

III. WRITTEN COMMENTS ON THE MITIGATED NEGATIVE DECLARATION/ INITIAL STUDY AND RESPONSES TO COMMENTS

Section III contains copies of all written comments received. Each comment has been labeled with an identification number for reference to its response. Immediately following each comment letter are the responses to the written comments.

September 25, 1997

Bruce Kaneshiro, Project Manager
Environmental Science Associates
225 Bush Street, Suite 1700
San Francisco, California 94101
By Facsimile: (415) 896-0332

Regarding: Mitigated Negative Declaration/Power Plant Divestitures

Dear Mr. Kaneshiro:

[\[Begin CCC-1\]](#)

As a responsible agency under the California Environmental Quality act, we write to express our disappointment that an Environmental Impact Report is not being prepared for this project. We have commented previously that we do not believe an adequate project description has yet been prepared and that there appear to be potentially significant environmental impacts associated with the proposed divestitures that cannot be mitigated to less than significant levels.

[\[End CCC-1\]](#)

[\[Begin CCC-2\]](#)

To date, we find no evidence that the implications for eventual abandonment of these plants has been addressed. The cessation of CPUC-regulation of the abandonment process raises questions of eventual financial responsibility and the imposition of adequate cleanup standards. The divestiture implies that the useful lives of these plants will be extended beyond the horizon that would likely have been considered (or possibly allowed) under present ownership and, unfortunately, we find that the Mitigated Negative Declaration begs to question of the implications of delayed remediation of highly contaminated power plant sites.

[\[End CCC-2\]](#)

[\[Begin CCC-3\]](#)

Similarly, we believe the air quality impacts of prolonged use of aging plants qualify as Class 1 impacts under CEQA. Therefore, the baseline comparison should weigh the air emissions produced by continued use of these plants after the expiration of their planned useful lives, against the elimination of these emissions that would otherwise occur. We believe or previously submitted comments about retrofitting plants as a condition of sale, and particularly the question of whether the existing stacks could be removed and replaced by other pollution control technology, has not been evaluated. We are concerned that these issues, and other raised in our July 15, 1997 letter, will not be addressed in the Mitigated Negative Declaration.

[\[End CCC-3\]](#)

Please feel free to contact me at (415) 904-5247 if you have questions about this letter.

Sincerely,

Melanie Hale
Coastal Program Analyst

CCC - CALIFORNIA COASTAL COMMISSION

CCC-1.

The Initial Study systematically analyzed potential impacts from the proposed divestiture of each power plant on the environment. The project description includes all reasonably foreseeable actions attributed to divestiture. Actions associated with the restructuring of the electric industry in the state were not considered because, as noted on page 3.1 of the Initial Study, actions taken by the California Legislature rendered an EIR on restructuring unnecessary. The language on page 3.1 of the Initial Study was derived from CPUC Decision No. 96-12-075, which stated, “In this order we halt preparation of the Environmental Impact Report (EIR) studying our preferred policy for electric restructuring. We find that Assembly Bill (AB) 1890 (Stats. 1996, ch. 854.) resolves to move from traditional electric utility regulation to a more competitive scheme, and outlines a new competitive market structure. The EIR's purpose was to study the environmental effects of moving to the market structure outlined in the preferred policy so we could consider those effects in a final decision. However, we now have no discretion to make a decision on moving to a competitive market or to frame the basic structure of that market. In such a situation an EIR is neither appropriate nor necessary. . . . We also will continue to consider CEQA issues in individual electric restructuring proceedings, if appropriate.”

The Initial Study used the environmental checklist provided in Appendix I of the *CEQA Guidelines*. All reasonably foreseeable effects of the divestiture were analyzed and, where environmental effects were found to be potentially significant, mitigation measures were incorporated. No significant impacts were identified that could not be mitigated to a less-than-significant level.

CCC-2.

The divestiture project has necessitated the identification of site contamination as part of due diligence and, as noted on pages 4.9.12 and 4.9.13, the Initial Study determined that, “...Environmental Site Investigations have been conducted for each plant site. These reports document known site conditions, and would be provided to prospective new owners as part of the due diligence process and to appropriate regulatory agencies as part of the remediation process.” On the same page, the Initial Study continues, “under terms of the Purchase and Sale Agreement, Edison will be responsible for any legally required remediation of existing contaminated soil and ground water at the divested plants that is necessitated by on-going operations of existing plant facilities and, therefore, will be responsible for remediation activities that are part of the ownership transition.” However, the terms of the Purchase and Sale Agreement provide that the new owners will be responsible for remediation associated with decommissioning. Finally, on the same page, the Initial Study concludes, “To the extent that the transfer of ownership and

associated due diligence will identify site contamination and lead to its remediation, a beneficial impact on the environment might result.” Please see response to CRB-8.

CCC-3.

Divestiture does not affect the decision whether or when to close any particular power plant. The market forces which will determine the viability of each facility, as well as most other generators, arise primarily from restructuring itself, not divestiture. As discussed in response CCC-1, the legislation enacting restructuring is exempt from CEQA requirements. Attachment C, at page C.16, discusses how the incentives to repower (or implicitly, to retire) the facilities proposed for divestiture will not differ substantially in a reasonably foreseeable manner over the next decade. As a result, the Initial Study concludes that these power plants will likely continue to exist in their current configuration under reasonably foreseeable conditions. There is no basis for concluding that these plants will close; thus, that remote and unforeseeable occurrence need not be evaluated. Since the divestiture project would not result in the prolonged use of these plants, such analysis was not appropriate for the Initial Study.

The commentator states that their comment on the possibility of existing stacks being replaced by other pollution control technology, submitted on the Draft Initial Study (DIS) on July 15, 1997 was not evaluated. The comments provided in the July 15, 1997 letter was concerned with the issue that there would be an impact to coastal viewsheds by these stacks as a result of the project. These concerns were considered and evaluated in the Initial Study as part of the aesthetics analysis discussed in Section 4.13. Since the stacks are already in existence, and expected to remain with or without divestiture, visual impacts were found to be less than significant, and therefore, no mitigation is required.

As a point of information, we know of no such technology to replace one of the primary functions of power plant stacks, emission of exhaust gases above the atmospheric building wake immediately downwind of the power plant buildings.

September 24, 1997

Mr. Bruce Kaneshiro, Project Manager
Environmental Science Associates
225 Bush Street, Suite 1700
San Francisco, CA 94104

**RE: COMMENTS ON THE MITIGATED NEGATIVE DECLARATION FOR
SOUTHERN CALIFORNIA EDISON COMPANY'S APPLICATION FOR
DIVESTITURE AND SALE OF POWER PLANTS (Docket No. 96-11-046)**

The comments of the City of Redondo Beach on the subject application are contained in my letter to you dated September 23, 1997, included as Exhibit "A" to the attached Resolution of the City Council authorizing the filing of these comments. Please notice that the Resolution recites that these comments were reviewed and approved by the City Council after a public meeting thereon. They reflect the strong feelings of the City Council and the people of Redondo Beach on this subject.

