

## **SECTION 2**

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### **PROJECT DESCRIPTION**

#### **PROJECT CHARACTERISTICS**

##### **SALE OF ELECTRICAL GENERATING FACILITIES**

Southern California Edison Company's (Edison's) divestiture application (Application No. 96-11-046) seeks authority from the California Public Utilities Commission (CPUC) to sell, by means of an auction, close to 100% of its natural gas and fuel oil fired generation assets, located at twelve plant facilities in southern California.<sup>1</sup> Approval of the auction process is now being considered by the CPUC. As part of its decision-making process, the CPUC must determine whether the proposed sales are in the public interest. The generating stations proposed for divestiture include the following: Alamitos; Cool Water; Ellwood; El Segundo; Etiwanda; Highgrove; Huntington Beach; Long Beach; Mandalay; Ormond Beach; Redondo; and San Bernardino. The locations of these stations are shown in Figure 2.1. These stations have various types and sizes of power generating units. Combined, these facilities consist of 9,562 megawatts of dependable summer generating capacity. The plants' characteristics are summarized in Table 2.1 and described below (see Facility Descriptions). Edison's application (A. 96-11-046) includes identification of the plants and ancillary equipment and systems to be sold, a description of the auction process, and the proposed form of sale contract and ancillary agreements.

If the CPUC decides that Edison's auction protocols and procedures, and the forms of sale contract and ancillary agreements, are acceptable and will determine the fair market value for the plants, then Edison will proceed with its auction and secure firm bids for the plants. Following selection of the winning bidder, Edison will return to the CPUC for final approval of the sales.

The proposed auction process includes three basic stages. In Stage 1, Edison is informing potentially interested parties of its intention to hold the auction. Potential bidders were prequalified and have received a confidential offering memorandum from Edison. Stage 1 is scheduled for completion in August 1997. During Stage 2, if the CPUC approves the auction process, Edison will have all bidders submit initial indications of interest (in effect, nonbinding bids), and Edison will select a short list of bidders. These bidders will receive opportunities for on-site due diligence, and then they will submit additional, final bids. The winning bidders will

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<sup>1</sup> The Pebbly Beach facility on Catalina Island would not be sold.

Insert Figure 2.1: Location Map In Graphics

TABLE 2.1: DESCRIPTIONS OF SOUTHERN CALIFORNIA EDISON COMPANY FACILITIES

Facility Name	Unit	Dependable <sup>1</sup> Capacity	Type	Start-up Year	Primary Fuel, Back-up Fuel <sup>2</sup>	Percentage of Hours in Service <sup>3</sup>
Alamitos Generating Station	1	175 MW	steam turbine	1956	natural gas, oil	14.7%
	2	175 MW	steam turbine	1957	natural gas, oil	14.7%
	3	320 MW	steam turbine	1961	natural gas, oil	14.7%
	4	320 MW	steam turbine	1962	natural gas, oil	14.7%
	5	480 MW	steam turbine	1966	natural gas, oil	38.9%
	6	480 MW	steam turbine	1966	natural gas, oil	38.9%
	7	133 MW	combustion turbine	1969	natural gas, distillate <sup>4</sup>	0.50%
Cool Water Generating Station	1	65 MW	steam turbine	1961	natural gas, oil	27.0%
	2	81 MW	steam turbine	1964	natural gas, oil	27.0%
	3	241 MW	combined cycle	1978	natural gas, oil	21.0%
	4	241 MW	combined cycle	1978	natural gas, oil	21.0%
El Segundo Generating Station	1	175 MW	steam turbine	1955	natural gas, oil	20.5%
	2	175 MW	steam turbine	1956	natural gas, oil	20.5%
	3	335 MW	steam turbine	1964	natural gas, oil	20.5%
	4	335 MW	steam turbine	1965	natural gas, oil	20.5%
Ellwood Energy Support Facility	1	48 MW	combustion turbine	1973	natural gas, distillate	0.39%
Etiwanda Generating Station	1	132 MW	steam turbine	1953	natural gas, oil	18.9%
	2	132 MW	steam turbine	1953	natural gas, oil	18.9%
	3	320 MW	steam turbine	1963	natural gas, oil	18.9%
	4	320 MW	steam turbine	1963	natural gas, oil	0.45%
	5	126 MW	combustion turbine	1969	natural gas, distillate <sup>4</sup>	0.45%
Highgrove Generating Station	1	32.5 MW	steam turbine	1952	natural gas, oil	0.2%
	2	32.5 MW	steam turbine	1952	natural gas, oil	0.2%
	3	44.5 MW	steam turbine	1953	natural gas, oil	0.2%
	4	44.5 MW	steam turbine	1955	natural gas, oil	0.2%
Huntington Beach Generating Station	1	215 MW	steam turbine	1958	natural gas, oil	17.0%
	2	215 MW	steam turbine	1958	natural gas, oil	17.0%
	3*	NA	steam turbine	1961	NA	NA
	4*	NA	steam turbine	1961	NA	NA
	5	133 MW	combustion turbine	1969	natural gas, distillate <sup>4</sup>	0.53%

