollment	Grades Served
High Schools	19	18,962	9-12
Middle Schools	17	12,238	6-8
Elementary Schools	<u>77</u>	<u>29,811</u>	K-5 and K-8
Total	113	61,011	

SOURCE: San Francisco Unified School District, 1998

other schools are permitted. The District's enrollment is considered stable, and is unlikely to ever reach its peak capacity of 93,710 students in the 1967/68 fiscal year.

In July 1996, the state enacted a law requiring a mandatory class size ratio of 20 students per one teacher for grades K-3. To achieve classroom size reduction and percent overcrowding in grades K-3, the SFUSD has hired 237 new teachers, renovated or reconfigured existing classrooms, and added 95 portable classrooms.

### **Other Government Services**

Other government services and facilities for the Potrero Power Plant are provided and maintained by various public agencies in the City and County of San Francisco.

### **Property Taxes**

In fiscal year 1996/97, the Potrero Power Plant generated approximately \$671,000 of property tax revenues. This represents approximately 0.10 percent of the total property tax revenues collected by the City and County of San Francisco.

## ***CONTRA COSTA POWER PLANT***

### **Fire**

Fire protection services for the Contra Costa Power Plant are provided by the Contra Costa County Fire Protection District. The District has 30 stations throughout the county. Station 81, located at 315 West 10<sup>th</sup> Street in Antioch, is responsible for first response to the plant. The station is staffed by two sworn officers. Response time is within three minutes, which meets the District's service standards (Ryan, 1998; Powell, 1998). The District indicates there are currently no plans to change the level of staffing or to construct new stations. The existing water service

and pressure to the plant is considered adequate and would not need to be increased unless there is an expansion of existing facilities at the plant.

Applicable fire protection goals of the Contra Costa General Plan Public Facilities/Services Element include:

- 7-Y To ensure a high standard of fire protection, emergency, and medical response services for all citizens and properties throughout Contra Costa County.
- 7-Z To reduce the severity of structural fires and minimize overall fire loss.
- 7-AB To minimize the cost of fire protection services through utilization of modern fire protection practices and technologies.
- 7-AC To provide special fire protection for high-risk land uses and structures.

### **Police**

The Contra Costa Power Plant is located in an unincorporated area which is under the jurisdiction of the Contra Costa County Sheriff's Department. The Muir Station in Martinez is the nearest station, located roughly 25 miles to the west. The Muir Station is staffed by two officers per 24-hour watch. The Sheriff's Department has an established service standard ratio of one officer per 1,000 population. There are no current plans to change staffing levels or to construct new stations (Lindblom, 1998). The Sheriff's Department reports that the area surrounding the Contra Costa plant is not heavily populated and there have been no major crime incidents associated with the plant.

Pertinent goals of the Public Facilities/Services Element of the Contra Costa General Plan include:

- U-V To provide a high standard of police protection services for all citizens and properties throughout Contra Costa County.

### **Schools**

The Contra Costa County Power Plant is located in the Antioch Unified School District, which has a total enrollment in fiscal year 1997/98 of 17,523 students in 17 schools (see Table 4.11-2).

As a result of the relatively affordable housing and population growth in eastern Contra Costa County, the school district is experiencing an increase in student enrollment, particularly at the elementary school level. There is one elementary school under construction in southeast Antioch, with plans to build a second new school in 1999. The District has also designated a site on Dallas Ranch Road for the construction of a third new elementary school within the next four years. The District is currently experiencing overcrowding in grades 1–2, located in the southeastern part of Antioch. The District plans to provide portable classroom to address overcrowding and to meet the State's mandatory class size reduction ratio of one teacher per 20 students in grades K–3.

**TABLE 4.11-2  
ANTIOCH UNIFIED SCHOOL DISTRICT STUDENT ENROLLMENT FY 1997-98**

Type of School	Total Schools	Enrollment	Grades Served
High Schools	4	8,407	9-12
Middle Schools	3	4,146	6-8
Elementary Schools	<u>10</u>	<u>4,970</u>	K-5
Total	17	17,523	

SOURCE: Antioch Unified School District, 1998

### Other Government Services

Contra Costa County and the nearby city of Antioch provide and maintain other government services and facilities in the vicinity of the Contra Costa Power Plant.

