DEPARTMENT OF ENERGY
Office of Energy Efficiency and Renewable Energy
Finding of No Significant Impact; Energy Efficient Performance Requirements for New Federal Commercial and Residential Buildings


ACTION: Finding of no significant impact (FONSI).


For Further Information Regarding the DOE NEPA Process, Contact: Carol Borgstrom, Director, Office of NEPA Policy and Compliance (EH–42), 1000 Independence Avenue, SW., Washington, DC 20585–0119, (202) 586–4600, or leave a message at (800) 472–2756.

SUPPLEMENTARY INFORMATION:
Description of the Proposed Action: The action is the establishment of revised energy efficiency requirements for new Federal commercial and multi-family high rise residential buildings and low-rise residential buildings.

Environmental Impacts: The EA evaluates the environmental impacts of five alternatives to the new standards for the design and construction of new Federal buildings. Each alternative action is presented, and the energy efficiency requirements (and hence the environmental impacts) of each alternative are compared to what would be expected to happen if no new standard were adopted, i.e., the “no action” alternative. In this EA, the “no action” alternative is the standard level under the required efficiency levels of the standards prior to amendment. The EA also examined the projected effects of standard levels mandated under section 305 of ECPA without any additional improvement in energy efficiency, i.e., the level of energy efficiency achieved under ANSI/ASHRAE/IESNA Standard 90.1–2004 (for commercial and high-rise multi-family residential buildings) or the 2004 IECC (for low-rise residential buildings). Levels of 10 percent, 20 percent, 30 percent, 40 percent and 50 percent energy savings over the minimum requirements are examined as alternatives that might be achieved by agencies attempting to meet the “at least 30 percent savings, if life-cycle cost-effective” provision of the requirements.

The EA also examines the environmental impacts of the final rule on building habitability (indoor environment, focusing on possible alterations to indoor air quality) and the outdoor environment (emissions of criteria pollutants and greenhouse gases). The EA finds that implementation of the final rule would
not impact building habitability (indoor air) as no change to mechanical ventilation rates or building envelope that would affect indoor air quality are being made. The EA also finds that implementation of this rule would not adversely affect minority or low-income populations, nor is the rule expected to impact wetlands, endangered species, or historic or archaeological sites.

The purpose of the final rule is to improve energy efficiency. The main environmental impact of the final rule is a reduction in emissions to the outdoor air from fossil-fueled electricity generation. The alternatives are projected to result in decreased electricity use and, therefore, a reduction in power plant emissions. The environmental analysis focuses on two criteria pollutants, nitrogen oxides (NOx) and sulfur dioxide (SO2), and one additional emission, carbon.

For commercial and high-rise multi-family residential buildings, at the 30 percent reduction level, carbon dioxide emissions are estimated to be reduced by 38,500 metric tons of carbon in the first year the rule is in effect, with the savings compounding in future years as more Federal construction occurs. Nitrogen oxides and sulfur dioxide emissions are estimated to be reduced by 317 and 625 tons, respectively, in the first year the rule is in effect.

For low-rise residential buildings, at the 30 percent reduction level, carbon dioxide emissions are estimated to be reduced by 763 metric tons of carbon in the first year the rule is in effect, with the savings compounding in future years as more Federal construction occurs. Nitrogen oxides and sulfur dioxide emissions are estimated to be reduced by about 4 tons each in the first year the rule is in effect.

The EA was originally developed based on an interim final rule published on December 3, 2006. DOE received 20 comments on the interim final rule and made minor changes and clarifications in the Final Rule to address these comments. None of the changes or clarifications would lead to any change to the findings of the EA for the interim final rule. The EA was posted on the DOE Web site at [http://www1.eere.energy.gov/femp/pdfs/doe_ea1463.pdf](http://www1.eere.energy.gov/femp/pdfs/doe_ea1463.pdf) and received no comments. Therefore, DOE is issuing the EA developed for the interim final rule in support of the final rule.

**Determination:** Based upon the EA, DOE has determined that the adoption of the new building energy standards (10 CFR part 435 and 10 CFR part 437 subpart A) alone will not constitute a major Federal action significantly affecting the quality of the human environment, within the meaning of NEPA. Therefore, an EIS is not required.