Very truly yours,

PAUL CONNOLLY
City Manager

cj

cc: Public Utilities Commission

RESOLUTION NO. 7955

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH,
CALIFORNIA, APPROVING AND AUTHORIZING THE FILING OF CERTAIN
DOCUMENTS IN THE PROCEEDING BEFORE THE CALIFORNIA PUBLIC UTILITIES
COMMISSION (DOCKET NO. 96-11-046) REGARDING THE PROPOSED MITIGATED
NEGATIVE DECLARATION FOR THE APPLICATION OF SOUTHERN CALIFORNIA
EDISON COMPANY FOR DIVESTITURE AND SALE OF ITS FOSSIL FUEL
GENERATING PLANTS, INCLUDING ITS REDONDO BEACH PLANT

WHEREAS, on April 9, 1997 the City of Redondo Beach submitted comments on the scope and content of environmental review for the application by Southern California Edison (Docket No. 96-11-046) for divestiture and sale of its fossil fuel generating plants, including its Redondo Beach plant, as set forth in Exhibit "C" herein; and

WHEREAS, on July 2, 1997 the City of Redondo Beach submitted further comments on the Draft Initial Study consisting of 33 specific items covering the need for technical corrections with requests for further study and information on anticipated local impacts which were not addressed in the draft document, as set forth in Exhibit "B" herein; and

WHEREAS, on September 23, 1997, this City Council held an additional regular meeting at which time it reviewed, with input from the public, additional comments to be submitted for the proposed Mitigated Negative Declaration prepared for this project, as set forth in Exhibit "A" herein.

NOW THEREFORE, the City Council of the City of Redondo Beach does resolve as follows:

SECTION 1.

1. That it hereby approves and authorizes the filing of the comments on the proposed Mitigated Negative Declaration of the application of Southern California Edison Company regarding the divestiture and sale of its fossil fuel generating plants, including its Redondo Beach plant, (Docket No. 96-11-046) as set forth in Exhibit "A" herein.

[\[Begin CRB-0\]](#)

2. That this City Council, in submitting the comments set forth in Exhibit "A" herein and resubmitting the comments set forth in Exhibit "B" and "C" herein, hereby expresses to the California Public Utilities Commission and its consultant, Environmental Science Associates (ESA), its strong belief and finding that mitigation measures have not been incorporated into the proposed Mitigated Negative Declaration to reduce all the reasonably foreseeable impacts of the project to less than significant; provided, however, that this City Council does not request that the Commission determine that an Environmental Impact Report (EIR) be required for this project.

[\[End CRB-0\]](#)

SECTION 2. The City Clerk is hereby authorized and directed to send a copy of this Resolution with exhibits to each member of the California Public Utilities Commission, to the Executive Director of the Commission, to the General Counsel of the Commission, to Environmental Science Associates (ESA), to the South Bay Council of Governments, and to the State Clearinghouse.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution, shall enter the same in the book of Resolutions of said City, and shall cause the action for the City Council in adopting the same to be entered in the official minutes of said City Council.

Passed, approved, and adopted this 23 day of September, 1997.

/s/ _____
Mayor

ATTEST

City Clerk

(SEAL)

APPROVED AS TO FORM:

/s/
City Attorney

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES ss

CITY OF REDONDO BEACH

I, JOHN OLIVER, City Clerk of the City of Redondo Beach ,California, do hereby certify that the foregoing resolution, being Resolution No. 7955 was passed and adopted by the City council, at an additional regular meeting of said Council held on the 23rd day of September, 1997, and thereafter signed and approved by the Mayor an attested to by the City Clerk of said City, and that said resolution was adopted by the following vote:

AYES: Council members Bisignano, Sullivan, Gin Pinzler, and White.

NOES: None.

ABSENT: None.

City Clerk of the City of
Redondo Beach, California

September 23, 1997

Bruce Kaneshiro, Project Manager
c/o Environmental Science Associates
225 Bush Street, Suite 1700
San Francisco, California 94104

VIA: electronic mail esa.sf@ix.netcom.com
and facsimile 415-896-0332

Dear Mr. Kaneshiro:

The City of Redondo Beach is pleased to have the opportunity to provide comments on the Mitigated Negative Declaration for Southern California Edison Company's Application No. 96-11-046.

Following our review of this document, it is our opinion that insufficient information is contained in the Initial study to justify finding of no significant impact in several areas. These areas are discussed in our comments below. Absent this additional analysis, many conclusions of this study appear unsubstantiated.

[\[Begin CRB-1\]](#)

1. Section 15206 of the California Environmental Quality Act Guidelines (Guidelines) prescribes that the Negative Declaration or EIR for projects of Statewide, Regional or Areawide Significance shall be submitted to the State Clearinghouse and the appropriate Council of Governments. Our review of the distribution listing does not indicate that these organizations have received service of the documents. This requirement is also contained in Section 15073(c) of the Guidelines.

[\[End CRB-1\]](#)

[\[Begin CRB-2\]](#)

2. Appendix G of the Guidelines contains a listing of effects of a project, which are normally deemed significant. As evidenced in the comments listed below, it is our opinion that the project may have significant effects in that:
 - a. The project could conflict with adopted environmental plans and goals of the community where it is located.
 - b. The project may encourage activities, which result in the use of large amounts of fuel, and water.
 - c. The project could increase substantially the ambient noise levels for adjoining areas, and,
 - d. The project could create potential public health hazard or involve the use, production and

disposal of materials, which pose a hazard to people or animal or plant populations in the area affected.

[\[End CRB-2\]](#)

[\[Begin CRB-3\]](#)

3. Page 4 of the Mitigated Negative Declaration (MND) contains a typographical error. The third paragraph, first sentence should read ". . . consultation or evaluation of [or] a qualified archeologist . . ."

[\[End CRB-3\]](#)

[\[Begin CRB-4\]](#)

4. Page 2.5 notes that Edison would provide, "An indemnity for specific categories of known and unknown liabilities, subject to certain exceptions." With respect to environmental liabilities, please specify what categories of known and unknown liabilities would be subject to indemnification and which would be exempted. As statement following this sentence notes that Edison would "generally" be responsible for conditions, which pre-date the sale, subject to certain limitations. In view of the project involves transfer of ownership, the assignment of environmental liabilities may have a significant effect on the timing and cost of site remediation. Therefore, a complete disclosure of the nature and extent of environmental contamination including costs of remediation should be included for each divested facility.

[\[End CRB-4\]](#)

[\[Begin CRB-5\]](#)

5. Page 4.9.13 states that ". . . appropriate Phase I and Phase II Environmental Site Investigations have been conducted." However, elsewhere in the document it states that the Phase Two Investigation is underway at the Redondo facility. If such analysis is complete, the results of such studies should be included, as such results were included for other plants analyzed in the initial study. (Example San Bernadino)

[\[End CRB-5\]](#)

[\[Begin CRB-6\]](#)

6. Page 2.8 contains a typographical error in the first paragraph. A space should be inserted between the words "easement" and "and".

[\[End CRB-6\]](#)

[\[Begin CRB-7\]](#)

7. Page 4.1.7 states that Redondo Beach's Harbor/Civic Center Specific Plan serves as the Local Coastal Plan. Therefore, absent local coastal permit authority, any project will be required to be submitted to the California Coastal Commission for consideration.

