

This Final Environmental Impact Report (FEIR) was prepared in accordance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines (Section 15132). The County of Shasta (Shasta County, or County) is the lead agency for the environmental review of the Sierra Pacific Industries (SPI) Cogeneration Power project (project) and has the principal responsibility for approving the project. This FEIR assesses the expected environmental impacts resulting from approval of the project and associated impacts from subsequent development and operation of the project, as well as responds to comments received on the Draft EIR (DEIR), the Recirculated Draft EIR (RDEIR), and the Second Recirculated Draft EIR (2nd RDEIR).

1.1 PURPOSE AND INTENDED USES OF THE EIR CEQA REQUIREMENTS FOR A FINAL EIR

This Final Environmental Impact Report (FEIR) for the SPI Cogeneration Power project has been prepared in accordance with the California Environmental Quality Act (CEQA) and State CEQA Guidelines. State CEQA Guidelines Section 15132 requires that an FEIR consist of the following:

- the Draft Environmental Impact Report (Draft EIR) or a revision of the draft;
- comments and recommendations received on the Draft EIR, either verbatim or in summary;
- a list of persons, organizations, and public agencies commenting on the Draft EIR;
- the responses of the lead agency to significant environmental concerns raised in the review and consultation process; and
- any other information added by the lead agency.

In accordance with State CEQA Guidelines Section 15132(a), the Draft EIR, the Recirculated Draft EIR, and the 2nd Recirculated Draft EIR are incorporated by reference into this Final EIR.

An EIR must disclose the expected environmental impacts, including impacts that cannot be avoided, growth-inducing effects, impacts found not to be significant, and significant cumulative impacts, as well as identify mitigation measures and alternatives to the proposed project that could reduce or avoid its adverse environmental impacts. CEQA requires government agencies to consider and, where feasible, minimize environmental impacts of proposed development, and an obligation to balance a variety of public objectives, including economic, environmental, and social factors.

PURPOSE AND USE

Shasta County, as the lead agency, has prepared this Final EIR to provide the public and responsible and trustee agencies with an objective analysis of the potential environmental impacts resulting from approval, construction, and operation of the proposed SPI Cogeneration Power project. Responsible and trustee agencies that may use the EIR are identified in Chapter 1.0 of the Draft EIR.

The environmental review process enables interested parties to evaluate the proposed project in terms of its environmental consequences, to examine and recommend methods to eliminate or

reduce potential adverse impacts, and to consider a reasonable range of alternatives to the project. While CEQA requires that consideration be given to avoiding adverse environmental effects, the lead agency must balance adverse environmental effects against other public objectives, including the economic and social benefits of a project, in determining whether a project should be approved.

This EIR will be used as the primary environmental document to evaluate all aspects of construction and operation of the proposed project. The details and operational characteristics of the proposed project are identified in Chapter 2.0, Project Description, of the Draft EIR (August 2010) and Chapter 2.0, Project Description, of the Recirculated Draft EIR (September 2011).

1.2 ENVIRONMENTAL REVIEW PROCESS

The review and certification process for the EIR has involved, or will involve, the following general procedural steps:

NOTICE OF PREPARATION AND INITIAL STUDY

The County circulated a Notice of Preparation (NOP) of an EIR for the proposed project and an Initial Study on July 3, 2009 to trustee and responsible agencies, the State Clearinghouse, and the public. A public scoping meeting was held on July 21, 2009. Concerns raised in response to the NOP were considered during preparation of the Draft EIR.

The NOP, Initial Study (IS), and responses to the NOP by interested parties are presented in Appendix A of the Draft EIR.

NOTICE OF AVAILABILITY AND DRAFT EIR

Shasta County published a public Notice of Availability (NOA) for the Draft EIR on August 6, 2010, inviting comment from the general public, agencies, organizations, and other interested parties. The NOA was filed with the State Clearinghouse (SCH # 2009072011) and the County Clerk, and was published in a local newspaper pursuant to the public noticing requirements of CEQA. The Draft EIR was available for public review and comment from August 6, 2010 through September 21, 2010. The Draft EIR contains a description of the project, description of the environmental setting, identification of project impacts, and mitigation measures for impacts found to be significant, as well as an analysis of project alternatives, identification of significant irreversible environmental changes, growth-inducing impacts, and cumulative impacts. The Draft EIR identifies issues determined to have no impact or a less-than-significant impact, and provides detailed analysis of potentially significant and significant impacts. Comments received in response to the NOP were considered in preparing the analysis in the Draft EIR.

