1.0 INTRODUCTION

1.1 PROJECT OBJECTIVES, PURPOSE, AND NEED

The California Environmental Quality Act (CEQA) Guidelines (section 15126.6.a) require that a range of reasonable alternatives to the proposed Project must be described, analyzed, and feasibly attain most of the basic objectives of the Project. Therefore, in order to explain the need for the proposed Project, and to guide in development and evaluation of alternatives, the Project Applicant, Pacific Gas and Electric Company (PG&E), was asked to define its Project objectives. PG&E identified the following objectives for the proposed Line 406/407 Natural Gas Pipeline Project (Project):

• Provide greater capacity and service reliability to the existing gas transmission and distribution pipeline system while minimizing costs to PG&E’s customers;

• Extend natural gas service to planned residential and commercial developments in Placer, Sutter, and Sacramento counties;

• Install Project facilities in a safe, efficient, environmentally sensitive, and cost-effective manner; and

• Locate the pipeline to minimize the potential of environmental impacts resulting from damage by outside sources. Outside forces include impact by mechanical equipment, such as bulldozers and backhoes; earth movements due to soil settlement, washouts, or geological hazards; weather effects, such as winds, storms, and thermal strains; and willful damage.

These objectives are discussed below.

1.1.1 Greater Capacity and Service Reliability

PG&E’s Sacramento Valley Local Gas Transmission System currently serves approximately 675,000 customers located in some of the highest growth counties in California, including Sacramento, Sutter, Placer, and El Dorado counties. PG&E’s current load growth forecast for the system anticipates an average annual increase of 19,890 new gas customers over the next 10 years and a total increase in demand of 135 million cubic feet per day for residential customers and 22 million cubic feet per day for small commercial customers.
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PG&E’s existing transmission system within the Sacramento Valley region no longer provides sufficient capacity to deliver reliable natural gas service to existing customers or to extend service to planned development in the region. PG&E has indicated that without the addition of this Project, customer service reliability will be at risk and unplanned core customer outages could occur as early as 2009. PG&E’s local gas transmission system serving Yolo, Sacramento, El Dorado, Placer, Sutter, Yuba, and Nevada counties has operated at maximum capacity over the last several years and has required an escalating amount of annual investments in pipeline capacity to maintain customer service reliability and serve new customers. This region is projected to continue experiencing a significant amount of ongoing residential and commercial development over the next 25 years, and will require that PG&E respond through the provision of increased local gas transmission pipeline capacity.

1.1.2 Service to Planned Residential and Commercial Developments

The Project would serve several major residential and commercial development projects that are planned in the vicinity of the Project. The Project is needed, in part, to service the following growth areas (PG&E 2007).

- The Metro Air Park - an 1,800-acre commercial development just east of the Sacramento airport. The parcel is bound by West Elverta Road to the north, Lone Tree Road to the east, Interstate 5 to the south, and Powerline Road to the west and would consist of commercial uses that support airport related activity (hotels, car rental companies);

- The Sutter Pointe Project - designates 7,500 acres of the 10,500-acre Industrial/Commercial Reserve area in southern Sutter County for residential, industrial, commercial, and educational development;

- The Placer Vineyards Project - development of a planned 5,230-acre, mixed-use, master-planned community with up to 14,132 residential units, 101 acres of office development, 166 acres of retail commercial centers, and approximately 920 acres of new parks and open space in the southwest corner of Placer County; and

- The Sierra Vista Specific Plan - proposed to consist of approximately 2,100 acres of residential and commercial uses, schools, parks, and open space located west of Fiddyment Road, north of Baseline Road, and south of the City of Roseville’s existing boundary.
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1.1.3 Efficient and Cost-Effective Planning

PG&E’s current 10-year investment plan for meeting the customer load growth projected for the Sacramento Valley Local Transmission System includes a new transmission pipeline that extends from Lines 400 and 401 and travels in a north-south direction paralleling County Road (CR) 85 near Esparto to Line 172A (Line 406), a new transmission pipeline that extends from Line 172A in the town of Yolo east to Line 123 in Roseville (Line 407), and a new distribution feeder main (DFM) that extends from Line 407 south to the Sacramento Metro Air Park. These additions to the local gas transmission system are intended to minimize the cost to PG&E’s customers during the planned, incremental increase in capacity.

1.1.4 Safety and Environmental Sensitivity

PG&E corporate goals require that all projects be planned and constructed in an environmentally sensitive manner. Through the selection of the proposed route for the Project and associated construction methods, PG&E has endeavored to minimize potential impacts to environmental resources. To ensure long-term safety of the Project, PG&E would implement a maintenance schedule that requires patrols, leak surveys, cathodic protection surveys, and valve maintenance.

