Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: Placer County, California

From: (Public Agency): California Energy Commission
715 P Street, MS-45
Sacramento, CA 95814

(Address)

Project Title: Roseville Efficiency Enhancements for Grid Reliability

Project Applicant: City of Roseville

Project Location - Specific: 5120 Phillip Road, Roseville CA

Project Location - City: Rosevillle

Project Location - County: Placer County

Description of Nature, Purpose and Beneficiaries of Project:

Following Governor Newsom's Emergency Proclamation, issued July 30, 2021, the city of Roseville, Roseville Electric Utility (Roseville) partnered with the State of California to add emergency generating capacity to the electric grid for operation during extreme events. Roseville worked with the California Department of Water Resources (DWR) to file an application (Docket # 21-TPG-01) with the California Energy Commission (CEC) on September 2, 2021 for the installation and operation of two natural gas-fired generating units as part of the Roseville State Power Augmentation Power Site (RSPAPS). On September 8, 2021, the CEC's Executive Director granted Roseville a license to operate the RSPAPS emergency and temporary power generators for up to five years from the approval date, consistent with the requirements in the license approval (CEC Docket No. 21-TPG-01, TN 239619), including that the power generators only operate during grid emergencies, as designated and directed by the California Independent System Operator (CAISO), until they comply with all local, state, and federal regulatory requirements. The RSPAPS units are owned by DWR, operated by Roseville, and dispatched by the CAISO when needed for reliability purposes. The units are located next to Roseville's existing 165 MW natural gas generating facility, the Roseville Energy Park, as well as a co-located community solar project that provides Roseville customers with local renewable energy.

On April 22, 2024, the CEC announced its intent to award Roseville grant funds under the Distributed Electricity Backup Assets (DEBA) Program to install efficiency upgrades to the RSPAPS to enhance grid reliability. The funding for efficiency enhancements will enable Roseville to install evaporative coolers and a natural gas compression system on the RSPAPS General Electric TM2500 generators. The evaporative coolers will decrease the inlet air temperature reducing the impact of ambient temperature derate effects. The natural gas compression system will increase gas pressure to align with the generators' optimal gas pressure enabling the generators to operate at their full nameplate capacity. The generators currently produce 22.25-megawatts (MW) each (total project output of 44.5 MW). With the new systems, the generators will harness an additional 4.75 MW each (total of 9.5 MW) of otherwise lost energy during high temperature days. This MW increase is still below the permitted output of 33.6 MW each (67.2 MW total).

As a condition of receiving the DEBA funding, Roseville is required to maintain the operation of the emergency and temporary power generators through December 31, 2031, under the same conditions as

permitted under the CEC's initial temporary license. Currently, the CEC staff is approving modifications to the temporary license to address the efficiency upgrades to the RSPAPS mechanical equipment funded by DEBA (modified certificate). Upon the expiration of the modified certificate in September 2026, the CEC staff will process a petition to amend submitted by Roseville to include the upgraded units as part of Roseville's permanent facility. Roseville's amended certificate would not have an expiration date and will allow operation of the units through December 2031 as required by the DEBA funding.

The efficiency upgrade would not immediately require a new permit from the Placer County Air Pollution Control District (PCAPCD) since implementation of the project would not exceed existing permit specifications, although Roseville may need an extension of the current permit through December 2031. Presently, only administrative revisions would be made to the permit to reflect the upgraded equipment descriptions, and the inclusion of a provision for Roseville to notify the PCAPCD once construction is complete. The project is consistent with the CEC's mission of leading the state to a 100 percent clean energy future and will contribute to meeting California's clean energy goals and support grid reliability.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: City of Roseville

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section number: Section 15301(b) Existing Facilities
- ☐ Statutory Exemptions. State code number: _____

Reasons why project is exempt:

This project will involve the installation of evaporative coolers and a natural gas compression system on two generators operated by a publicly owned electric power provider (Roseville Electric Utility) and pursuant to California Code of Regulations, title 14, section 15301(b) is exempt from CEQA. The installation of evaporative coolers and a natural gas compression system will enable Roseville Electric Utility to be less reliant on its aging Roseville Power Plant 2 (RPP2) which has a 60 percent higher heat rate and greenhouse gas (GHG) output. The modification is negligible and would not expand the use of the existing RSPAPS generators outside of grid emergencies. It would extend the availability of the emergency generators through December 2031.

The project has been deemed an allowed modification to the existing power generation facility by the City of Roseville and does not require a local discretionary permit. The installation of the systems on the generators will be a minor alteration of mechanical equipment, with no expansion beyond the existing operations during emergency conditions. Extending the availability of more efficient emergency generators to ensure grid reliability through December 2031 will not have a significant adverse effect on the environment.

The installation of the gas compressor and evaporative cooler systems requires minor civil and electrical work at the existing RSPAPS. A total of 2,000 square feet of reinforced concrete foundations for placement of skids and mechanical equipment will be required.

One gas compressor will be installed per TM2500 with provisions for a spare compressor for future redundancy. Two gas compressor skids will be installed on concrete pads (approximately 25'x60'x12") with all gas piping installed above ground (approximately 200 feet). Each gas compressor will be powered by a 1000 HP, 3-Phase, 4160V motor. To supply electrical power to the motors, a 12 kilovolt underground cable will be run from the "point of connection" to a new 12000/4160V 3-phase transformer (approximately 500 feet). The underground electrical cable will be installed in 4" underground conduits, 48" deep, with native material backfill.

Two evaporative coolers will be installed on the existing inlet filter houses. Each evaporative cooler will be mounted on new concrete pads (approximately 12'x18'x12"). A small pump skid will be added,

one per combustion turbine, to provide demineralized water to the evaporative coolers. The associated water lines will be installed above ground.

The installation work needed for the gas compressor and evaporative coolers would follow all requirements included in the Conditions and Reporting Requirements for the original permitting of the RSPAPS. It is unlikely that construction of the systems would result in a substantial adverse impact on historical resources.

The installation and operation of the turbine will not result in a significant cumulative impact, damage resources within a scenic highway, cause substantial adverse change to the significance of a historic resource, or be located on a listed hazardous waste site. Therefore, the project is categorically exempt under California Code of Regulations, title 14, section 15301(b).

Lead Agency Contact Person: Renee Webster-Hawkins — Area Code/Telephone/Extension: 916.237.2507

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: *Renee Webster-Hawkins* Date: August 16, 2024 Title: Senior Staff Attorney

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____