### Property Taxes

In fiscal year 1996/97, the Contra Costa Power Plant generated \$2.1 million in property tax revenues, approximately 0.029 percent of the total property tax revenues collected by the county in that fiscal year.

### *PITTSBURG POWER PLANT*

#### Fire

The Contra Costa County Fire Protection District is responsible for providing fire protection and medical emergency services to the Pittsburg Power Plant. The District has 31 stations in the County. Station 84, located on 1200 East 6th Street, is the nearest station. The response time to the plant is within three minutes which meets the District's service standards (Ryan, 1998; Powell 1998). The District indicates that there are currently no plans to change the level of staffing or to construct new stations. The existing water service and pressure to the plant is considered adequate and would not need to be increased unless there is an expansion of existing facilities at the plant. The Pittsburg plant is also governed by the policies of the Contra Costa General Plan Public Facilities/Service Element, which are stated above for the Contra Costa Power Plant.

#### Police

The Pittsburg Power Plant is located in an unincorporated area of Contra Costa County, which is under the jurisdiction of the Contra Costa County Sheriff's Department. The Muir Station in Martinez is the nearest station to the plant, located approximately 25 miles to the west. Muir Station is staffed by two officers, 24 hours a day. The police to citizen ratio in the County is one officer per 1,000 citizens. There are no immediate plants to change the level of staffing or to

construct new stations (Lindblom, 1998). Except for periodic trespassing to access fishing along Suisun Bay, there have been no major crime incidents at the Pittsburg plant. The fire protection goals of the Contra Costa General Plan described previously for the Contra Costa Power Plant are also applicable to the Pittsburg Power Plant.

### Schools

The Pittsburg Power Plant is located within the Pittsburg Unified School District, which has an enrollment of 8,200 students in 12 schools (see Table 4.11-3).

**TABLE 4.11-3  
PITTSBURG UNIFIED SCHOOL DISTRICT STUDENT ENROLLMENT FY 1997-98**

Type of School	Total Schools	Approximate Enrollment	Grades Served
High Schools <sup>a</sup>	3	2,100	9-12
Middle Schools	2	2,000	6-8
Elementary Schools	7	4,100	K-5
Total	12	8,200	

<sup>a</sup> Includes 100 students in Adult/Continuation School

SOURCE: Pittsburg Unified School District, 1998

District enrollment is currently considered at capacity. To alleviate overcrowding, the District operates one year round elementary school. Also, the District intends to request funding from the School Board for portable classrooms and additional teachers to address the 1996 statewide mandate to reduce class size for grades K-3.

### Other Government Services

Other government services and facilities in the vicinity of the Pittsburg power plant are provided and maintained by various public agencies and service districts in Contra Costa County and the City of Pittsburg.

### Property Taxes

In fiscal year 1996/97, the Pittsburg Power Plant generated approximately \$4.4 million in property tax revenues. This represents approximately 0.06 percent of the total property tax revenues collected by the county.

## ***GEYSERS POWER PLANT***

### **Fire Protection**

Unocal currently maintains a private fire brigade, including one fire engine, for responding to fire emergencies within the Geysers area. A paramedic is also maintained by Unocal in the Geysers area at all times.

The Geyserville Fire Protection District and the South Lake County Fire District provide fire fighting capabilities and emergency medical response capabilities to the Geysers area within Sonoma and Lake Counties, respectively. The Geyserville Fire Protection District maintains stations in Geyserville and in Jimtown (east of Healdsburg) using a volunteer staff. The Geyserville fire station is equipped with three engines and two heavy rescue vehicles; the Jimtown station is equipped with two engines and a water tender (Adams, 1998). Additional fire support can be provided by the Cloverdale Fire District, which maintains a station in Cloverdale.

The South Lake County Fire District maintains four stations. Primary response to emergencies in the Geysers area are the fire stations in Middletown and Cobb, with additional support provided by stations in Loch Lomond and Hidden Valley. Each station generally maintains one firefighter on duty, with additional regular and volunteer staff available as needed. The fire station in Middletown is equipped with three engines, one water tender, two ambulances and one heavy rescue vehicle. The fire station in Cobb is equipped with two engines and a four-wheel drive ambulance (Horst, 1998).