1.1.5 Minimize Damage by Outside Sources

One of PG&E’s Project objectives is to select an alignment that minimizes the risk of damage by outside forces (as defined in Section 1.1.1 Project Objectives, Purpose, and Need). Outside forces include impact by mechanical equipment, such as bulldozers and backhoes; earth movements due to soil settlement, washouts, or geological hazards; weather effects, such as winds, storms, and thermal strains; and willful damage. The U.S. Department of Transportation (DOT) requires pipeline operators to report significant pipeline incidents. Damage by outside forces is the most common cause for significant pipeline incidents, at 42.9 percent. The second largest cause is corrosion, at 21.4 percent (PG&E 2007).

The Project right-of-way (ROW) would be coordinated with future road improvement plans to locate the pipeline in future public utility easements and/or landscape strips whenever possible. When traversing agricultural lands, the Project would be located in a straight line of sight such that it is easily identifiable by operators of farm equipment. The Project as proposed by PG&E would have added depth (5 feet of cover rather than the minimum 3 feet of cover required by DOT standards) in agricultural areas to aid in the prevention of damage by outside forces.
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1.2 PURPOSE AND SCOPE OF EIR

Section 15124(d) of the CEQA Guidelines requires that an Environmental Impact Report (EIR) contain a statement within the project description briefly describing the intended uses of the EIR. The CEQA Guidelines indicate that the EIR should identify the ways in which the Lead Agency and any responsible agencies would use this document in their approval or permitting processes. The following discussion summarizes the roles of the agencies and the intended uses of the EIR.

The California State Lands Commission (CSLC) is the State agency with jurisdiction and management control over California’s sovereign and submerged lands. As such, the CSLC is the Lead Agency in California for preparing the EIR, complying with CEQA (Public Resources Code [PRC] section 21000 et seq.), following the guidelines for the implementation of CEQA (California Code of Regulations [CCR] Title 14, section 15000 et seq.), and coordinating the review of the EIR by State and local responsible and trustee agencies. These responsible and trustee agencies include the California Department of Fish and Game (CDFG), the Regional Water Quality Control Boards (RWQCBs), the California Department of Transportation (Caltrans), and the local Air Quality Management Districts and Air Pollution Control Districts (AQMDs and APCDs). The EIR will be used by the CSLC to exercise its jurisdictional responsibilities in making its decision to grant a lease for the pipeline river crossing at the Sacramento River.

The proposed Project would also require approvals and/or review by a number of Federal, State, and local agencies as noted in Section 1.4 - Permits, Approvals and Regulatory Requirements.

1.2.1 Organization of EIR

- Section 2.0 - Project Description describes the proposed Project, its location, layout and facilities, and presents an overview of its operation and construction.

- Section 3.0 - Alternatives and Cumulative Projects describes the alternatives to the proposed Project carried forward for analysis, the alternatives that were considered but eliminated from detailed evaluation. This Section also identifies the cumulative projects that will be analyzed.

- Section 4.0 - Environmental Analysis describes existing environmental conditions, Project-specific impacts and mitigation measures, and the impact
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1.2.2 Study Area Boundary

The Study Area for this Project includes the proposed pipeline route and permanent easement areas, from the tie-in location with Line 401, north of Capay in Yolo County to the existing PG&E Line 123 in the City of Roseville. The Study Area also extends south along Powerline Road to the Sacramento Metro Air Park. The Study Area would also include temporary work areas necessary for construction of the
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Project as well as those adjacent areas that may be affected by pipeline upsets as identified in Section 4.7, Hazards and Hazardous Materials. Section 2, Project Description, describes and illustrates the limits of the Study Area in more detail.

1.2.3 Definition of Baseline and Future Conditions

The CEQA Guidelines (section 15125(a)) require a description of the existing environmental setting in order to examine and analyze the effects of the proposed Project on the environment. This EIR analyzes the environmental impacts associated with installation and operation of the Project extending from Yolo County, just west of Yolo CR-85 and north of Capay and Cache Creek, to existing Line 123 in the City of Roseville. This EIR examines the impact on the existing environment of constructing and operating the Project for the design life of the pipelines (50 years).

1.3 PUBLIC REVIEW AND COMMENT

1.3.1 Scoping

The CSLC, as Lead Agency in accordance with the provisions of CEQA, determined that the proposed Project may result in potentially significant adverse environmental impacts, and therefore required preparation of this Draft EIR pursuant to and in accordance with CEQA (Public Resources Code, section 21000 et seq.), the CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3, section 15000 et seq.), and the CSLC’s guidelines implementing CEQA.

