

6.1 INTRODUCTION

This section discusses California Environmental Quality Act (CEQA) Guidelines Section 15358 (a)(2) requirements for addressing potential indirect effects or indirect impacts of a proposed project. Indirect effects are defined as those impacts that are caused by the project and are later in time or farther removed in distance, but are still reasonably foreseeable. These effects may include growth-inducing effects and other effects related to induced changes in the pattern of land use, population density, or growth rate, and related effects on air and water and other natural systems, including ecosystems. This includes both construction and operation-related impacts.

6.2 BACKGROUND

The proposed Project would allow planned new alternative energy generation projects to interconnect the high-voltage transmission grid and deliver energy to the load centers. Because these new alternative energy generation projects are independently proceeding forward through the Federal Energy Regulatory Commission (FERC)-mandated interconnection process, they are not caused by the proposed Project. Instead, the proposed Project is in response to the amount of new generation interconnection requests received from independent power producers. SCE and the California Independent System Operator (CAISO) have received numerous wind generation interconnection requests in different areas of SCE's service territory, including the Barstow, San Geronio, and Tehachapi areas. For the most part, new wind generation projects are driven by two key factors: 1) federal wind Production Tax Credits (PTC); and 2) California's Renewables Portfolio Standard as discussed below.

6.2.1 Production Tax Credit

In December of 2006, the United States Congress passed a tax and trade policy bill that included a 1-year extension of the wind energy Production Tax Credit (PTC). The PTC, which was scheduled to expire on December 31, 2007, is now scheduled to expire on December 31, 2008. The 2006 extension marked the second time that Congress has approved an extension of the PTC before it expired and the fifth time since 1999 that an extension of the tax credit that spurs the entire wind industry and billions in economic activity¹ has been granted. In August 2005, a 2-year extension was included in the tax section of the Energy Policy Act of 2005 (Public Law 109-58). This 2005 extension marked the first time the credit had been extended before it expired, thus allowing the wind industry to move steadily forward.

¹ <http://www.awea.org/legislative/>

The previous short-term PTC extensions created a “boom and bust” cycle that deterred the wind energy industry from investing in and expanding in the United States. A long-term PTC provides the industry with more certainty and stability².

6.2.2 Renewables Portfolio Standard

A renewables portfolio standard (RPS) uses market mechanisms to ensure that a growing percentage of electricity is produced from renewable sources, like wind power. RPS requirements have been adopted in 21 States and the District of Columbia. The California RPS was established in 2002 by Senate Bill 1078.³ The RPS requires investor-owned utilities, including retail sellers of electricity such as SCE, to increase their sale of electricity produced by renewable energy sources (such as wind) by at least 1 percent per year, achieving 20 percent by 2017 (at the latest). These requirements were accelerated by the passage of Senate Bill 107⁴ to be consistent with the State of California’s Energy Action Plan (EAP). The EAP adopted by California Public Utilities Commission (CPUC), California Energy Commission (CEC), and the now defunct California Power Authority pledged that the agencies will accelerate RPS implementation to meet the 20 percent goal by 2010, instead of 2017. In order for investor-owned utilities, including retail sellers of electricity such as SCE, to satisfy these target goals, new transmission facilities will be required to interconnect remote areas with high concentrations of renewable generation. One of these remote areas is the Tehachapi Wind Resource Area (TWRA).

6.3 INDIRECT EFFECTS

Under the RPS program, the only way to increase the amount of renewable electricity generated per year is to construct and interconnect new renewable generation resources, such as the planned wind generation in the Tehachapi Wind Resource Area. California law has fostered the development of more renewable resources which in turn requires new transmission to interconnect and deliver the energy to the load centers. For example, Senate Bill 1038 required the CPUC to prepare and submit, by December 1, 2003, a comprehensive transmission plan for renewable electricity generation facilities, to provide for the rational, orderly, cost-effective expansion of transmission facilities that may be necessary to facilitate the development of renewable electricity generation facilities.⁵ The passage of legislation establishing the California RPS, and not the proposed Project, has encouraged the development of additional wind projects in the Tehachapi area. The proposed Project is

² http://www.awea.org/legislative/pdf/PTC_Factsheet.pdf

³ SB1078 (Stats. 2002, Ch. 516), adding Article 16 (California Renewables Portfolio Standard Program) to the Cal. Pub. Util. Code § 399.11, *et seq.* (2004) (SB 1078).

⁴ SB 107, Chapter 464, Statutes of 2006. SB 107 amends pertinent provisions in Public Resources Code Sections 25740 through 25751 and Public Utilities Code Sections 399.11 through 399.16.

⁵ <http://www.cpuc.ca.gov/published/REPORT/32197.htm>

necessary to interconnect and deliver renewable resources required to meet the State mandated RPS target goals and thus is itself an indirect effect of the RPS program.

As described in Section 7.0, the proposed Project (and alternatives) would not be anticipated to induce growth. While the proposed Project improves the overall system capability to adequately serve the existing and forecast load demand, it is not intended to supply power related to potential growth for any particular development. Residential, commercial, and industrial growth and residential population increases in the areas of the proposed Project (Kern County, Los Angeles County, and San Bernardino County, including incorporated and unincorporated areas in all three counties) are managed at the local and county levels and are anticipated to occur consistent with the general and specific plans approved by each jurisdiction (refer to Section 4.10 for a description of these approved plans). The development of the proposed Project would not be expected to influence planned or future residential or commercial developments. Furthermore, the development of the proposed Project would not be expected to cause any indirect impacts to land use, population density or growth rate, or any resultant impacts to natural systems. Therefore, no significant long term indirect effects would result due to implementation of the proposed Project.

This page left intentionally blank.