(Continued)

TABLE 2.1: DESCRIPTIONS OF SOUTHERN CALIFORNIA EDISON COMPANY FACILITIES (Continued)

Facility Name	Unit	Dependable <sup>1</sup> Capacity	Type	Start-up Year	Primary Fuel, Back-up Fuel <sup>2</sup>	Percentage of Hours in Service <sup>3</sup>
Long Beach Generating Station	1	60 MW	combustion turbine	1976	natural gas, distillate	3.9%
	2	60 MW	combustion turbine	1976	natural gas, distillate	3.9%
	3	60 MW	combustion turbine	1976	natural gas, distillate	3.9%
	4	60 MW	combustion turbine	1976	natural gas, distillate	3.9%
	5	60 MW	combustion turbine	1977	natural gas, distillate	3.9%
	6	60 MW	combustion turbine	1977	natural gas, distillate	3.9%
	7	60 MW	combustion turbine	1977	natural gas, distillate	3.9%
	8	80 MW	combined cycle	1976	(steam turbine)**	3.9%
	9	60 MW	combined cycle	1977	(steam turbine)**	3.9%
Mandalay Generating Station	1	215 MW	steam turbine	1959	natural gas, oil	32.6%
	2	215 MW	steam turbine	1959	natural gas, oil	32.6%
	3	140 MW	combustion turbine	1971	natural gas, distillate	0.27%
Ormond Beach Generating Station	1	750 MW	steam turbine	1971	natural gas, oil	22.8%
	2	750 MW	steam turbine	1973	natural gas, oil	22.8%
Redondo Generating Station	1*	NA	steam turbine	1948	NA	NA
	2*	NA	steam turbine	1948	NA	NA
	3*	NA	steam turbine	1949	NA	NA
	4*	NA	steam turbine	1949	NA	NA
	5	175 MW	steam turbine	1954	natural gas, oil	5.3%
	6	175 MW	steam turbine	1957	natural gas, oil	5.3%
	7	480 MW	steam turbine	1967	natural gas, oil	36.4%
	8	480 MW	steam turbine	1967	natural gas, oil	36.4%
San Bernardino Generating Station	1	63 MW	steam turbine	1957	natural gas, oil	2.9%
	2	63 MW	steam turbine	1958	natural gas, oil	2.9%

\* These units are inactive and have been placed into long term return-to-service status, meaning their capacity is not counted as dependable operating capacity. Necessary permits for operation have been relinquished.

\*\* Operated as combined cycle units in conjunction with combustion turbines.

NA Not Applicable.

1 This column shows the summer dependable output for each unit; the maximum winter dependable output is shown for the Long Beach Generating Station.

2 Back-up fuel capability is intended to be employed only in emergency situations.

3 Averaged over a five year period (1992-1996). Percentage of hours shown typically represents the average capacity for multiple units within a plant. These may be distinguished by identical percentage values for each unit within the group. Data taken from Southern California Edison Company Uniform Monthly Fuels and Operations Reports, 1992 to 1996. These percentages do not necessarily indicate operation at full capacity.

4 Back-up distillate fuel burning capability is intended to be employed in black-start situations.

SOURCE: Southern California Edison Company, *Proponent's Environmental Assessment (PEA), Application of Southern California Edison Company (U 338-E) for Authority to Sell Gas-fired Electrical Generating Facilities (Application No. 96-11-046)*, November 27, 1996; and Southern California Edison Company, *Descriptions of the Plants for Sale*, November 1996.

be selected in Stage 3. These bidders will execute definitive agreements with Edison, and the CPUC will review and consider the approval of the final agreements.

The sale of the power plants would include transfer of permits and RECLAIM Trading Credits (RTCs) (for plants within the South Coast AQMD) necessary for the operation of each plant (e.g., air and water permits).<sup>2</sup> Separate ownership and control of the transmission lines is not expected to affect the operational flexibility of the power lines.