The California Department of Forestry (CDF) provides fire fighting capabilities for all wildland areas in the project area, primarily during the fire season (generally between May 15 and December). The CDF maintains fire stations in Middletown and Healdsburg, each of which maintain two fire engines. In addition, the CDF maintains a helistation in Boggs Mountain State Forest, and can provide fixed-wing air support out of the Sonoma County Airport (Matteoli, 1998).

### **Police Protection**

Unocal maintains a private security force within the Geysers area; however, private security on the PG&E property is provided by PG&E. All entrances to the Geysers area are gated. PG&E also has its own corporate security department for investigating crimes and ensuring on-site security at all PG&E facilities. The Lake County and Sonoma County Sheriff's Department provide police protection services within their respective counties.

### **Schools**

The Geysers area is located within three school districts: the Geyserville and Cloverdale Unified School Districts within Sonoma County, and the Middletown Unified School District within Lake County. The Cloverdale Unified School District currently has an enrollment of about 1,660 students in grades K–12 (Miller, 1998). The Geyserville Unified School District currently has an enrollment of about 425 students in grades K–12 (Geyserville Unified School District, 1998).



The Middletown Unified School District currently has an enrollment of about 1,650 students in grades K–12 (Geiger, 1998).

### **Other Government Services**

Other government services are provided by various local and county government agencies and service districts. Within the Geysers area, the private roadways are maintained by Unocal.

### **Property Taxes**

The Geysers Power Plant is located in Lake and Sonoma Counties, and generates property tax revenues to each of these counties.

In fiscal year 1996/97, The Geysers units generated \$920,000 or roughly 2.8 percent of the total property taxes generated in Lake County. Because of its mostly rural nature, Lake County has a much lower property tax base than the adjacent Sonoma County. As a result, the two Geysers units located in Lake County represent a high proportion of total local revenue in the County.

In fiscal year 1996/97, the Geysers plant generated \$3.6 million in plant property tax revenues to Sonoma County. PG&E taxes from the Geysers represents about 1.2 percent of the total property taxes collected in Sonoma County (\$303,060,000).

### **4.11.3 SIGNIFICANCE CRITERIA**

For purposes of this environmental analysis, the project would have a significant impact on the environment if it would result in a need for new, or would substantially increase the need for additional, services in fire protection, police protection, schools, maintenance of public facilities, or other governmental facilities. In addition, the project would have a significant impact on the environment if it would result in a decline in property tax revenue that would cause a substantial decrease in public services.

### **4.11.4 IMPACTS AND MITIGATION MEASURES**

**Impact 4.11-1: The project would not create the need for new or substantially altered fire, police, school or other government services. Therefore, the project would not have a significant environmental impact on public services. (Less than Significant)**

### **Potrero Power Plant**

#### ***Fire***

The sale of the Potrero Power Plant would not result in the need for new or altered fire protection services. Under divestiture, the plant could potentially be operated at a higher or technical maximum capacity, which could increase the number of employees and the demand for medical emergency or fire protection services. Any such added demand would not be substantial, and is unlikely to require increased or altered fire protection services. The new plant owners would be

required to comply with all worker and plant safety laws and regulations as is currently required for PG&E. If the new owner does not provide staff training similar to PG&E for emergency medical and fire protection, there could be increased calls to the San Francisco Fire Department for assistance. However, this increased demand would not be likely to require new or substantially altered fire protection services. Thus, the project's effect on fire protection services at the Potrero plant would be less than significant.

### ***Police***

Divestiture of the Potrero Power Plant would not alter or increase the need for police protection at the Potrero plant. Current incidents of vandalism and metal theft could, in fact, decrease if the existing abandoned buildings become utilized, or the level of employee activity at the plant increased. PG&E contracts with a private security firm for part-time security staff at the Potrero plant. If the future owner did not provide on-site private security, it is possible that the number of calls to the local police could increase. However, it is not anticipated that such an increase in service calls would require new or altered police services, and the project's effect in police services would be less than significant.

