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NOTICE OF PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT

Date: February 17, 2023

To: Agencies and Interested Parties

Lead Agency: Sacramento Municipal Utility District (SMUD) 6201 S Street, MS B203 Sacramento, CA 95817-1899 Contact: Rob Ferrera at (916) 732-6676

Subject: Station J Bulk Transmission Substation Project Environmental Impact Report

Review Period: February 22, 2023 to March 23, 2023

SMUD proposes to develop the Station J Bulk Transmission Substation Project (also referred to as "the project") located on a 10.3-acre site at 1220 North B Street in a developed area of downtown Sacramento. The project would consist of demolition of existing on-site structures and construction of new infrastructure to support up to five 40 MVA (megavolt amperes) 115/21kV transformers for a total of up to 200 MVA, including up to 8 miles of overhead and or underground 115kV and 21kV connections into the substation from nearby existing SMUD facilities and infrastructure. As the lead agency for California Environmental Quality Act (CEQA) compliance, SMUD is responsible for considering whether to certify the Environmental Impact Report (EIR) and determining if the project should be approved. SMUD will prepare an EIR to satisfy the requirements of CEQA, California Public Resources Code (PRC) Section 21000 et seq.

Purpose of Notice: In accordance with CEQA, SMUD is distributing this notice of preparation (NOP) to solicit comments on the scope of the EIR that is being prepared for the Station J Bulk Transmission Substation Project.

This NOP has been prepared pursuant to Sections 15082 and 15083 of the CEQA Guidelines. The release of this NOP starts a 30-day public scoping period that begins on February 22, 2023 and ends on March 23, 2023. The purpose of the NOP is to provide sufficient information about the proposed project and its potential environmental effects to allow agencies and interested parties the opportunity to provide a meaningful response regarding the scope and content of the EIR, including possible environmental impacts, mitigation measures, and alternatives.

Project Location: The project as proposed would be located on a 10.3-acre site at 1220 North B Street in a developed area of downtown Sacramento, as shown on Figures 2-1 and 2-2. The project site is bordered by North B Street to the north, North 14th Street to the east, Union Pacific Railroad (UPRR) tracks to the south, and North 12th Street to the west.

The proposed project site is relatively flat and sparsely vegetated with a limited number of trees along the southern project perimeter. The site comprises 11 contiguous Assessor's parcels, currently containing two buildings, an approximately 66,000 square foot single story distribution warehouse with loading docks and office space; and an approximately 5,580 square foot single story maintenance shop building. Both buildings are situated toward the front of the property along North B Street. The rear of the property consists of approximately 3.9 acres of yard storage and is adjacent to UPRR to the south. Adjacent land uses include a Salvation Army facility to the northwest, General Produce offices to the east, First Step Communities homeless shelter and Quinn Cottages transitional housing to the southeast, and Sims Metal recycling center across North 12th Street to the west. Several SMUD facilities are nearby the project site including the Station E electrical substation located approximately 0.5 miles to the east, Station G electrical substation and Station H (future substation adjacent to Station G) located approximately 0.7 miles to the southwest.

Project Objectives: Objectives for the project include:

- provide safe and reliable electrical service to existing and proposed development in the downtown Sacramento area;
- provide greater operational flexibility between circuits and substations in the area;
- maximize the use of available SMUD property and resources;
- minimize impacts to nearby sensitive receptors; and,
- minimize potential conflicts with existing planning efforts within the City of Sacramento.