The sale of the facilities would be subject to Asset Sale Agreements between Edison and the buyers. These agreements would be intended to ensure an accurate valuation of the assets sold in order to attract financially sound buyers, to facilitate the auction and the accompanying regulatory approval process, and to avoid unnecessary delays in the transition to a market-based system for the sale of electric power. Buyers would also be expected to enter into at least two other agreements with Edison: an Operations and Maintenance Agreement, under which Edison would operate and maintain the facilities for two years; a Facilities Services Agreement, relating to a variety of services and facilities that relate to both the sold and retained assets. A Local Reliability Dispatch Agreement between the Independent System Operator (ISO) and the new owner of any must-run facilities will also be required. One or more Radial Lines Agreements may also be required to address certain radial lines that extend from four of Edison's generation facilities.

The basic provisions of the Asset Sale Agreements would outline the terms of the asset sales through which the buyers would acquire the assets and specified liabilities associated with the relevant generation facilities. The assets to be acquired would include real property, equipment, supplies, contracts, licenses, permits, books, and records. Excluded assets to be retained by Edison would include Edison Pipeline and Terminal Co. facilities, backup fuel storage tanks at certain sites (and the ground beneath those tanks), switchyards, certain grid-related switching equipment, certain communications equipment and facilities, and certain proprietary computer hardware and software. The liabilities to be acquired by the buyers would include contract liabilities and open purchase orders. The buyers would not assume liabilities related to any excluded asset, breaches of contract, violations of law, litigation claims existing prior to the closing, indebtedness, or liabilities to employees under Edison's collective bargaining agreements. As to environmental liabilities, Edison would provide an indemnity for specific categories of known and unknown liabilities, subject to certain exceptions. In general, Edison would retain responsibility for both known and unknown environmental conditions that pre-date the sale of the assets, subject to certain limitations. Any new environmental liabilities created after the change in ownership would belong to the new owner (Edison, 1996b).

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<sup>2</sup> Units 1 through 4 at the Redondo Generating Station and 3 through 4 at Huntington Beach Generation Station have been placed into long term return to services status, meaning their capacity is not counted as dependable operating capacity. Permits necessary for operations have been relinquished.

## MUST-RUN GENERATION AND TRANSMISSION UPGRADES

Edison has designed and built its total system in an integrated fashion and coordinates the operation of its generation and transmission facilities to provide reliable service to its customers. This established system has allowed Edison to rely on the operation of certain generating stations (known as "must-run"<sup>3</sup> generation) to serve local loads reliably and to maintain the rating of regional transmission facilities. Edison has concluded, and the ISO has confirmed, that currently six of Edison's natural gas-fired stations, with 6,576 MW of dependable generating capacity, are in this "local reliability" or "must-run" category (Alamitos, El Segundo, Etiwanda, Huntington Beach, Mandalay and Redondo). As such, these plants would be subject to continuing regulation in the form of local reliability contracts.

In addition to its divestiture application, Edison has submitted an application (Application No. 96-11-047) for rate treatment of certain proposed transmission facility upgrades. Edison believes that these upgrades would improve the capability of the regional transmission system to the extent that four of the fossil plants proposed for divestiture would no longer be considered must-run facilities for reliability purposes. According to Edison, its proposed upgrades would reduce the number of stations subject to such continuing regulatory oversight to only the Huntington Beach and Alamitos plants, representing 2,646 MW of capacity. Edison believes the transmission facility upgrades would, by reducing the amount of must-run generation, expand the scope of competition, minimize reliability issues associated with generation, and allow the divestiture to go forward with far less continuing regulation. Edison requests that the CPUC recognize the upgrades as authorized under Public Utilities Code 376 ("Section 376 upgrades") in order to facilitate cost recovery associated with the proposed upgrades by extending the CTC recovery beyond March 31, 2002.

Because the terms of the must-run contract could affect the economics of a must-run plant, Edison has not proposed to take initial indications of interest on the must-run facilities and to further proceed with the auction of those facilities until the form of must-run contract has received the requisite approval of the Federal Energy Regulatory Commission (FERC). It is not known when that approval will be received, so Edison intends to proceed first with the auction of the non-must-run plants, and to follow later with the auction of the must-run plants once the form of must-run contract is approved by FERC.