### ***Schools***

To the extent that the project increased the number of new plant employees residing in San Francisco, there could be increased demand for schools that would not have otherwise occurred. Based on statewide averages of students per household,<sup>6</sup> the total existing PG&E employees (34) at the Potrero plant would generate about five students (Heydt, 1997), as compared to a total District-wide enrollment of 61,011 students. Even if the project were to increase the number of employees living in San Francisco, the resulting increase in the number of students is not expected to create a need for new school facilities or altered educational services. The divestiture of the Potrero Power Plant would have a less than significant impact on schools.

## **Contra Costa Power Plant**

### ***Fire***

Divestiture of the Contra Costa Power Plant would not result in the need for new or altered fire protection services. Under new ownership, the plant could potentially be operated at a higher or technical maximum capacity, which could increase the number of employees and the demand for medical emergency or fire protection services. Any such added demand would not be substantial, and is unlikely to require increased or altered fire protection services. The new owner would be subject to the same plant and worker safety regulations and laws as PG&E. However, if the new owner does not provide staff training similar to PG&E for emergency medical and fire protection, there could be increased calls to the Contra Costa Fire District for assistance. However, it is not expected that this increase would require new or altered fire protection services. The project would be consistent with the fire protection objectives of the Public Facilities/Services Element of the Contra Costa General Plan as the plants would be operated to comply with laws and

---

<sup>6</sup> For facility planning purposes, the California State Board of Education uses the following factors to estimate new students per household: Elementary - 0.4; Middle School - 0.1, High School - 0.2.

regulations pertaining to plant and worker safety, as well as risk management. Thus, the project's effect on fire protection services at the Contra Costa plant would be less than significant.

### ***Police***

The sale of the Contra Costa Power Plant would not alter or increase the need for police protection at the Contra Costa plant. Currently, the plant does not pose any particular police protection problems, partly due to its remote location which restricts access. PG&E contracts with a private security firm for part-time security staff at the Contra Costa Plant. If the future owner did not provide on-site private security, it is possible that the number of calls to local police could increase. The project would be consistent with the public safety objectives of the Public Facilities/Services Element of the Contra Costa General Plan as the project would not alter the existing police service standards in the county. Therefore, the project would a less than significant impact on police protection.

### ***Schools***

To the extent that the project increased the number of new plant employees residing within the Antioch Unified School District, there could be increased demand for schools that would not have otherwise occurred. Based on statewide averages of students per household, the total existing PG&E employees (64) at the Contra Costa plant would generate about five students (Heydt, 1997), as compared to a total District-wide enrollment of 17,523 students. Even if the project were to increase the number of households living within the District, the increase in the number of students is not expected to have a significant impact on schools. The divestiture of the Contra Costa Power Plant would not result in the need for new or altered school facilities.

## **Pittsburg Power Plant**

### ***Fire***

Divestiture of the Pittsburg Power Plant would not result in the need for new or altered fire protection services. Under new ownership, the plant could potentially be operated at a higher or technical maximum capacity, which could increase the number of employees and the demand for medical emergency or fire protection services. Any such added demand would not be substantial, and is unlikely to require increased or altered fire protection services. The new plant owner would be subject to the same laws and regulations as PG&E pertaining to plant and work safety and risk management. If the new owner does not provide staff training similar to PG&E for emergency medical and fire protection, there could be increased calls to the Contra Costa Fire Protection District for assistance, however it is not expected that this increase would require new or altered fire protection services. The plants would be operated to comply with applicable plant and safety laws and regulations and, therefore, would be consistent with the fire protection objectives of the Public Facilities/Services Element of the Contra Costa General Plan. Thus, the project's effect on fire protection services at the Potrero Plant would be less than significant.

### ***Police***

The sale of the Pittsburg Power Plant would not alter or increase the need for police protection at the Pittsburg plant. Currently, the plant does not pose any particular police protection problems, partly due to its remote location and limited access. PG&E contracts with a private security firm for part-time security staff at the Pittsburg Plant. If the future owner did not provide on-site private security, it is possible that the number of calls to local police could increase. However, it is not anticipated that an such increase would require new or altered police services. The project would be consistent with the public safety objectives of the Public Facilities/Services Element of the Contra Costa General Plan, as the project would not alter existing police service standards in the county. The project would have a less than significant impact on police protection.