[\[End CRB-7\]](#)

[\[Begin CRB-8\]](#)

8. Page 4.11.190 discusses the shift in regulatory structure and indicates that, "This new regulatory structure would shift regulatory authority over divested sites and facilities to local jurisdiction." Included in this new regulatory responsibility are permitting authority and hazardous materials oversight and regulation. Although local jurisdiction is desired, the impact of these additional responsibilities on the Planning, Building, Fire and Engineering Departments will be significant, as personnel training or the hiring of new employees with expertise in these fields will be required. Under current budgetary constraints this impact is significant. Appropriate mitigation to offset the service delivery impact should be required.

[\[End CRB-8\]](#)

[\[Begin CRB-9\]](#)

9. Pages 4.1.16, 4.1.17 and 4.1.25 conclude that the plans are consistent with the uses intended under the applicable General Plans and Zoning Ordinances. This issue was raised in conjunction with the consideration of an application by Edison for a Lot Line Adjustment at the Redondo Beach facility. The Planning Commission or the City Council on appeal is responsible for making this determination with appropriate input and recommendations of staff. Since Edison has not proceeded to re-file an application for partitioning of the subject property, which potentially raises the issues of zoning consistency and General Plan conformance, a determination on this issue has not been made.

[\[End CRB-9\]](#)

[\[Begin CRB-10\]](#)

10. Page 3.1 of the Draft Initial Study stated that, "With divestiture, any new buyer . . . would have a strong incentive to operate the facility up to its available capacity. . ." However, Language in the Revised Initial Study has been revised to consider additional operation as "probable." Please include any new or additional information, modeling or other studies, which support the new conclusion.

[\[End CRB-10\]](#)

[\[Begin CRB-11\]](#)

11. As commented on the Initial Study, the Redondo Beach facility has been operated as a load following plant for over 10 years, operating at approximately 30% of capacity. Any increase in operation will result in significant, quantifiable environmental impacts. Increased levels of operation have been shown to have significant environmental impacts, which require mitigation. Analysis of these impacts was performed in the environmental review process for the proposed merger of southern California Edison with San Diego Gas and Electric in 1990 and the proposed installation of Selective Catalytic Reduction

(SCR) in 1992. Any increase in operation of the facility is expected to result in significant impacts in the following areas: Noise, Fish Population, Air Emissions and Transportation and Storage of Hazardous Materials (particular Aqueous Ammonia and Vanadium Pentoxide Catalyst).

[\[End CRB-11\]](#)

[\[Begin CRB-12\]](#)

12. The Mitigated Negative Declaration and Initial Study now contain two Figures. One depicts the Redondo Beach Facility with a lot line adjustment the other without. Text in the document indicates that the project does not include the consideration of a lot line adjustment. Please clarify the correct description of the project. The reparcelization of the existing facility raises significant issues related to land use and zoning. Specifically, the operation of a bulk fuel storage area as a separate use is not recognized as a permitted activity under local land use standards. A determination as to whether this use would be considered ancillary to the operation of the power plant has not been made at this time. Further, reparcelization appears to result in irregular lot configuration and raises significant concerns with respect to access, circulation, and adequacy of streets, storm drains and other infrastructure. A determination as to conformance with local Zoning and Building requirements has not been made, due to the fact that Edison has not produced information to demonstrate conformance. A full analysis of the effects of the physical land division should be required to each facility proposed for divestment. (See comment No. 9)

[\[End CRB-12\]](#)

[\[Begin CRB-13\]](#)

13. The Redondo Beach General Plan and Harbor/Civic Center Specific Plan contain numerous primary and supplemental land use policies which mandate comprehensive planning for the reuse of the subject site for non-industrial use, in anticipation of the end of the economic and physical life of the plant. Units 1-4 were installed in 1948 and 1949 and are in long term shutdown. Unit 4 is occasionally operated to provide auxiliary plant steam. The age of the equipment, and of the inefficient heat rate of these units have been stated to make these units uneconomical to operate. Units 7 and 8 began operation on 1967 and are moderately efficient when compared to new generation technologies.

For the above reasons, environmental analysis should consider two project alternatives; reuse of the subject property for non-industrial development and repowering of the facility with new modern and efficient equipment. Either scenario is reasonably foreseeable in view of the age of the facilities. In the event that repowering is evaluated, detailed analysis and modeling with respect to noise, vibration and emissions should be conducted on a local level. In evaluating reuse, the potential development of the transmission corridors in conjunction with the plant site must be considered.

[\[End CRB-13\]](#)

[\[Begin CRB-14\]](#)

14. The City of Redondo Beach commented on the Draft Initial Study, Page 3.4, which stated that preliminary analysis "suggests" that the Redondo Beach Station is likely to be repowered. The City requested a full discussion of repowering technologies and disclosure of the potential environmental effects of repowering should be included as the incentive to repower is directly related to the divestment. Page 3.3 of the current document limits the scope of reasonably foreseeable projects and considers many factors "too speculative". What rationale was employed in eliminating consideration of the effects of repowering?

[\[End CRB-14\]](#)

[\[Begin CRB-15\]](#)

15. Thank you for correcting the zoning designation of the property. Originally, Page 4.1.14 state that, "The General Zoning requirements for the Redondo generating station are set forth in the City's Harbor/Civic Center Specific Plan." This statement was corrected to specify the zoning requirements are in the City's Ordinance.

[\[End CRB-15\]](#)

[\[Begin CRB-16\]](#)

16. Page 4.16.11 lists community projects within one mile of the project site. The two projects listed below are not included. Any discussion of surrounding uses and impacts on uses in the area under new operational scenarios should include two reasonably foreseeable projects in the immediate surrounding area. Specifically, the Catalina Technology Center, a 293,000 square foot, mixed use (retail, office incubator industrial and storage) projects, is approved and set to commence construction in October 1997. The project will be constructed on portions of the Edison-owned property immediately east of the main generating site. A second project consisting of a 50,000 square foot, 16-screen cinema with 15,000 square feet of additional retail is in the planning stages. Under increased operational scenarios or repowering, the impacts to these projects, which were under current operational conditions may be significant.

[\[End CRB-16\]](#)

[\[Begin CRB-17\]](#)

17. Page 4.9.6 specifies the content of one underground storage tank at the plant. The content of two other tanks is not listed. Please specify what products are stored in these tanks.

[\[End CRB-17\]](#)

[\[Begin CRB-18\]](#)

18. Page 4.9.7 discusses risk of upset associated with storage and use of hazardous materials. It is essential that any new owner establishes direct communication with local Fire department specialists and obtains all necessary emergency plans and materials. In order to ensure that any new owner is provided with informational materials, training documents and local contact information, a mitigation measure should be included to

require these actions.

[\[End CRB-18\]](#)

[\[Begin CRB-19\]](#)

19. Page 4.9.8 concludes that the project is likely to affect emergency response plans. However, should a Lot Line Adjustment be approved, a reconfiguration will be required. A mitigation measure should be required to condition revision to plans in the event of approval of the property's reconfiguration.

[\[End CRB-19\]](#)

[\[Begin CRB-20\]](#)

20. Page 4.10.3 states that, "Noise from plants located more than 0.5 miles from an existing or anticipated noise sensitive land use . . . would not be expected to affect such sensitive uses. . ." How was this standard selected?