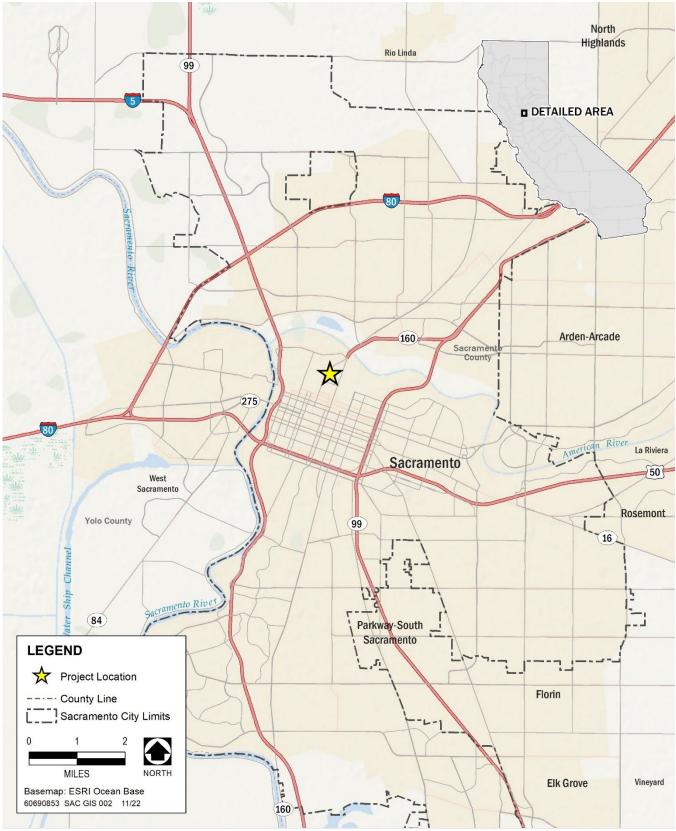


Figure 1 Project Vicinity

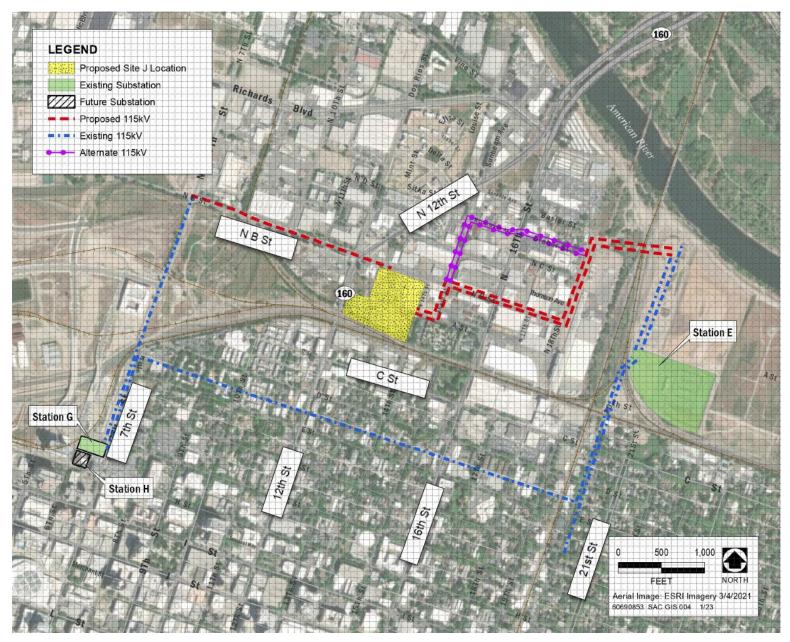


Figure 2 Project Location

Description of Proposed Project: The proposed substation would include demolition of all existing on-site structures and construction of new infrastructure to include sizing for five 40 MVA 115/21kV transformers, (200 MVA). Initial installation of two 40 MVA transformers is anticipated to occur by 2030. The project may also include up to 8 miles of overhead and or underground 115kV and 21kV connections into the substation from nearby existing SMUD facilities and infrastructure. The site includes space for expansion as anticipated future needs become imminent. It is SMUD's goal for the project to provide consistent and reliable electrical service to much of downtown Sacramento by capitalizing on SMUD's existing local assets.

The new substation would be connected to SMUD's bulk electric system via three new 115kV transmission lines described below:

- One of the transmission lines will connect to SMUD's Station G downtown substation. This will be an underground transmission line. This line will start at the corner of 7th Street and G Street and route north along 7th Street. The line will then head east along North B Street and enter the Station J from the north side. This line will be encased in a concrete duct bank.
- The other two transmission lines will loop in an existing overhead transmission line that currently connects SMUD's Elverta and Station E bulk substations. By looping in the line two new lines will be created. Both lines will be a combination of overhead and underground. The lines will begin at a site north of Station E (location of the former North City Substation) where SMUD will install up to two new steel pole structures to intercept the existing line. From these structure(s) the lines will head west overhead approximately 900 feet to a set of steel riser poles. These poles will be used to transition the line from overhead to underground. The riser poles will be installed just north of Basler Street and North 18th Street. From there the lines will go underground and traverse one of two proposed routes as follows.
 - Route 1: The lines would head south along North 18th Street to Dreher Street. On Dreher Street the lines would head west until reaching Ahern Street. At Ahern Street the lines would head south until reaching A Street. At A Street the lines would head west and enter Station J. The lines will be encased in a concrete duct bank.
 - Route 2: The lines would head south along North 18th Street until reaching North B Street. At North B Street the lines would head west until reaching Ahern Street. At Ahern Street the lines would head south to A Street. At A Street the lines would head west and enter Station J. The lines will be encased in a concrete duct bank.

