

**SACRAMENTO MUNICIPAL UTILITY DISTRICT'S
UPPER AMERICAN RIVER PROJECT
(FERC NO. 2101)**

**SUPPLEMENTAL
PRELIMINARY DRAFT
ENVIRONMENTAL ASSESSMENT**

SECTION 5.3.12 – GROWTH INDUCING EFFECTS

Sacramento Municipal Utility District
Sacramento, California

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5.3.12 Growth Inducing Effects of the Agency Alternative

To determine the growth-inducing effects of the Agency Alternative in Sacramento and El Dorado counties, SMUD compared the effects of the Agency Alternative on current expected levels of growth (i.e., baseline conditions) within these regions. For the purpose of this SPDEA, a growth-inducing effect results if the Agency Alternative encourages growth not consistent with existing land use plans, growth management plans, or policies for the areas by: 1) fostering economic or population growth or additional housing; 2) removing obstacles to growth; 3) requiring new community services or facilities; or 4) encouraging other activities that cause significant environmental effects.

5.3.12.1 Effects on Sacramento County

The Agency Alternative will not have a significant effect on growth in the Sacramento region compared to either baseline conditions or the Proposed Action. The population of the greater Sacramento region has been growing at an annual rate of approximately two percent and is expected to continue growing at this rate throughout the next decade. This growth is expected to occur regardless of whether the Proposed Action or the Agency Alternative is approved. Thus, neither the Proposed Action nor the Agency Alternative will result in any growth-inducing effects in Sacramento County (License Application, PDEA, p. 5-444).

However, the Agency Alternative may limit SMUD's ability to meet the energy demand associated with this growth. The Agency Alternative effectively precludes the Iowa Hill Development, which will provide SMUD with 400 MW of additional local peaking capacity (this represents about six to seven years of SMUD's anticipated load growth). Loss of flexibility in water use due to the Agency Alternative's water level restrictions at the three storage reservoirs, moreover, will effectively reduce Project Dependable Capacity by another 222 to 470 MW. Thus, the Agency Alternative limits SMUD's ability to meet energy demands given the growth that will occur with or without the Proposed Action or the Agency Alternative. Therefore, SMUD will be forced to obtain additional, substantial peaking capacity to meet future electrical demand.

5.3.12.2 Effects on El Dorado County

The Agency Alternative will not have a significant effect on growth in El Dorado County compared to either baseline conditions or the Proposed Action. As in Sacramento County, growth in El Dorado County is expected to occur regardless of whether the Proposed Action or the Agency Alternative is approved.

The Iowa Hill Development will improve access to the Iowa Hill area. However, future residential development in the Iowa Hill area will continue to be limited due to the lack of utilities (License Application, PDEA, p. 5-445). Thus, the improved access caused by the proposed Iowa Hill Development will not facilitate further development. As a result, compared

to either the Proposed Action or baseline conditions, the Agency Alternative's effective preclusion of the Iowa Hill Development will not affect growth in the Iowa Hill area.