[\[End CRB-20\]](#)

[\[Begin CRB-21\]](#)

21. Page 4.10.9 describes the background noise impact of Pacific Coast Highway. Pacific Coast Highway is greater than 0.5 miles from the generating station and the sensitive receptors identified in the study, yet the background contribution is still acknowledged. It is therefore logical to include analysis of the effects of plant noise at a greater distance than 0.5 miles. Historically, certain noise corridors have been identified which subject sensitive receptors to significant exposures at a greater distance.

[\[End CRB-21\]](#)

[\[Begin CRB-22\]](#)

22. Page 4.10.9 describes the property line wall of the tri-level condominium facility as being 10 feet tall and being adjacent to Herondo Street. The wall in fact extends approximately 42" above the grade of the condominium and faces Catalina Avenue.

[\[End CRB-22\]](#)

[\[Begin CRB-23\]](#)

23. Page 4.10.10 indicates that for the current study one noise measurement was taken in or on the north side of Herondo Street at Herondo Avenue then discusses surrounding uses. Although this measurement was taken with all units operating, the location of the measurement was in the City of Hermosa Beach and most distant from the noise source and the sensitive receptors in Redondo Beach. Therefore, this measurement does not accurately support any conclusion that the facility is currently in compliance with local noise standards.

[\[End CRB-23\]](#)

[\[Begin CRB-24\]](#)

24. Page 4.10.11 concludes that increase operations could result in relatively small noise level increases. Absent documentation that the facility is currently in compliance, any increased noise could have a significant impact. A fully acoustical analysis to establish baseline data should be required as a mitigation measure to demonstrate compliance.

[\[End CRB-24\]](#)

[\[Begin CRB-25\]](#)

25. Page 4.11.6 discusses private security and speculates that any new owner may not provide for private security. Under current budgetary constraints, the need to provide police services to the facility is considered significant impact.

[\[End CRB-25\]](#)

[\[Begin CRB-26\]](#)

26. Page 4.12.4 contains discussion of sewer impacts. The existing Edison facility presently discharges into an over-capacity 18" sewer line, which transects the subject site. The minimal employment increase expected may not alone be significant. However, when related projects, such as the Catalina Technology Center, the Crown Plaza Hotel Expansion and the Portofino Hotel expansion are included, any increase in flow could be significant. The related projects are required to mitigate their sewer impact through the payment of impact fees. Mitigation of the impact to the sewer system should be required. The City has planned a sewer improvement project, and requested Edison's participation in the project. However, as of this writing Edison has declined to participate in the required upgrades.

[\[End CRB-26\]](#)

[\[Begin CRB-27\]](#)

27. Page 4.13.6 states that the plant is visually compatible with views from the east and surrounding industrial uses. Not acknowledged in this statement is that nearly all industrial uses to the east will be redeveloped shortly. The basis for this statement of compatibility is not documented. The City is on record over a period of at least 10 years as considering this view of the facility as extremely incompatible with the community and destructive to the scenic vista of the harbor.

[\[End CRB-27\]](#)

[\[Begin CRB-28\]](#)

28. Page 4.15.10 should discuss the fact that the City has historically utilized once-through cooling water to heat a public swimming facility, the "Seaside Lagoon". Due to damage from the Northridge Earthquake the supply structures are no longer serviceable. With the transition of the facility to private operation, the availability of heating and circulation water, to a public park facility is considered an impact.

[\[End CRB-28\]](#)

The City of Redondo Beach looks forward to your careful consideration of these comments and inclusion of appropriate mitigation measures following additional study. The environmental sensitivity of the site warrants a thorough and complete evaluation in order to ensure that the impacts of this project can be mitigated to a less than significant level.

Thank you for the opportunity to provide you with this input at this stage of the environmental review process. Please contact Aaron Jones at 310-318-0637 should you have any questions or need clarification.

Sincerely,

/s/

Paul Connolly
City Manager

/s/

Aaron Jones
Economic Development Administrator

cc: Mayor and City Council
Jerry Goddard, City Attorney
Steve Huang, City Engineer and Building Official
Pat Aust, Fire Chief
Mel Nichols, Chief of Police

City of Redondo Beach California
415 Diamond Street
P.O. Box 270
Redondo Beach, California 90277-0270

July 2, 1997

Bruce Laneshiro and Martha Sullivan, Co-Project Managers
California Public Utilities Commission
c/o environmental Science Associates
301 Brannan Street, Suite 200
San Francisco, CA 94107

Dear Bruce Laneshiro and Martha Sullivan:

The City of Redondo Beach is pleased to have the opportunity to provide comments on the Draft Initial Study for Southern California Edison Company's Application No. 96-11-046. We offer the following comments:

1. Page 2.7-Please identify which Edison Facilities presently have radial lines and will be subject to Radial Line Agreements.
2. Page 2.7-With respect to environmental liabilities, please specify what categories of known and unknown liabilities would be subject to indemnification and which would be exempted.
3. Information on the nature and extent of environmental contamination including costs of remediation should be disclosed for each divested facility. Property on which the Redondo Beach facility is located has been in industrial use since the early 1900's. Remediation costs will have a major influence on the sale of this asset, decisions on which portions of the facility to retain, and the likelihood of alternative, non-industrial development of the property.
4. Page 2.35 provides a description of facilities to be sold and those to be retained. The document should note that in order for Edison to divest the power block yet retain the transmission, fuel storage and switchyards approval of a physical land division of the subject site is required. Edison filed an application for Lot Line Adjustment on June 11, 1997 which was subsequently reviewed and rejected as incomplete on July 1, 1997. The impacts of the division of properties at each facility should be included in the environmental analysis. Issues related to conformance with building and zoning requirements are created as a result of the proposed reconfiguration for separate sale.
5. The Ormond Beach facilities map has been incorrectly inserted into the Draft document.
6. The configuration of the retained parcel at the Redondo Beach Station has been modified by Edison. Please ensure that the facilities map and area calculations are updated.
7. Page 3.1 states that, "With divestiture, any new buyer...would have a strong incentive to operate the facility up to its available capacity..." The Redondo Beach facility has been

operated as a load following plant for over 10 years, operating at approximately 30% of capacity. Any increase in operation will result in significant, quantifiable environmental impacts. Page 3.4 of the Draft Initial Study projects an expected capacity factor of 69.9% with divestiture. Such increased levels of operation have been shown to have significant environmental impacts which require mitigation. Analysis of these impacts was performed in the environmental review process for the proposed merger of Southern California Edison with San Diego Gas and Electric in 1990 and the proposed installation of Selective Catalytic Reduction (SCR) in 1992. Any increase in operation of the facility is expected to result in significant impacts in the following areas: Noise, Fish Population, Air Emissions and Transportation and Storage of Hazardous Materials (particularly Aqueous Ammonia and Vanadium Pentoxide Catalyst).

8. The proposed divestment documents indicate that SCE desires to reparcelize the present 47 acre facility and retain ownership of transmission facilities, certain pipelines and fuel oil storage tank areas. The operation of a bulk fuel storage area as a separate use is not recognized as a permitted activity under local land use standards. Further, reparcelization results in an irregular subdivision pattern and raises significant concerns with respect to access, circulation, adequacy of streets, stormdrains and other infrastructure. A full analysis of the effects of the physical land division should be required of each facility proposed for divestment.