### ***Schools***

To the extent that the project increased the number of new plant employees residing in the Pittsburg Unified School District, there could be increased demand for schools that would not have otherwise occurred. Based on statewide averages of students per household, the total existing PG&E employees (157) at the Pittsburg plant would generate approximately 11 students (Heydt, 1997), as compared to a total District-wide enrollment of 8,200 students. Even if the project were to increase the number of households living in the Pittsburg Unified School District, the increase in the number of students is not expected to have a significant impact on schools. The divestiture of the Pittsburg Power Plant would not result in the need for new or altered school facilities.

## **Geysers Power Plant**

### ***Fire***

The sale of the Geysers Geothermal Power Plant would not result in the need for new or altered fire protection services. Under divestiture, the plant could potentially be operated at a higher or technical maximum capacity, which could increase the number of employees and the demand for medical emergency or fire protection services. Any such added demand would not be substantial, and is unlikely to require increased or altered fire protection services. The new owner of the Geysers units would be required to comply with all plant and worker safety laws and regulations. If the new owner does not provide staff training similar to PG&E for emergency medical and fire protection, there could be increased calls to the Geyserville and South Lake Fire Protection Districts, and CDF for assistance. However, this increased demand would not be likely to require new or substantially altered fire protection services. Thus, the project's effect on fire protection services at the Geysers Geothermal plant would be less than significant.

### ***Police***

The sale of the Geysers Geothermal Plant would not alter or increase the need for police protection at the plant. Currently, the plant does not pose any particular police protection problems, partly due to its remote location which restricts access. Unocal maintains a private security force within the Geysers area, while PG&E provides its own on-site private security for PG&E property. All entrances to the Geysers area are gated. PG&E also has its own corporate

security department for investigating crimes and ensuring on-site security at all PG&E facilities. If the future owner did not provide on-site private security, it is possible that the number of calls to local police could increase. However, the project would still have a less than significant impact on police protection.

### ***Schools***

To the extent that the project were to increase the number of new plant employees residing within the Geyserville, Cloverdale and Middletown Unified School Districts, there could be increased demand for schools that would not have otherwise occurred. Based on statewide averages of students per household, the total existing PG&E employees (204) at the Geysers Geothermal plant would generate approximately 14 students (Heydt, 1997), as compared to a total enrollment of 3,735 students within these school districts. Even if the project were to increase the number of households living within the Districts, the increase in the number of students is not expected to have a significant impact on schools. The divestiture of the Geysers Geothermal Plant would not result in the need for new or altered school facilities.

### ***Mitigation Measures Proposed as Part of Project***

None.

### ***Mitigation Measures Identified in This Report***

None required.

---

**Impact 4.11-2: The combined sale of the Contra Costa and Pittsburg Power Plants in Contra Costa County would not create the need for new or substantially altered, fire, police, school, or other government services. Therefore, the project would not have a significant environmental impact on public services. (Less than Significant)**

The combined sale of the Contra Costa and Pittsburg Power Plants would not require additional fire or police services in the Contra Costa County. On an individual basis, the two Contra Costa plants do not create the need for increased fire and police services, and the combined sale of the plants would not affect the current level of fire and police protection services at these plants provided by the county and service districts.

### ***Mitigation Measures Proposed as Part of Project***

None.

### ***Mitigation Measures Identified in This Report***

None required.

---

**Impact 4.11-3: The project may affect property tax revenues in the jurisdictions of the plants to be sold. (Less than Significant)**

Under divestiture, the new power plant owners will be responsible for paying all applicable property taxes upon transfer of ownership (i.e., divestiture), based on a new valuation of the power plant. The BOE has currently taken the position that the transfer of ownership does not change the utility property tax procedures as set forth by Article XIII, Section 19 of the California Constitution. Until a formal decision is made, the BOE will continue to have the exclusive legal responsibility for assessing the property tax of utility property and assets, regardless of whether the owner is a public utility company or private entity (Lee, 1998).