The proposed substation would house electrical equipment, including power transformers, gas insulated equipment, switchgear, capacitors, instrument transformers, control and relay equipment, remote monitoring equipment, telecommunications equipment, batteries, steel structures, switches, underground conductor and cable, an electrical bus, and a control building. Station J would include up to five 40 MVA 115/21 kV transformers to serve the SMUD network.

Construction equipment and materials staging would generally occur within the project site. While offsite staging areas have not yet been identified and would be identified by the contractor based on availability at the time, it is assumed that any offsite staging areas

would be within one mile of the project site. During construction, access to the project site would be maintained, with the primary access point for construction equipment, deliveries, and workers located from North B Street or North 14th Street. Temporary road closures could occur during construction and would vary in location and duration based on construction requirements. Additionally, construction activities would occur during daylight hours and would not require nighttime lighting.

Construction is anticipated to begin in 2026 and be completed in 2030. Timing is based on load growth and the planned 2030 City of Sacramento Water Treatment Plant expansion, which is projected to include approximately 17 MW demand based upon current load factors.

Potential Approvals and Permits Required: Elements of the project could be subject to permitting and/or approval authority of other agencies. As the lead agency pursuant to CEQA, SMUD is responsible for considering the adequacy of the CEQA documentation and determining if the project should be approved. Other potential permits required from other agencies could include:

State

- **California Department of Transportation:** Permits and/or transportation management plan for any oversized equipment or excessive loads on State Highways.
- California's Department of Toxic Substances Control (DTSC): Approval of permit or modified permit for project installation impacts at City landfill.

Local

- Sacramento Metropolitan Air Quality Management District: Authority to Construct/Permit to Operate pursuant to Sacramento Metropolitan Air Quality Management District Regulation 2 (Rule 201 et seq.).
- City of Sacramento:
 - Encroachment permit.
 - Design review.
 - o Improvement plans.
 - National Pollution Discharge Elimination System (NPDES) permit.
 - Tree removal permit to comply with the City of Sacramento Tree Ordinance.
 - Transmission Facilities Permit to comply with Sacramento City Code requirements.

Potential Environmental Effects: The EIR will describe the significant direct and indirect environmental impacts of the project. The EIR also will evaluate the cumulative impacts of the project, defined as impacts that could be exacerbated when considered in conjunction with other related past, present, and reasonably foreseeable future projects. SMUD anticipates that the project could result in potentially significant environmental impacts in the following resource areas, which will be further evaluated in the EIR:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Noise and Vibration
- Transportation
- Tribal Cultural Resources
- Utilities

These potential impacts will be assessed and discussed in detail in the EIR, and feasible and practicable mitigation measures will be recommended to reduce any identified significant or potentially significant impacts.

SMUD anticipates that the project would not result in significant environmental impacts in the following resource areas, which will not be further evaluated in the EIR: agriculture and forestry resources, energy, land use and planning, mineral resources, population and housing, public services, recreation, and wildfire. SMUD has prepared an Initial Study (IS) that provides analysis of these resource areas.

Comment Period: Written comments on the NOP can be sent anytime during the NOP review period which begins February 22, 2023 and ends on March 23, 2023. Please send your written or electronic responses, with appropriate contact information, to the following address:

Rob Ferrera Sacramento Municipal Utility District Environmental Management P.O. Box 15830 MS B203 Sacramento, CA 95852-1830 rob.ferrera@smud.org

Digital copies of the NOP are available on at smud.org/StationJ.

Public Meeting: Written comments on the NOP may also be provided during the virtual public meeting to be held March 9, 2023 at 5:30 p.m. During the scoping session, project information can be discussed with SMUD staff and written NOP comments will also be accepted via email. If you have questions regarding the NOP or the public meeting, please contact Rob Ferrera at the email address shown above. Access to the public meeting will be provided through a meeting link found at smud.org/StationJ.