On June 19, 2007, pursuant to the CEQA Guidelines (sections 21080.4 and 15082(a)), the CSLC provided a Notice of Preparation (NOP) for the proposed Project to responsible and trustee agencies and to other interested parties. The NOP solicited both written and verbal comments on the EIR’s scope during a 30-day comment period and provided information on a forthcoming public scoping meeting. The CSLC held four public and agency scoping meetings, two in Woodland, California on July 9, 2007, and two in Roseville, California on July 10, 2007, to solicit verbal comments on the scope of the EIR. Verbal comments were made at the scoping meetings and the associated transcripts are included in Appendix B. Written comments were received in response to the NOP from the following (listed in the order received):

- U.S. Department of Agriculture, Natural Resource Conservation Service, Phil Hogan;
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1. Yolo-Solano Air Quality Management District, Mathew R. Jones;
2. Yolo County Farm Bureau, Joe F. Martinez;
3. William L. Dibble, Property Owner;
4. Wildlands, Inc., Brian Monaghan;
5. Wildlands, Inc., Jeff Mathews;
6. Michael R. Valentine, Property Owner;
7. U. S. Fish and Wildlife Service, Kenneth Sanchez;
8. RSC Engineering, Richard S. Chavez;
9. Wirth Real Estate/Valuation Services, Robert B. Wirth, Jr.;
10. Placer County Office of Education, Matt Shawver;
11. Placer County Flood Control and Water Conservation District, Andrew Darrow;
12. Placer County Community Development Resources Agency, Andrew Gaber;
13. Howard Lopez, Property Owner;
14. Yolo County Board of Supervisors, Duane Chamberlain;
15. Robert B. and Vesta E. Wirth Revocable Trust, Doug Wirth;
16. Department of Energy, Western Area Power Administration, Heidi R. Miller;
17. Department of Conservation, Dennis J. O’Bryant;
18. Department of Water Resources, Floodway Protection Section;
19. City of Roseville, Mark Morse;
20. George M. Carpenter, Attorney at Law;
21. Atkinson, Andelson, Loya, Ruud & Romo / Attorneys for Center Unified School District, Elizabeth B. Hearey; and
22. Hefner, Stark & Marois, Martin B. Steiner.
A copy of the NOP, scoping meeting transcripts, and comment letters received, as well as an index of where such written comments are addressed in the document, are included in Appendix B.

1.3.2 Public Comment on the Draft EIR

This Draft EIR is being circulated to Federal, State, and local agencies and to interested individuals who may wish to review and comment on the report. Written comments may be submitted to the CSLC during the 45-day public review period. Verbal and written comments on this Draft EIR will be accepted at a noticed public meeting (either noticed in this document or separately). All comments received will be addressed in a Response to Comments addendum document, which, together with this Draft EIR, will constitute the Final EIR for the proposed Project.

This Draft EIR identifies the environmental impacts of the proposed Project on the existing environment, indicates how those impacts would be mitigated or avoided, and identifies and evaluates alternatives to the proposed Project. This document is intended to provide the CSLC the information required to exercise its jurisdictional responsibilities with respect to the proposed Project, which would be considered at a separate noticed public meeting of the CSLC.

The CEQA requires that a Lead Agency shall neither approve nor implement a project as proposed unless the significant environmental impacts have been reduced to an acceptable level. An acceptable level is defined as eliminating, avoiding or substantially lessening significant environmental effects to below a level of significance. If the Lead Agency approves the project, even though significant impacts identified in the Final EIR cannot be fully mitigated, the Lead Agency must state in writing the reasons for its action. Findings and a Statement of Overriding Considerations (SOC) must be included in the record of project approval and mentioned in the Notice of Determination (NOD).

1.4 PERMITS, APPROVALS, AND REGULATORY REQUIREMENTS

In addition to action by the CSLC, the proposed Project will require permits or approvals from the following reviewing authorities and regulatory agencies:

- U.S. Army Corps of Engineers (USACE);
- U.S. Fish and Wildlife Service (USFWS);
- National Oceanic and Atmospheric Administration (NOAA) Fisheries;
1. Central Valley Regional Water Quality Control Board (CVRWQCB);
2. California Department of Fish and Game (CDFG);
3. California Department of Transportation (Caltrans);
4. State Reclamation Board;
5. Feather River Air Quality Management District (FRAQMD);
6. Sacramento Metropolitan Air Quality Management District (SMAQMD);
7. Placer County Air Pollution Control District (PCAPCD);
8. Yolo-Solano Air Quality Management District (YSAQMD);
9. Yolo County Flood Control and Water Conservation District;
10. Placer County Flood Control and Conservation District;
11. City of Roseville;
12. Sacramento, Yolo, Placer, and Sutter Counties; and
13. Reclamation Districts 730, 1000, 1600, and 2035.