Issued in Washington, DC, on November 1, 2007.

**Alexander A. Karsner,**

Assistant Secretary, Energy Efficiency and Renewable Energy.

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DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission

[Docket No. EL08–8–000]

Mirant Energy Trading, LLC, Mirant Chalk Point, LLC, Mirant Mid-Atlantic, LLC, and Mirant Potomac River, LLC v. PJM Interconnection, LLC; Order on Complaint and Setting Case for Hearing and Settlement Judge Proceedings;

January 4, 2008.

Before Commissioners: Joseph T. Kelliher, Chairman; Suedeen G. Kelly, Marc Spitzer, Philip D. Moeller, and Jon Wellinghoff.

1. On November 8, 2007, Mirant Energy Trading, LLC, Mirant Chalk Point, LLC, Mirant Mid-Atlantic, LLC, and Mirant Potomac River, LLC (jointly, Mirant) filed a complaint against PJM Interconnection, LLC (PJM). The complaint alleges that the default rate for the Third Incremental Auction as part of PJM’s Reliability Pricing Model (RPM) is unjust and unreasonable and requests that the Commission institute a new default rate for the auction to be held January 7, 2008.

2. The Commission grants, in part, and dismisses, in part, the complaint. The Commission finds that Mirant has made a sufficient showing that the prices resulting from the RPM program’s Third Incremental Auction may be unjust and unreasonable and may need to be replaced. However, as Mirant’s own answer indicates, even if the existing pricing structure is found unjust and unreasonable, there is a significant dispute as to the appropriate just and reasonable replacement. The Commission therefore sets the RPM market rules relating to the Third Incremental Auction for hearing, but holds the hearing in abeyance pending settlement judge proceedings. Because this proceeding will extend beyond the auction to be held on January 7, 2008, the Commission cannot make a finding on this matter before that auction is held, and refunds would not be appropriate, the Commission dismisses Mirant’s complaint with respect to that auction.

1. **Background**

A. **RPM**

1. **Auction Mechanism to Set the Price of Capacity**

3. As discussed extensively in prior Commission orders, the Commission found that PJM’s capacity market as it existed prior to RPM was unjust and unreasonable. On August 31, 2005, PJM and several of its customers filed a proposed settlement establishing the RPM market mechanism. The settlement proposed a capacity market under which capacity sellers would offer, and PJM would purchase, capacity on a multi-year forward basis through an auction mechanism, and that prices for capacity would be derived through these forward auctions.

4. Under RPM, PJM conducts multiple auctions in advance of each Delivery Year to procure capacity for that year. PJM first conducts a Base Residual Auction (BRA) three years in advance of the Delivery Year. Capacity sellers offer capacity into the BRA, and the offers create a demand curve that determines the price of capacity (absent mitigation, which will be discussed infra). Thus, the offers submitted into the market determine a single clearing price for all capacity (i.e., the highest-priced offer accepted by PJM sets the price for all the capacity that PJM purchases).2

5. After the BRA for each Delivery Year, PJM conducts three incremental auctions for that year, to enable market participants to obtain additional capacity that may be needed for that Delivery Year, either to replace previously-committed resources that have become unavailable, or to accommodate an increase in the forecasted load.3 The Third Incremental Auction (conducted four months prior to the start of the Delivery Year) allows

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2 Additionally, the RPM mechanism provided that different locations within PJM might have different prices, if necessary to reflect the amount of capacity that must be acquired within each separate location.

3 Mirant’s complaint (Complaint at 6–7, footnotes omitted):

The First Incremental Auction is conducted

* * * 23 months prior to the start date of the Delivery Year, and allows Capacity Market Sellers that committed resources in the BRA for such Delivery Year to submit Buy Bids for replacement capacity. * * * The Second Incremental Auction is conducted only if necessary for PJM to secure additional capacity resource commitments to satisfy an increase in the projected peak load for the PJM Region. If held, the Second Incremental Auction is conducted in April, 13 months prior to the Delivery Year.