RECIRCULATED DRAFT EIR

In light of written comments received on the original Draft EIR, Shasta County determined that the preparation and public distribution of a Recirculated Draft EIR was required for a portion of the Draft EIR. In accordance with Section 15088.5 of the CEQA Guidelines, Chapter 2.0, Project Description, and Chapter 3.2.4, Greenhouse Gases and Climate Change of the Draft EIR were

recirculated for public review. A lead agency is required to recirculate an EIR when significant new information is added to the EIR after it is circulated for public review but before its certification.

“Significant new information” requiring recirculation includes a disclosure that a new significant environmental impact would result from the project. Following the period that the Draft EIR was circulated for public review on August 6, 2010, new information regarding the project became available. Specifically, additional details regarding the project’s fuel supplies were provided by the project proponent, and a revised greenhouse gas (GHG) analysis was prepared.

The new information regarding this project did not result in new significant and unavoidable impacts, nor did it result in an increase in the severity of a previously identified impact. The original Draft EIR concluded that the proposed project would result in a significant and unavoidable impact to greenhouse gases and global climate change. The revised GHG and climate change analysis employed a more comprehensive methodology utilizing the additional fuel supply information provided by the project applicant, and a qualitative, non-numeric threshold of significance. The revised GHG and climate change analysis resulted in a conclusion that impacts to greenhouse gases and global climate change associated with the proposed project would be less-than-significant.

Given the relatively high degree of public interest in this topic, the County elected to recirculate the revised Draft EIR project description and GHG analysis to provide the public and agencies with ample opportunity to review and comment on the updated analysis and new project information.

The County prepared and circulated a public Notice of Availability (NOA) and the Recirculated Draft EIR to the State Clearinghouse, trustee and responsible agencies, the public, and all parties and individuals that submitted comments on the original Draft EIR on September 2, 2011. A Notice of Completion (NOC) was filed, and a 45-day public review period was provided between September 2, 2011 and October 17, 2011 to receive public and agency comments on the adequacy of the environmental analysis contained in the Recirculated Draft EIR.

SECOND RECIRCULATED DRAFT EIR

During the 45-day public review period for the Recirculated Draft EIR, the County received additional written comments that challenged the approach, methodology, and conclusions of the GHG analysis contained in the Recirculated Draft EIR. In light of the comments provided, the County determined that additional analysis of the project’s GHG impacts was warranted.

The Recirculated Draft EIR (September 2011) utilized a qualitative, or non-numeric, threshold of significance in the GHG analysis. The analysis of GHGs in the Recirculated Draft EIR concluded that the proposed project would result in less-than-significant impacts related to GHGs and climate change. The County received comments on the Recirculated Draft EIR that challenged the use of a qualitative threshold of significance. Comments on the Recirculated Draft EIR suggested that the use of a quantitative threshold of significance for the GHG analysis was more appropriate. In light of these comments, the County reexamined its use of a qualitative threshold and determined that a quantitative threshold was in fact appropriate.

This Second Recirculated Draft EIR included a revised analysis of GHG impacts that may result from project implementation, and utilized a quantitative threshold of significance. The impact determination related to GHGs in the Second Recirculated Draft EIR did not change when compared to the Recirculated Draft EIR; both documents determined that impacts related to GHGs would be less-than-significant. However, the County elected to circulate the Second Recirculated Draft EIR to provide the public and interested agencies an opportunity to review and comment on the revised approach and the use of a numeric threshold of significance for GHG impacts.

The County prepared and circulated a public Notice of Availability (NOA) and the Second Recirculated Draft EIR to the State Clearinghouse, trustee and responsible agencies, the public, and all parties and individuals that submitted comments on the original Draft EIR and Recirculated Draft EIR on February 15, 2012. A Notice of Completion (NOC) was filed, and a 45-day public review period was provided between February 15, 2012 and April 2, 2012 to receive public and agency comments on the adequacy of the environmental analysis contained in the Second Recirculated Draft EIR.

RESPONSE TO COMMENTS/FINAL EIR

Shasta County received several comment letters regarding the Draft EIR (August 2010) from public agencies and private citizens. These comment letters on the Draft EIR are identified in Table 2-1, and are found in Chapter 2 of this Final EIR.

Shasta County received four comment letters regarding the Recirculated Draft EIR (September 2011) from public agencies and private citizens. These comment letters on the Recirculated Draft EIR are identified in Table 2-2, and are found in Chapter 2 of this Final EIR.

Shasta County received four comment letters regarding the Second Recirculated Draft EIR (February 2012) from public agencies and private citizens. These comment letters on the Second Recirculated Draft EIR are identified in Table 2-3, and are found in Chapter 2 of this Final EIR.