Edison initially intended to sell the twelve plants in four prescribed "bundles" (groupings of plants arranged according to geographical proximity with each other). This proposal was premised on the assumption, however, that Edison's proposed transmission upgrades would take place, since those upgrades would enable Edison to place the only two remaining must-run plants (Alamitos and Huntington Beach) in a separate, stand-alone bundle that could be auctioned later, allowing Edison to proceed first with the auction of the other three plant bundles. Edison's application to the CPUC

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<sup>3</sup> A power plant is defined as a "must-run" facility when its availability is necessary to provide electricity generation to support the reliability of the electricity system. It might more accurately be termed "must-be-available."

regarding rate treatment of the proposed transmission upgrades has not yet been approved, however. Consequently, it is not clear when, if ever, the transmission upgrades would be installed. In this circumstance, with six, geographically scattered facilities still subject to must-run contracts for an indefinite period, Edison has concluded that its original "bundling" proposal is not feasible. Edison therefore has supplemented its divestiture application to state that it now intends to auction the five<sup>4</sup> non-must-run generating stations first, as soon as the CPUC approval process enables it to do so, and to auction the remaining plants once FERC has approved the form of must-run contract.

Edison proposes to auction the non-must-run facilities "unbundled" (i.e., a bidder may bid on any or all of those plants, singly or in any combination). Edison has requested flexibility to determine later if it will auction the must-run plants bundled or unbundled.

### **PROJECT PURPOSE AND NEED**

In the CPUC's December 20, 1995, *Restructuring Policy Decision*, the CPUC embraced market competition in the provision of electric services to offer retail customers choice and flexibility in energy services. To this end, the CPUC concluded that the state's largest investor-owned utilities should voluntarily divest themselves of at least 50% of their fossil fuel-fired generating capacities within their service territories. Although the essential elements of restructuring are now required by law (AB 1890), the divestiture of these generation assets is not. AB 1890 requires that these assets must be sold or otherwise market-valued by January 1, 2002, but the means of accomplishing this is subject to the approval of the CPUC. The project is intended to advance the CPUC's objective that Edison voluntarily divest itself of at least 50% of its fossil-fueled generating capacity located within its service territory, as well as establish market values for these assets for purposes of determining transition costs.

### **FACILITY DESCRIPTIONS OF GENERATING PLANTS TO BE SOLD**

The locations and general characteristics of each of the facilities Edison proposes to divest are presented in Table 2.1 and described below. Edison would retain a portion of the property and a portion of the assets at each of the generating stations proposed for divestiture. The portion of the property to be retained by Edison would be retained either in fee or by easement, license, lease or the like.

In order for Edison to sell the plants as described herein, Edison has had to process lot line adjustments at each site. At Alamitos, Cool Water, Ellwood, Etiwanda, Long Beach, Mandalay, Ormond, El Segundo, and San Bernardino, Edison's lot line adjustment applications have been approved by the local jurisdiction, allowing these sites to be divided as shown below.

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<sup>4</sup> There are currently six non-must-run plants, but one of them, Ellwood, is a smaller peaker facility that is unstaffed and operated remotely from Mandalay Generation Station (a must-run facility). Edison proposes to sell Ellwood at the same time as Mandalay, in the must-run auction.



Edison's lot line adjustment applications for Highgrove and Redondo are still pending and may not be approved before the auction of that plant. At Highgrove, Edison will either divide the property along existing lot lines if the lot line adjustment is not approved prior to the auction, or if approved, divide the property as proposed in the lot line adjustment application. At Redondo, Edison will either sell the entire property, retaining easements and the transmission facilities, if the lot line adjustment is not approved prior to the auction, or if approved, divide the property as proposed in the lot line adjustment application. Both scenarios for these plants are shown below.

Edison does not expect timely approval of the Huntington Beach lot line adjustment application and currently plans to divide the property along existing lot lines as shown below.

## **ALAMITOS**

The Alamitos Generating Station is a 234-acre site located in Los Angeles County at 690 North Studebaker Road in Long Beach. The station's power block has seven power generating units, related retention basins, and a channel-fed cooling system. The station has a maximum summer dependable output of 2,083 MW and a maximum winter dependable output of 2,097 MW with all units in operation. Other station facilities proposed for divestiture include two office buildings, a warehouse, equipment storage, training and maintenance facilities, and a distillate fuel tank. The area surrounding the facility includes a variety of residential, commercial, retail, office, hotel, and light industrial development. The closest residences are located 300 feet to the west across Studebaker Road and Los Cerritos Channel. Figure 2.2 shows the location of the Alamitos Generating Station. Figure 2.3 delineates the approximate boundary of property to be either retained or sold.

Edison would sell approximately 127 acres of the 234-acre site and retain the following assets of the plant: a fuel-oil storage and transportation system, including fuel-oil tanks, cutter stock tanks, fuel-oil heaters and associated pumps and piping; a switchyard system comprised of 220 kV and 66 kV switchyards, circuit breakers, towers, lines, structures and buildings and electrical protection; SCEnet communication equipment; and other assets unrelated to power generation, including vacant land and licensed property. Under Edison's proposal, the new owner would be obligated to retain the existing back-up fuel oil capability of the plant, at least for an interim period, by obtaining any required fuel oil from the Edison-retained fuel oil storage facilities. During that interim period, the ISO and/or CPUC would determine whether and how the back-up fuel oil capability of the plant should be preserved for the longer term.