These impacts were studied in previous environmental documents prepared for the Proposed Merger of Southern California Edison with San Diego Gas and Electric and the Installation of Selective Catalytic Reduction (SCR) equipment. Impacts should be identified and analyzed under new operational scenarios. It is anticipated that significant impacts will occur in the areas of, fish and wildlife (entertainment), noise, air emissions, hazardous materials (catalist and ammonia transportation) and public services (fire protection, emergency management). Each of these issues has been the subject of significant past analysis and is certainly relevant and critical to this analysis of increased operational scenarios.

9. There is a typographical error in the second sentence of the second paragraph on page 2.7.
10. The Redondo Beach General Plan and Harbor/Civic Center Specific Plan contain numerous primary and supplemental land use policies which mandate comprehensive planning for the reuse of the subject site for non-industrial use, in anticipation of the end of the economic and physical life of the plant. Units 1-4 were installed in 1948 and 1949 and are in long term shutdown. Unit 4 is occasionally operated to provide auxiliary plant steam. The age of the equipment, and the inefficient heat rate of these units have been stated to make these units uneconomical to operate. Units 7 and 8 began operation in 1967 and are moderately efficient when compared to new generation technologies.

For the above reasons, environmental analysis should consider two project alternatives; reuse of the subject property for non-industrial development and repowering of the facility with new modern and efficient equipment. Either scenario is reasonably

foreseeable in view of the age of the facilities. In the event that repowering is evaluated, detailed analysis and modeling with respect to noise, vibration and emissions should be conducted on a local level. In evaluating reuse, the potential development of the transmission corridors in conjunction with the plant site must be considered.

11. All full analysis of the site contamination including soils and ground water remediation requirements should be incorporated into the environment documents. The industrial use of the property since the late 1800's can be reasonably expected to have resulted in contamination. Contamination has been documented on adjacent properties. The nature and extent of this contamination and the potential exposure of the public to health risks should be disclosed and analyzed.
12. Page 3.4 states that preliminary analysis "suggests" that the Redondo Beach Station is likely to be repowered. A full discussion of repowering technologies and disclosure of the potential environmental effects of repowering should be included as the incentive to repower is directly related to the divestment.
13. In Section 4, page 4.1.1 impacts to land use and planning are considered to be less than significant with the exception of "agricultural resources". As discussed earlier in these comments, the project results in significant land use and planning impacts, including the creation of a non-conforming and in fact prohibited use. These impacts should be considered significant and analysis of conformance to local General Plan and Zoning criteria should be included.
14. Little discussion or analysis of alternative reuse is included in the Draft Initial Study. In view of the fact that the "project" includes the retention of substantial portions of all existing generating facilities, site specific analysis should be included in the environmental documentation as to the reasonably foreseeable uses of the retained properties.
15. Page 4.1.14 states that, "The General Zoning requirements for the Redondo generating station are set forth in the City's Harbor/Civic Center Specific Plan." This statement should be corrected to specify the zoning requirements are in the City's Zoning Ordinance. Also in need of correction is the zoning designation of the subject property. The correct designation is Public-Generating Plant (P-GP).
16. Page 4-1-18 states that the, "Redondo generating station is consistent with the land use designated by the City of Redondo Beach General Plan" and that, "A review of environmental impact reports for the general plan...indicates no conflicts with environmental plans or policies at the local...level." As previously discussed, the operation of a fuel oil storage facility or "tank farm" is not a permitted use in this zone. The operation of a "private utility" also raises a significant question as to the conformance of this use with applicable zoning and General Plan designations. Therefore, following divestment and partitioning of the property, the uses will be in conflict. In terms of policy, the General Plan and Harbor/Civic Center Specific Plan clearly establish a policy to, "plan for the adaptive reuse in anticipation of the end of the useful life..." Therefore, the project is also inconsistent with the City's stated policy. The "conclusion" on Page 4.1.22 should be modified.

Any discussion of surrounding uses and impacts on uses in the area under new operational scenarios, should include two reasonably foreseeable projects in the immediate surrounding area. Specifically, the Catalina Technology Center, a 293,000 square foot, mixed-use (retail, office, incubator industrial and storage) project, is approved and set to commence construction in August, 1997. The project will be constructed on portions of Edison-owned property immediately east of the main generating site. A second project consisting of a 50,000 square foot, 16 screen cinema with 15,000 square feet of additional retail is in the planning stages. Under increased operational scenarios or repowering, the impacts to these projects, which were assessed under current operational conditions may be significant.

17. Page 4.1.25 contains a typographical error in the conclusion section.
18. Page 4.1.28 states that the project will not, "Include any change in the operational or land use conditions of the power plant sites..." We disagree with this conclusion for the reasons in the comments stated herein. An analysis of these changes and an assessment of the impacts of these changes is warranted.
19. Page 4.3.20 acknowledges the susceptibility of the subject site to liquefaction. During the recent Northridge earthquake the Redondo Beach Seaside Lagoon, adjacent to the Edison facility sustained major damage and closure due to liquefaction. Mention of this event and analysis of the liquefaction potential should be included in the analysis.
20. Page 4.3.23 points out that remediation activities could have impacts related to erosion. The Redondo Edison facility is also the site of a historical salt marsh named, "Lake Salina". Anthropological resources are known in the immediate vicinity including an ancient Gabrieleno Indian Village named "Engiva". Any soils disruption may have the potential to disrupt significant archaeological resources.
21. Page 4.6.4 states that, "continued operation of the power plants...would not chance access for emergency vehicles..." However, the proposed partitioning of the properties will result in a need to re-configure emergency vehicle access. Discussion of emergency vehicle access constraints should be included and appropriate mitigation required.
22. Page 4.7.6 appears to make the assumption that fisheries in the Santa Monica Bay are "compromised". Redondo Beach has and continues to derive a major revenue source from sport fishing. The entrainment impacts of additional cooling water use are significant to fish populations and should be included in the analysis.
23. Page 4.9.6 contains the statement that, "New owners are expected to change the operating conditions..." The degree to which these conditions could expose the public of risk of upset is stated as "unknown". As previously commented, any increased operation is likely to result in the increased use of acutely hazardous materials and the transportation of these products on local streets. In view of the degree of uncertainty, additional study is essential. Further, mitigation will be essential to ensure the public health, safety and welfare.
24. Page 4.9.8 should include a discussion of Vanadium Pentoxide under the category of

hazardous waste.