If the counties are ultimately made responsible for assessing the property values of the plants, the resulting valuation changes would be felt more intensely by the taxing jurisdictions in which the plants are located because the inter- and intra-county value averaging effect created by BOE assessment would be lost. This would likely benefit some counties, and decrease the revenues of other counties. In addition, if the plants were assessed by the counties rather than by BOE, the increase in their assessed value would be limited to 2 percent per year under Proposition 13 (the original reassessment upon plant sales is not limited). However, as noted above, it is currently expected that the BOE will continue to be responsible for addressing property taxes associated with the plants.

As indicated above, how specific county revenues will be affected by plant divestiture will depend on a number of factors. Of particular importance will be the plant's book versus market value; any ownership changes which could affect the plant's tax status (e.g., sale to a tax-exempt organization); and alterations in the size and distribution of unit tax revenues. It is also important to note that in any case the previously cited Settlement Agreement will ensure that existing tax revenues remain the same through the 1999/2000 fiscal tax year, and through 2001 in the case of San Luis Obispo.

In addition, the method of how power plant property will be valued for property tax assessment is likely to change under divestiture. In a restructured, open market where the CPUC no longer guarantees a particular rate of return, the historical cost less depreciation (HCLD) method may no longer be the appropriate valuation technique.<sup>7</sup> Instead, RCLD, or facility-specific valuations, may be adopted. If this were to occur, the replacement value of the power, rather than the asset itself, is likely to be of greatest importance. As a result, lower-cost replacement technology could act to make existing facilities *less* valuable than they would be under the existing HCLD approach. Key facility-specific components of revised valuations could include issues of risk, capacity factors, location, efficiency, and existing contract terms. For example, must-run contracts could act to create an intangible value which is in addition to the normal market.<sup>8</sup> However, this change is more attributable to restructuring than divestiture.

<sup>7</sup> It is important to note that plants sold to parties outside the settlement agreement would be subject to re-valuation, while units sold to parties who are part of the settlement would remain under that valuation method until 2000.

<sup>8</sup> Plants sold in the first round of divestiture which possessed a Master Must Run Agreement (MMRA) with the California Independent System Operator (ISO) commanded substantially higher bid prices than those plants without MMRA's.

To the extent that buyers purchase individual plants instead of groups of plants, the plants sold may be valued as stand-alone property, rather than as part of a unitary whole. Stand-alone valuation would be different than the current averaging effect of the unitary approach, focusing changes more narrowly on individual jurisdictions. Final revenue allocation to the affected taxing jurisdictions will depend on the identity of the buyers and the mix of units those buyers own. That information is not currently known.

The following is a plant-by-plant discussion of the potential property tax revenue impacts from the proposed divestiture:

### ***Potrero Power Plant***

The Potrero Power Plant generates \$670,000 per year in property taxes to the City and County of San Francisco, which is less than 1 percent of the county's total property tax revenues. It is not known if divestiture of the Potrero plant would lead to an increase or decrease in property taxes relative to the levels that might occur if PG&E retained ownership. PG&E recently sold three of its fossil-fueled plants at 1.34 times of total book value, resulting in increased property taxes to each of the respective counties. If divestiture resulted in a decrease in property tax revenues, it is not likely that the decrease would substantially alter the level of government services as PG&E's tax revenues constitute less than 1 percent of the county's tax base. The exception would be if the City and County purchased the Potrero plant. The plant would then become tax exempt and no property tax revenues would be generated by the plant. See also discussion in Section 6, Alternatives to the Proposed Project.

### ***Contra Costa Power Plant***

The Contra Costa Power Plant generates an estimated \$4.4 million per year in property taxes to Contra Costa County, which is less than 1 percent of the county's total property tax revenues of \$731,535,000 in fiscal year 1996/97. Divestiture of the Contra Costa plant could increase or decrease existing property taxes currently paid by PG&E. PG&E recently sold three of its fossil-fueled plants at over 100 percent the total book value of those plants, resulting in increased property taxes to each of the respective counties. If divestiture resulted in a decrease in property tax revenues, it is not likely that the decrease would substantially alter the level of government services as property taxes generated by the Contra Costa plant are less than 1 percent of the County's total tax base.