Insert Figure 2.2: Location of the Alamitos Generating Station

Insert Figure 2.3: Alamitos Generating Station Property Lines

## **COOL WATER**

The Cool Water Generating Station is a 2,395-acre site located at 3700 Santa Fe Road in a remote, sparsely-populated desert area of the unincorporated community of Daggett in San Bernardino County. The station's power block has four power generation units, related retention basins, and a cooling system that relies upon cooling towers. The station has a maximum summer dependable output of 628 MW and a maximum winter dependable output of 658 MW with all units in operation. The station includes an office building, training center, general maintenance shop and miscellaneous equipment storage, and a distillate fuel tank. Much of the property surrounding the generating units is currently dedicated to agricultural and open space use, combined with a variety of plant-related facilities such as evaporation ponds, tanks, and the Solar II Project. Figure 2.4 shows the location of the Cool Water Generating Station. Figures 2.5 and 2.6 show the approximate boundary of the property being either retained or sold.

Edison would sell 212 acres of the 2,395-acre site and would retain the following plant assets: an inactive fuel storage system, including fuel-oil tanks, fuel heaters and associated pumps and piping; a switchyard system comprised of a 220 kV switchyard, a 115 kV switchyard, circuit breakers, towers, lines, structures and buildings and electrical protection; SCEnet communication equipment; solar generating facilities; a transmission corridor for the Los Angeles Department of Water and Power (LADWD) Hoover line on 100 acres of land; and other assets unrelated to power generation, including vacant land, licensed property, a former research facility, farmland, and a greenhouse.

## **ELLWOOD**

The Ellwood Energy Support Facility is located on a 3.5-acre site in Santa Barbara County at 30 Los Armas Road in the unincorporated community of Goleta. The station consists of one power generating unit. The station has a maximum summer dependable output of 48 MW, and a maximum winter dependable output of 53 MW. The unit is currently operated remotely from the Mandalay station and has no on-site employees. Air emission restrictions limit the station's operating hours to 200 hours per year. The facility was constructed to provide Santa Barbara County with emergency energy in the event of a major transmission system disturbance. Additional plant facilities include a small building and a maintenance shop. Adjacent land uses include a school located approximately 200 feet to the east, a golf course to the west and southwest, residential areas 500 feet to the north across U.S. Highway 101, and other residential areas located 1,000 feet to the east and southeast. Figure 2.7 shows the location of the Ellwood Energy Support Facility. Figure 2.8 shows the approximate boundary of the property being either retained or sold.

Edison would sell 1.5 acres of the 3.5-acre site and would retain assets unrelated to power generation, including vacant land.

Insert Figure 2.4: Location of the Cool Water Generating Station

Insert Figure 2.5: Cool Water Generating Station Property Lines (Sheet a)

Insert Figure 2.6: Cool Water Generating Station Property Lines (Sheet b)

Insert Figure 2.7: Location of the Ellwood Energy Support Facility



Insert Figure 2.8: Ellwood Energy Support Facility Property Lines

## **EL SEGUNDO**

The El Segundo Generating Station is a 33-acre site located in Los Angeles County at 301 Vista Del Mar Boulevard in the City of El Segundo. The station's power block has four units, related retention basins, and an ocean fed cooling system. The station has a maximum summer and winter dependable output of 1,020 MW with all units in operation. Additional station facilities proposed for sale include a main administration building and a small satellite building. Adjacent land uses include a Chevron Oil refinery 0.5 miles to the east, a Los Angeles Department of Water and Power generating station one mile to the north, Manhattan Beach State Park to the south, Dockweiler State Beach Park to the west, and high-density residential areas 150 feet south of the fuel oil storage tanks. Figure 2.9 shows the location of the El Segundo Generating Station. Figure 2.10 shows the approximate boundary of the property being either retained or sold.

Edison would sell 22 acres of the 33-acre site and would retain the following plant assets: a fuel-oil storage and transportation system, including fuel-oil tanks, cutter stock tanks, fuel-oil heaters and associated pumps and piping; a switchyard system comprised of a 220 kV switchyard, circuit breakers, towers, lines, structures and buildings and electrical protection; and, SCENet communication equipment.

Under Edison's proposal, the new owner would be obligated to retain the existing back-up fuel oil capability of the plant, at least for an interim period, by obtaining any required fuel oil from the Edison-retained fuel oil storage facilities. During that interim period, the ISO and/or CPUC would determine whether and how the back-up fuel oil capability of the plant should be preserved for the longer term.