25. Page 4.9.10 indicates that future study of contamination is "likely to take place in the future. For reasons stated above, additional study is warranted immediately and the results of these studies should be evaluated in environmental documentation.
26. Page 4.11.6 discusses private security and speculates that any new owner may not provide for private security. Under current budgetary constraints, the need to provide police services to the facility is considered significant impact.
27. Page 4.11.9 concludes that there may be an increased demand for school facilities. However, no mention of the fact that several Redondo Beach schools are operating at 100 percent capacity. Therefore, the addition of any student population is considered significant.
28. Page 4.12.2 contains discussion of sewer impacts. The existing Edison facility presently discharges into an over-capacity 18" sewer line which transects the subject site. Any increase in demand on this sewer line is considered significant. Further, the City has planned a sewer improvement project, and requested Edison's participation in the project. However, as of this writing Edison has declined to participate in the required upgrades.
29. Page 4.13.9 acknowledges that any modifications to the facility could have adverse impacts on scenic views. In conjunction with recent public hearings on the Catalina Technology Center, surrounding residents substantiated their sensitivity to view obstruction. The obstruction of scenic vistas should be considered significant and analyzed in the subsequent environmental documentation.
30. Page 4.14.10 makes reference to ethnographic resources. As discussed in earlier comments, the likelihood of discovery of significant resources is significant. Site disruption or "churning" have altered the contextual record on adjacent sites. However, in view of the potential significance of this resource, appropriate mitigation should be required.
31. Page 4.14.14 acknowledges that the Redondo Beach site has potential to yield historic resources but concludes that the impact is nonexistent due to lack of physical construction. This conclusion contradicts earlier statements in the document which conclude that physical construction is "likely" in order to separate the retained and divested properties and to accomplish repowering.
32. Page 4.15.10 should discuss the fact that the City has historically utilized once-through cooling water to heat a public swimming facility, the Seaside Lagoon". Due to damage from the Northridge Earthquake the supply structures are no longer serviceable. With the transition of the facility to private operation, the availability of heating and circulation water, to a public park facility is considered an impact.
33. Page 4.1.22 should correctly identify "Beryl Drive" as Beryl Street.

Thank you for the opportunity to provide you with this preliminary input at the start of the environmental review process. We are looking forward to providing further comments as the

process progresses. Please contact Aaron Jones at 310-318-0637 should you have any questions or need clarification.

Sincerely,

/s/

Aaron Jones

Economic Development Administrator

cc: Paul Connolly, City Manager

Jerry Goddard, City Attorney

Stan Remelmeyer, Assistant City Attorney

Steve Huang, City Engineer and Building Official

April 9, 1997

Julie Halligan
California Public Utilities Commission
c/o Environmental Science Associates
301 Brannan Street, Suite 200
San Francisco, California 94107

Dear Ms. Halligan:

The City of Redondo Beach is pleased to have the opportunity to provide comments and input regarding environmental impacts and other issues associated with the proposed divestiture of SCE's fossil fuel fired generating facilities in Southern California.

The Redondo Beach Generating Station is presently operated, and over the last 10 years has been operated as a load-following plant operating at approximately 30% of capacity. Assuming a prospective purchaser continues to utilize the site for electrical generation, it is logical to conclude that they will want to maximize their return on investment by maximizing power production from the facility. Such increased levels of operation have been shown to have significant environmental impacts which require mitigation. Analysis of these impacts was performed in the environmental review process for the proposed merger of Southern California Edison with San Diego Gas and Electric in 1990 and the proposed installation of Selective Catalytic Reduction (SCR) in 1992.

Any increase in operation of the facility is expected to result in significant impacts in the following areas: Noise, Fish Population, Air Emissions and Transportation and Storage of Hazardous Materials (particularly Aqueous Ammonia and Vanadium Pentoxide Catalyst).

The proposed divestment documents indicate that SCE desires to reparcelize the present 47 acre facility and retain ownership of transmission facilities, certain pipelines and fuel oil storage tank areas. The operation of a bulk fuel storage area is a separate use is not recognized as a permitted activity under local land use standards. Further, reparcelization results in an irregular subdivision pattern and raises significant concerns with respect to access, circulation, adequacy of streets, storm drains and other infrastructure. A full analysis of the effects of the physical land division should be required of each facility proposed for divestment.

The Redondo Beach General Plan and Harbor/Civic Center Specific Plan contain numerous primary and supplemental land use policies which mandate comprehensive planning for the reuse of the subject site for non-industrial use, in anticipation of the end of the economic and physical life of the plant. Units 1-4 were installed in 1948 and 1949 and are in long term shutdown. Unit 4 is occasionally operated to provide auxiliary plant steam. The age of the equipment, and the inefficient heat rate of these units have been stated to make these units uneconomical to operate. Units 4 and 8 began operation in 1967 and are moderately efficient when compared to new generation technologies.

For the above reasons, environmental analysis should consider two project alternatives; reuse of the subject property for non-industrial development and repowering of the facility with new modern and efficient equipment. Either scenario is reasonably foreseeable in view of the age of

the facilities. In the event that repowering is evaluated, detailed analysis and modeling with respect to noise, vibration and emissions should be conducted on a local level. In evaluating reuse, the potential development of the transmission corridors in conjunction with the plant site must be considered.

A full analysis of site contamination including soils and ground water remediation requirements should be incorporated into the environmental documents. The industrial use of the property since the late 1800's can be reasonably expected to have resulted in contamination. Contamination has been documented on adjacent porperties. The nature and extent of this contamination and the potential exposure of the public to health risks should be disclosed and analyzed.

Thank you for the opportunity to provide you with this preliminary input at the start of the environmental review process. We are looking forward to providing further comments as the process progresses. Please contact Aaron Jones at 310-318-0637 should you have any questions or need clarification.

Sincerely,

/s/

Paul Connolly
City Manager

/s/

Aaron Jones
Economic Development Administrator

cc: Jerry Goddard, City Attorney
Steve Huang, City Engineer and Building Official
Pat Aust, Fire Chief

CRB - CITY OF REDONDO BEACH

CRB-0.

The Initial Study systematically analyzed potential impacts from the proposed divestiture of each power plant on the environment. The Initial Study used the environmental checklist provided in the *CEQA Guidelines* Appendix I. All reasonably foreseeable effects of the divestiture were analyzed and where environmental effects were found to be potentially significant, mitigation measures were incorporated. It is noted that the City does not request that the CPUC determine that an EIR be required for the project.

CRB-1.

The Mitigated Negative Declaration/Initial Study was submitted to the State Clearinghouse on August 26, 1997 and received a schedule number of 97081067. The CPUC was notified on September 26, 1997 that this CEQA requirement has been met. With respect to notifying appropriate Councils of Government, as noted in the Mitigated Negative Declaration, the San Bernardino County Association of Governments, the South Bay Association of Governments, and the Los Angeles Regional County Planning Department were notified. Also, in addition to the parties listed on pages 6.4 through 6.13 of the Initial Study, every municipality within 10 miles of each power station was similarly notified, as were property owners and occupants within 300 feet of each power station. Through these contacts, the CEQA requirement mentioned by the commentor was satisfied.

CRB-2.

As mentioned in response to CRB-0, the environmental checklist provided in the *CEQA Guidelines*, Appendix I, was used in the Initial Study. Some of the four items (a-d) listed in CRB-2 are described in detail in other subsequent comments provided by the City as follows:

a. Conflict with adopted environmental plans and goals. This comment is addressed in response to CRB-9.

b. Fuel and Water. Fuel usage was discussed on page 4.8.2 of the Initial Study: “Divestiture does not conflict with any adopted energy conservation plans. Therefore, this would be a less-than-significant impact.” Also on page 4.8.3, the Initial Study concluded, “The increased use of energy resources that could result from divestiture is likely to be less wasteful or inefficient. This impact is less than significant.”