In accordance with CEQA Guidelines Section 15088, this Final EIR responds to the written comments received on the Draft EIR, the Recirculated Draft EIR, and the Second Recirculated Draft EIR as required by CEQA. In accordance with Section 15088.5(f)(2) of the CEQA Guidelines, *“When an EIR is revised only in part and the lead agency is recirculating only the revised chapters or portions of the EIR, the lead agency may request that reviewers limit their comments to the revised chapters or portions of the recirculated EIR. The lead agency need only respond to (i) comments received during the initial circulation period that relate to chapters or portions of the document that were **not** revised and recirculated, and (ii) comments received during the recirculation period that relate to the chapters or portions of the earlier EIR that were revised and recirculated.”*

On page 1.0-4 of the Recirculated Draft EIR, Shasta County indicated that reviewers of the Recirculated Draft EIR should limit their comments to the revised portions of the Recirculated Draft EIR, and noted that the Final EIR would include responses to comments received on all sections of the original Draft EIR that were **not** recirculated, and responses to comments received on the Recirculated Draft EIR that relate to the portions that were recirculated.

Additionally, on page 1.0-4 of the Second Recirculated Draft EIR, Shasta County indicated that reviewers of the Second Recirculated Draft EIR should limit their comments to the revised portions of the Second Recirculated Draft EIR, and noted that the Final EIR would include responses to comments received on all sections of the original Draft EIR that were **not** recirculated, responses to comments received on the Recirculated Draft EIR that relate to the portions that were Recirculated but not included in the Second Recirculated Draft EIR (the Project Description), and responses to comments received on the Second Recirculated Draft EIR.

This Final EIR also contains minor edits to the Draft EIR, Recirculated Draft EIR, and Second Recirculated Draft EIR, which are included in Section 3.0, Errata. This document, as well as the Draft EIR, Recirculated Draft EIR, and Second Recirculated Draft EIR as amended herein, constitute the Final EIR.

CERTIFICATION OF THE EIR/PROJECT CONSIDERATION

Shasta County will review and consider the Final EIR. If the County finds that the Final EIR is "adequate and complete," the Shasta County Planning Commission may certify the Final EIR in accordance with CEQA and Shasta County environmental review procedures and codes. The rule of adequacy generally holds that an EIR can be certified if:

- 1) The EIR shows a good faith effort at full disclosure of environmental information; and
- 2) The EIR provides sufficient analysis to allow decisions to be made regarding the proposed project which intelligently take account of environmental consequences.

Upon review and consideration of the Final EIR, the Shasta County Planning Commission may take action to approve, revise, or reject the project. A decision to approve the SPI Cogeneration Power project, for which this EIR identifies significant environmental effects, must be accompanied by written findings in accordance with State CEQA Guidelines Sections 15091 and 15093. A Mitigation Monitoring Program, as described below, would also be adopted in accordance with Public Resources Code Section 21081.6(a) and CEQA Guidelines Section 15097 for mitigation measures that have been incorporated into or imposed upon the project to reduce or avoid significant effects on the environment. This Mitigation Monitoring Program will be designed to ensure that these measures are carried out during project implementation, in a manner that is consistent with the EIR.

1.3 ORGANIZATION OF THE FINAL EIR

This Final EIR has been prepared consistent with Section 15132 of the State CEQA Guidelines, which identifies the content requirements for Final EIRs. This Final EIR is organized in the following manner:

CHAPTER 1.0 – INTRODUCTION

Chapter 1 briefly describes the purpose of the environmental evaluation, identifies the lead, agency, summarizes the process associated with preparation and certification of an EIR, and identifies the content requirements and organization of the Final EIR.

CHAPTER 2.0 – COMMENTS ON THE DRAFT EIR AND RESPONSES

Chapter 2 provides a list of commenters, copies of written comments made on the Draft EIR, Recirculated Draft EIR, and Second Recirculated Draft EIR (coded for reference), and responses to those written comments.

CHAPTER 3.0 - ERRATA

Chapter 3.0 consists of minor revisions to the Draft EIR, Recirculated Draft EIR, and Second Recirculated Draft EIR in response to comments on these versions of the EIR, as well as minor staff edits.

CHAPTER 4.0 – FINAL MMRP

Chapter 4.0 consists of a Mitigation Monitoring and Reporting Program (MMRP). The MMRP is presented in a tabular format that presents the impacts, mitigation measure, and responsibility, timing, and verification of monitoring.