## **ETIWANDA**

The Etiwanda Generating Station is a 209-acre site located in San Bernardino County at 8996 Etiwanda Avenue in the City of Rancho Cucamonga. The station's power block has five units, related retention basins, and a cooling system that relies on cooling towers. The station has a maximum summer dependable output of 1,030 MW with all units in operation and a maximum winter dependable output of 1,046 MW. Additional facilities include the Pedley gas spur line, an office building, a general maintenance shop, a warehouse and a distillate fuel tank. The site is located in the southeast portion of the city of Rancho Cucamonga, in an area characterized primarily by industrial and agricultural uses. The closest residences are located approximately 1 mile northeast of the site. Figure 2.11 shows the location of the Etiwanda Generating Station. Figure 2.12 shows the approximate boundary of the property being either retained or sold.

Edison would sell 76 acres of the 209-acre site and would retain the following plant assets: a fuel-oil storage and transportation system; a switchyard system comprised of a 220 kV switchyard, a 66 kV switchyard, circuit breakers, towers, lines, structures and buildings and

Insert Figure 2.9: Location of the El Segundo Generating Station

Insert Figure 2.10: El Segundo Generating Station Property Lines

Insert Figure 2.11: Location of the Etiwanda Generating Station

Insert Figure 2.12: Etiwanda Generating Station Property Lines

electrical protection; SCEnet communication equipment; and other assets unrelated to power generation, including vacant land. Under Edison's proposal, the new owner would be obligated to retain the existing back-up fuel oil capability of the plant, at least for an interim period, by obtaining any required fuel oil from the Edison-retained fuel oil storage facilities. During that interim period, the ISO and/or CPUC would determine whether and how the back-up fuel oil capability of the plant should be preserved for the longer term.

## **HIGHGROVE**

The Highgrove Generating Station is a 79-acre site located in San Bernardino County at 12700 Taylor Street in the City of Grand Terrace. The station's power block has four power generating units, related retention basins, and a cooling system that relies on cooling towers. The station has a maximum summer dependable output of 154 MW and winter dependable output of 140 MW with all units in operation. Over the past three years, the facility has been operated an average of one day per year. Additional facilities include two office/administration buildings. Adjacent land uses are mostly industrial and commercial in nature. Other land uses in the area include mixed agricultural, light industrial, and residential uses. Low-density residential areas are located approximately 1,000 feet to the east and south, and open space is located to the north. Figure 2.13 shows the location of the Highgrove Generating Station. Figure 2.14 shows the approximate boundary of the property being either retained or sold. This figure reflects lot line adjustment application that is pending before the City of Grand Terrace. Figure 2.14a shows Edison's proposed property divisions if the lot line adjustment is not approved before the auction.

Edison would sell 17 acres of the 79-acre site and would retain the following plant assets: an inactive fuel-oil storage system, including fuel-oil tanks, fuel heaters and associated pumps and piping; a switchyard system comprised of a 115 kV switchyard, a 66 kV switchyard, circuit breakers, towers, lines, structures and buildings and electrical protection; SCEnet communication equipment; and other assets unrelated to power generation, including farmland and land licensed for use as a park.

## **HUNTINGTON BEACH**

The Huntington Beach Generating Station is a 106-acre site located within Orange County at 21730 Newland Street in the City of Huntington Beach. The station's power block has five units, related retention basins, and an ocean fed cooling system. The station has a maximum summer dependable output of 563 MW and a maximum winter dependable output of 577 MW with all active units in operation. Additional facilities include an administration building, a maintenance shop, a warehouse and a distillate fuel tank. The station lies within the Edison and Sanitation District, characterized by large, isolated industrial plant facilities with conspicuous structures and restrictive fencing. Low-density residential areas are located approximately 1,000 feet to the east and southeast of the generating plant. Figure 2.15 shows the location of the Huntington Beach

Insert Figure 2.13: Location of the Highgrove Generating Station



Insert Figure 2.14: Highgrove Generating Station Property Lines

Insert Figure 2.14a: Highgrove Generating Station Property Lines (no lot line adjustment)

Insert Figure 2.15: Location of the Huntington Beach Generating Station

Generating Station. Figure 2.16 shows the approximate boundary of the property being either retained or sold.