Water usage was discussed on 4.4.46 of the Initial Study: “The project would not substantially affect surface water quantity at either the coastal or inland plants, or regionally. Therefore, the project impact would be less than significant.” On page 4.4.47 the Initial Study states, “The project could result in additional groundwater extractions from the Upper Santa Ana River and Lower Mojave River basins. However, these extractions would be required by water rights judgments to be replaced by imported surface waters. Therefore, no significant impact would be expected.” Also, on page 4.4.49 the Initial Study states, “The project could require additional groundwater extractions from the Upper Santa Ana River and Lower Mojave River basins. These extractions could affect groundwater quality and water levels in the basin but would be offset by imported water as stipulated in water rights judgments. No significant impacts are anticipated.”

c. Noise levels. This comment is addressed in response to CRB-11 below.

d. Hazards. This comment is addressed in response to CRB-11 below.

CRB-3.

The comment refers to mitigation measure 4.14.a.1, which applies only to the Cool Water power plant. Please see revisions to mitigation measure 4.14.a.1 in Section IV of this report, Text Changes.

CRB-4.

Please see response to CCC-2. Note that the costs of remediation are not relevant to CEQA environmental analysis. Such costs are being considered by the CPUC in its Edison divestiture proceeding (A.96-11-046).

CRB-5.

As indicated on page 4.9.13 of the Initial Study, the Phase I and Phase II reports were completed for the Redondo Power Plant. Information in these reports was used and factored into the Mitigated Negative Declaration/Initial Study. The commentor indicates that “elsewhere in the document” the document contradicts text on 4.9.13. We are unable to locate such text within the Initial Study.

CRB-6.

To reflect the City's information, on page 2.8 (Section 2) of the Initial Study, the third sentence of the first full paragraph is revised as follows:

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.

CRB-7.

To reflect the City's clarification, the last sentence of paragraph 2, page 4.1.7 is revised as follows:

Although the generation plant falls within the City's Coastal Zone, the Harbor/Civic Center Specific Plan serves as the area's local coastal plan. The project site is within the California Coastal Commission's Coastal Zone. The City does not have a fully certified Local Coastal Plan; therefore, the Coastal Commission retains permitting authority for land use changes at the plant.

CRB-8.

Public Utilities Code Section 377 removes much of the CPUC's regulatory authority over utility generation plants after these plants are market valued—an event mandated by AB 1890 even if divestiture does not occur. While it is true that local agencies would be the “lead agencies” for CEQA review of most future site improvements, most of the “permitting activities related to site planning, site improvements, building construction, and hazardous materials handling” are already handled by agencies other than the CPUC. Thus, divestiture would not have a significant impact on the economics of local permitting agencies. Rather than shifting regulatory authority, removing the CPUC from the regulatory regime over power plants merely gives way to the extensive existing regulatory authority of other federal, state and local agencies with permitting authority, such as the California Energy Commission, the California Department of Toxic Substances Control, and the Air Pollution Control Districts.

CRB-9.

Edison intends to continue pursuing partitioning of the property. As noted on page 4.1.17, the sale of the property would not involve a substantial adverse change in physical conditions, either directly or indirectly, and no substantial land use or zoning conflicts would occur. While it is possible that the City of Redondo Beach Planning Commission and City Council could determine that the newly-created parcel would be inconsistent with the General Plan or zoning designation, it appears that the continued use of the land for fuel oil storage would be consistent with the P-GP use designation.

CRB-10.

No new studies or analyses were performed after the issuance of the Draft Initial Study. As sought by the CPUC in offering the Draft Initial Study for review, the CPUC received many

written comments about the electrical system operation after divestiture. Refinement and clarification of the CPUC's assessment (in part based on these comments) was presented in Section 3 of the completed Initial Study.

CRB-11.

There is a great deal of uncertainty in the new energy market that makes it speculative to predict the specific increase in generation at any one divested plant (see pages 3.3 - 3.6 of Initial Study). Furthermore, the project analysis has indicated that divestiture would result in only a tendency for the new owners to operate more and not that the plants would operate at maximum capacity. The Initial Study and the evidence in the record, do not support the commentator's statement that "Any increase in operation will result in significant, quantifiable environmental effects" and that significant impacts would occur on noise, fish populations, air emissions, and hazardous materials as a result of implementation of the project. The EIR for the merger of Southern California Edison and San Diego Gas and Electric was reviewed and its analyses considered, during the preparation of the Initial Study for this project. However, an independent analysis was conducted for the proposed divestiture which made the following conclusions (summarized from the Initial Study):

Noise. Increased operations could result in relatively small noise level increases at some locations; these would not be significant. The frequency of automatic relief valves activating may increase with increased operation, but it would not be a constant occurrence and would not be anticipated to expose sensitive receptors to severe noise levels (see Section 4.10 of the Initial Study).

Fish Populations. No substantial changes are anticipated in cooling water intake and discharge levels and all plants would be required to continue to operate under permit conditions established by the Regional Water Quality Control Board. Minor changes in intake volumes and discharge quantity and quality may occur within permit conditions, which may have minor effects on fisheries but would not be considered significant (see Section 4.7 of the Initial Study).

Air Emissions. For the Redondo Plant, any increases in NO_x emissions would be offset by the South Coast Air Quality Management District's RECLAIM policy (see Section 4.5 of the Initial Study).

Transportation and Storage of Hazardous Materials. Increases in plant operation could increase the use and generation of hazardous materials. However, new owners would be required to comply with all worker and public safety laws and regulations and hazardous materials regulatory requirements. The project would not substantially affect emergency response or evacuation plans. The impacts are not anticipated to be significant (see Section 4.9 of the Initial Study).

CRB-12.

The Initial Study does address the effects of land division for each facility proposed to be divested that involves parcelization. Edison desires to retain portions of the Redondo Beach property and divest other portions, as shown in Figure 2.25 of the Initial Study. Edison has submitted a lot line adjustment application and apparently wishes to continue pursuing partitioning of the property. Should the lot line adjustment not be approved before the auction, Edison proposes to retain certain parcels that are currently legal lots and require no lot line adjustment (see response to E-9, which presents a new map submitted by Edison subsequent to publishing the Initial Study showing legal parcels to be retained in the event the lot line adjustment is not approved prior to the auction).

As noted on page 4.6.4 of the Initial Study, current conditions for access and traffic circulation would not change because Edison would require as part of the conditions of the sale agreement that the new owner of divested properties allow access to Edison, and Edison would allow access through its retained properties to new owners of divested facilities. Similarly, public infrastructure needs would not change because of the reparcelization, since the uses on the properties would remain the same. Please see response to CRB-9 with respect to General Plan and zoning consistency.

CRB-13.

No alternatives to the project were considered because the CPUC determined there are no significant impacts that cannot be mitigated to less-than-significant levels. In general, lead agencies must consider alternatives to the project only when an Environmental Impact Report is conducted. As noted in the Initial Study, the CPUC assumed in its CEQA review that: the divested plants will continue to operate, within the parameters of their existing permits (page 3.5); the incentives to retire or repower a given plant would be the same whether it is owned by Edison or a new owner (page C.16); and a decision by the new owner to repower the facility would trigger a “new source review” at the applicable air quality agencies, as well as a permitting process at the California Energy Commission if the repowering would increase capacity at the plant by more than 49 megawatts (MW) (page 3.2), and/or possibly approval by local permitting bodies. As discussed in Attachment C, Section 3.4 on page C.16 of the Initial Study, the decision to repower a generation facility is unlikely to be affected by divestiture over the next decade. Even though the existing owners and new owners may see different incentives and constraints on their actions in the restructured industry, these are not sufficient to create substantially different incentives for repowering these plants during that period.