### ***Pittsburg Power Plant***

The Pittsburg Power Plant generates an estimated \$2.1 million per year in property taxes to Contra Costa County, which is less than 1 percent of the County's total property tax revenues of \$731,535,000 in fiscal year 1996-97. Divestiture of the Pittsburg plant could increase or decrease existing property taxes. PG&E's recently sold three of its fossil-fueled plants at over 100 percent the total book value of those plants, resulting in increased property taxes to each of the respective counties. If divestiture resulted in a decrease in property tax revenues, it is not likely that the decrease would substantially alter the level of government services, as property taxes generated by the Pittsburg plant are less than 1 percent of the County's total tax base.

Combined, the two Contra Costa power plants generate \$6.5 million in property tax revenues to Contra Costa County, which is approximately 0.089 percent of Contra Costa's total property tax revenues. While it is not known if divestiture of the two plants would lead to an increase or decrease in property tax revenues to the county, it is unlikely that a decrease in combined property tax revenues from the two plants would substantially alter the level of government services in the county.

### ***Geysers Power Plant***

The Geysers Power Plant generates an estimated \$920,000 million per year in property taxes to Lake County, which is about 2.8 percent of the County's total property tax revenues. Proportionately, the Geysers generates more property tax revenues to Lake County than any of the other power plants being considered for divestiture. With the exception of Lake County, the Geysers Power Plant also contributes a higher proportion of property taxes to Sonoma County than other plants that would be divested. The Geysers plant generates an estimated \$3.6 million in plant property tax revenues for Sonoma County, about 1.2 percent of the County's total property tax revenues.

It is not known if divestiture would increase or decrease property taxes at this time. If divestiture resulted in an increased valuation based on the plant's fair market value established from the sale, tax revenues to the counties could increase. However, it is notable that Calpine recently purchased the Sacramento Municipal Utility District (SMUD) geothermal plant in the Geysers area for less than book value. If divestiture resulted in a decrease in property taxes, Lake and Sonoma Counties would be affected more by the loss in revenues than other counties in which divested PG&E power plants are located. Although the potential decrease cannot be reasonably predicted, given the relatively small percentage of property tax revenue generated by the Geysers Power Plant in relation to the total property tax revenues generated in these counties, it is unlikely that the decrease would lead to adverse physical effects on government services.

### ***Mitigation Measures Proposed as Part of Project***

None.

### ***Mitigation Measures Identified in This Report***

None required.

---

## REFERENCES – Public Services

Adams, Steve, Fire Inspector, Sonoma County Department of Fire Services, telephone communication, March 25, 1998.

Contra Costa County, *Contra Costa General Plan*, Public Facilities/Services Element, 1996.



Geiger, Sue, Receptionist, Middletown Unified School District, telephone communication, March 24, 1998.

Geyserville Unified School District, school district information brochure.

Heydt, Henry, Assistant Director, California State Board of Education, School Facilities Planning Division, telephone communication, July 1997.

Horst, Gilbert, Fire Chief, South Lake Fire District, telephone communication, March 25, 1998.

Lee, Octavio, Manager, Valuation Department, Energy and Communication Division, telephone communication, March 25, 1998.

Lindblom, Sergeant Bryant, Contra Costa County Sheriff's Department, telephone communication, March 19, 1998.

Matteoli, Ron, Battalion Chief, California Department of Forestry, telephone communication, March 23, 1998.

Miller, Sheila, Attendance Secretary, Cloverdale Unified School District, telephone communication, March 24, 1998.

Powell, Lieutenant Ted, Contra Costa County Fire Department, telephone communication, March 20, 1998

Ryan, Lieutenant Richard, Contra Costa County Fire Department, telephone communication, March 18, 1998.

Shaffer, Lyman, Manager, Corporate Security, Pacific Gas and Electric, telephone communication, March 27, 1998.

White, Officer Patricia, San Francisco Police Department, telephone communication, March 20, 1998.