Edison would sell 23 acres of the 106-acre site and would retain the following plant assets: a fuel-oil storage and transportation system, including fuel-oil tanks, cutter stock tanks, fuel heaters and associated pumps and piping; a switchyard system comprised of a 220 kV switchyard, a 66 kV switchyard, circuit breakers, towers, lines, structures and buildings and electrical protection; SCEnet communication equipment; and other assets unrelated to power generation, including a wildlife rehabilitation center and vacant land, including some wetlands. Under Edison's proposal, the new owner would be obligated to retain the existing back-up fuel oil capability of the plant, at least for an interim period, by obtaining any required fuel oil from the Edison-retained fuel oil storage facilities. During that interim period, the ISO and/or CPUC would determine whether and how the back-up fuel oil capability of the plant should be preserved for the longer term.

## **LONG BEACH**

The Long Beach Generating Station is a 43-acre site located within Los Angeles County at 2665 West Seaside Boulevard on Terminal Island in the City of Long Beach. The station's power block includes a combined cycle plant having a total of nine power generating units, related retention basins, and an ocean fed cooling system. Of the nine units at the station, seven are combustion turbines and two are steam turbines. The station has a maximum summer dependable output of 530 MW and a maximum winter dependable output of 560 MW with all units in operation. Additional facilities include an administration building, maintenance shop, and a distillate fuel tank. The station is situated within the Port of Long Beach, an area characterized primarily by industrial land uses, including railroad lines, cranes, open storage lots, warehouses, and other shipping terminal facilities. Figure 2.17 shows the location of the Long Beach Generating Station. Figure 2.18 shows the approximate boundary of the property being either retained or sold.

Edison would sell 19 acres of the 43-acre site and would retain the following plant assets: a fuel-storage and transportation system, including fuel-oil tanks, cutter stock tanks, fuel-oil heaters and associated pumps and piping; a switchyard system comprised of a 220 kV switchyard, a 66 kV switchyard, circuit breakers, towers, lines, structures, and buildings and electrical protection; SCEnet communication equipment; and other assets unrelated to power generation, including a warehousing facility.

## **MANDALAY**

The Mandalay Generating Station is a 205-acre site located within Ventura County at 393 North Harbor Boulevard in the City of Oxnard. The station's power block has three power generation units, related retention basins, and a canal fed cooling system. Water in the canal is drawn from

Insert Figure 2.16: Huntington Beach Generating Station Property Lines

Insert Figure 2.17: Location of the Long Beach Generating Station

Insert Figure 2.18: Long Beach Generating Station Property Lines

Oxnard Marina, about two miles south of the power plant. A portion of the canal is being sold with the plant. The station has a maximum summer dependable output of 570 MW and a maximum winter dependable output of 577 MW with all units in operation. Additional facilities include an administration building, a shop/warehouse, and a distillate fuel tank. The Mandalay station's control room also operates the Ellwood Energy Support Facility. The station is located in a part of Oxnard primarily characterized by agricultural and open space uses. Figure 2.19 shows the location of the Mandalay Generating Station. Figures 2.20 and 2.21 show the approximate boundary of the property being either retained or sold.

Edison would sell 128 acres of the 205-acre site and would retain the following plant assets: a fuel-oil storage and transportation system, including fuel-oil tanks, cutter stock tanks, fuel-oil heaters and associated pumps and piping; an off-shore lease from the State of California which contains an inactive off-shore oil terminal pipeline that serviced the fuel oil storage system; a switchyard system comprised of a 220 kV switchyard, a 66 kV switchyard, circuit breakers, towers, lines, structures and buildings and electrical protection; SCEnet communication equipment; and other assets unrelated to power generation. Under Edison's proposal, the new owner would be obligated to retain the existing back-up fuel oil capability of the plant, at least for an interim period, by obtaining any required fuel oil from the Edison-retained fuel oil storage facilities. During that interim period, the ISO and/or CPUC would determine whether and how the back-up fuel oil capability of the plant should be preserved for the longer term.

## **ORMOND BEACH**

The Ormond Beach Generating Station is a 693-acre site located within Ventura County at 6635 South Edison Drive in the City of Oxnard. The station's power block has two power generation units, related retention basins, and a cooling system that is ocean fed. The station has a maximum summer and winter dependable output of 1,500 MW with both units in operation. Additional station facilities include an administration building, shop and warehouse building. The station is located in an area primarily characterized by agricultural, industrial, and federal government uses. Figure 2.22 shows the location of the Ormond Beach Generating Station. Figure 2.23 shows the approximate boundary of the property being either retained or sold.

Edison would sell 37 acres of the 693-acre site and would retain the following plant assets: a fuel-oil and transportation system, cutter stock tanks, fuel-oil heaters and associated pumps and piping; a switchyard comprised of a 220 kV switchyard, circuit breakers, towers, lines, structures and buildings and electrical protection; SCEnet communication equipment; and other assets unrelated to power generation, including wetlands and farmland. Under Edison's proposal, the new owner would be obligated to retain the existing back-up fuel oil capability of the plant, at least for an interim period, by obtaining any required fuel oil from the Edison-retained fuel oil storage facilities. During that interim period, the ISO and/or CPUC would determine whether and how the back-up fuel oil capability of the plant should be preserved for the longer term.



Insert Figure 2.19: Location of the Mandalay Generating Station

Insert Figure 2.20: Mandalay Generating Station Property Lines

Insert Figure 2.21: Mandalay Cooling Water Canal Property Lines

Insert Figure 2.22: Location of the Ormond Beach Generating Station

Insert Figure 2.23: Ormond Beach Generating Station Property Lines

## **REDONDO**

The Redondo Generating Station is a 56-acre site located within Los Angeles County at 110 Harbor Drive in the City of Redondo Beach. The station's power block has eight units, related retention basins, and three ocean fed cooling systems. The station has a maximum summer and winter dependable output of 1,310 MW from the combined in-use operating units. Additional facilities include a main administration building and a small satellite building. The station is located in a highly urbanized region and is near the Pacific Ocean to the west. Other land uses in the vicinity of the site include residential, commercial, and light industrial uses. The closest residences are located across Herondo Street approximately 50 feet north of the plant's fence line. Figure 2.24 shows the location of the Redondo Generating Station. Figure 2.25 shows the approximate boundary of the property being either retained or sold. Figure 2.25a shows Edison's proposed property if the lot line adjustment is not approved before the auction.

Edison would sell 31 acres of the 56-acre site and would retain the following plant assets: a fuel-oil storage and transportation system, including fuel-oil tanks, cutter stock tanks, fuel-oil heaters and associated pumps and piping; a switchyard system comprised of a 220 kV switchyard, a 66 kV switchyard, circuit breakers, towers, lines, structures and buildings and electrical protection; SCEnet communication equipment; and other assets unrelated to power generation, including vacant land use. Under Edison's proposal, the new owner would be obligated to retain the existing back-up fuel oil capability of the plant, at least for an interim period, by obtaining any required fuel oil from the Edison-retained fuel oil storage facilities. During that interim period, the ISO and/or CPUC would determine whether and how the back-up fuel oil capability of the plant should be preserved for the longer term.

## **SAN BERNARDINO**

The San Bernardino Generating Station is a 103-acre site located within San Bernardino County at 25770 San Bernardino Avenue, just outside of the City of San Bernardino. The station's power block has two power generation units, related retention basins, and a cooling system that relies on cooling towers. The station has a maximum summer and winter dependable output of 126 MW with all units in operation. The station's facilities include an administration building and a warehouse. The station site occupies a flat area surrounded by residential and industrial development on the west, open space on the north, and agricultural areas on the remaining sides. The residential areas closest to the plant are those homes located on the western side of Mountain View Avenue. Figure 2.26 shows the location of the San Bernardino Generating Station. Figure 2.27 shows the approximate boundary of the property being either retained or sold.

Edison would sell 24 acres the 103-acre site and would retain the following plant assets: an inactive fuel-oil storage system, including fuel-oil tanks, fuel heaters and associated pumps and piping; a switchyard system comprised of a 115 kV switchyard, a 66 kV switchyard, circuit

breakers, towers, lines, structures and buildings and electrical protection; SCEnet communication equipment; and land licensed for use as farmland, a roofing and tile company and a storage company.

### **PURPOSE OF ENVIRONMENTAL REVIEW**

Because AB 1890 does not mandate the divestiture of generation assets held by Edison, implementation of the proposed divestiture application entails discretionary decision-making by the CPUC. The CPUC is responsible for considering and making the determination as to what level of environmental review is required under the California Environmental Quality Act (CEQA) and CPUC Rule 17.1. The CPUC is the Lead Agency under CEQA and is responsible for preparing this Initial Study, as defined in Section 15365 of the *CEQA Guidelines*, to determine if the proposed divestiture of the Edison generation stations may have a significant effect on the environment. This Initial Study provides the CPUC with adequate information to determine whether an Environmental Impact Report (EIR) or a Negative Declaration should be prepared.

Insert Figure 2.24: Location of the Redondo Generating Station



Insert Figure 2.25: Redondo Generating Station Property Lines

Insert Figure 2.25a: Redondo Generating Station Property Lines (without lot line adjustment)

Insert Figure 2.26: Location of the San Bernardino Generating Station

Insert Figure 2.27: San Bernardino Generating Station Property Lines