To provide further clarification concerning the possible impacts of future repowering, the sixth sentence of the first paragraph of page 3.2 is revised as follows:

With that exception, however, expansion or repowering of facilities at the plants would require issuance of new permits and accompanying environmental review by the CEC. Regardless of CEC jurisdiction any plant expansion would require other permits and environmental reviews such as new construction permits or new source review by the affected air agencies.

In reference to noise, see response to CRB-11.

CRB-14.

Please see response to CRB-13.

CRB-15.

Comment noted.

CRB-16.

Table 4.16-1 is amended to include the following additional local community projects near the Redondo Beach Generating Station. These projects were identified in the City's comments and in a telephone conversation between Aaron Jones of the City and Richard Masters of ESA on October 7, 1997.

<u>811-819 North Catalina Avenue</u>	<u>Catalina Technology Center, 293,000 sq. ft mixed use immediately east of the plant. Includes 20,000 sq. ft of Retail/Commercial, 40,000 Business Office, 40,000 Incubator, Industrial, and 100,000 mini storage, due to start construction November, 1997</u>
<u>East of Edison plant, across Gertruda Street</u>	<u>Condorian Theater Project; 50,000 sq. ft, 13-16 screens, 2,500-3,000 seat cinema with 15,000 sq. ft of retail/restaurant</u>
<u>260 Portofino Way</u>	<u>Portofino Hotel, addition of conference and banquet rooms</u>
<u>300 N. Harbor Drive</u>	<u>Crown Plaza Hotel, 21 room expansion</u>

The analyses and conclusions of cumulative impacts with local community projects described on pages 4.16.12 through 4.16.15 remain unchanged.

CRB-17.

The third sentence of the first paragraph on page 4.9.6 is revised as follows:

Redondo power plant has a hazardous waste storage area, six aboveground storage tanks, one underground aqueous ammonia storage tank, two underground storage tanks, (one containing unleaded gasoline, and the other containing diesel fuel), one resin tank, three retention basins, one transformer switch yards, and eight generating units that could be sources of contamination.

CRB-18.

Although there is no significant impact requiring mitigation, Edison has agreed to incorporate the suggested measure into the project. Therefore, the next to last paragraph on page 4.9.7 of the Initial Study is revised as follows:

~~Edison has agreed to provide any new owners with all of Edison's informational materials and training documents related to worker health and safety and to hazardous materials handling and storage.~~

Although the impact is not significant, the following mitigation measure will reduce any potential accidental risks to even lower levels:

Mitigation Measure

4.9.a.1 For the plants subject to this proceeding Edison shall provide the new owner, for each respective plant, with all of Edison's material, non-privileged informational materials and training documents (not including records relating to Edison personnel) regarding worker health and safety, emergency plans and hazardous materials handling and storage. Although the new owners will be responsible for ensuring that their operations are in compliance with applicable laws, this informational material may assist new owners in understanding worker health and safety issues and procedures and in meeting all safety and legal obligations regarding hazardous materials handling, emergency plans and storage.

Monitoring Action: Edison will provide the CPUC mitigation monitor with a disclosure form signed by the new owner listing documents to accomplish this condition

Responsibility: CPUC

Timing: At least 3 business days prior to transfer of title of the plant(s).

Mitigation measure 4.9.a.1 is also added to the Mitigated Negative Declaration.

The last paragraph on page 4.9.7 is revised as follows:

Under divestiture, any new owner would be required to comply with all worker and public safety laws and regulations, just as is the case for Edison now. Furthermore, Edison will provide each new owner with information about Edison's operating procedures and compliance plans. Because of these laws and circumstances, this potential impact of the project would be less than significant. Nonetheless, the above mitigation measure will assist new owners in complying with pertinent laws and regulations.

CRB-19.

As noted on page 4.6.4 of the Initial Study, there would be no change from current conditions for access because Edison would require as part of the conditions of the sale agreement that the new owner of divested properties allow access to Edison, and Edison would allow access through its retained properties to new owners of divested facilities. As noted on page 4.9.8, the emergency response plan will need to be updated by the new owners and the update would logically note the access situation. These conditions are part of the project, so a mitigation measure is not needed.

CRB-20.

The referenced sentence on page 4.10.3 was intended to be a general statement of the approximate impact area/distance for consistency with ordinance standards and community response. At specific locations, the plant generated sound level is dependent on various factors including the noise spectrum, the terrain and intervening buildings (if any) and the weather conditions. The community response is dependent on the noise level, noise character, background noise, type of receptor, community history and individual sensitivities.

CRB-21.

Concerning the location of Pacific Coast Highway with respect to the Redondo Generating Station and receptors, reference to a city map and the site plan indicate that the highway is approximately 0.15 miles from the plant. Sensitive receptors in the area include residential buildings on North Elena (Robey, 1997); this roadway is approximately 0.025 to 0.2 miles from the Pacific Coast Highway. The highway is 0.35 miles from the sound measurement location at the residential facility on Herondo Street at Monterey Boulevard. Moreover, highway noise is generally audible over a fairly wide corridor. Please refer to the response to CRB-20.

It is true that noise complaints can occur to receptors farther than 0.5 miles from stationary noise sources, however the Redondo Beach power plant is not currently generating complaints from

such distances and the divestiture of the plant would not reasonably be expected to change operations to the degree to generate noise complaints from such distances.

CRB-22.

The wall referred to (discussed in the first paragraph on Page 4.10.9) is approximately 10 feet tall, based on inspection and on information provided by Paul S. Veneklasen & Associates, a consultant to Edison that conducted surveys of the Redondo plant and the surrounding community (Robey, 1997). This particular wall is along Herondo Street and is across the street from the multifamily complex where the sound measurement was made.

CRB-23.

This measurement was taken along Herondo Street at Monterey Boulevard. The location was selected as being the nearest evident sensitive receptor, which was multifamily development, to the plant. As noted in the comment, the measurement location was in Hermosa Beach.

The City of Hermosa Beach noise ordinance specifies a maximum level for steady noise at multifamily land use of 55 dBA for daytime and 50 dBA for nighttime, with adjustments for noise character as judged by the enforcing officer and also adjustment for background noise. The measured sound level obtained from the sample taken along Herondo Street appeared to be in compliance with local noise standards.

CRB-24.

As noted in the first paragraph on page 4.10.10 of the Initial Study, there is no documentation that the facility is not in compliance with the noise ordinance and no evidence to suggest that any current background noise levels above noise ordinance standards are attributable to the power plant. In any event, given that a trial court has ruled that the noise ordinance is too difficult to interpret and enforce, a determination of compliance may not be an appropriate measure of the project's noise effects. Comprehensive acoustic analyses have been done for the Redondo Beach power plant. Study reports include in part: a Wyle Laboratories report of March, 1991; and a report by Paul S. Veneklasen & Associates of November 12, 1996. Neither a review of these reports nor the current noise study conducted as part of the Initial Study (second paragraph, page 4.10.10) indicate ongoing community noise effects from the power plant.

As reported by Khosrovani (1996), Edison has agreed to maintain the noise levels on the property line of the plant to a level of 64 dBA or below (see page 4.10.9 of the Initial Study). This level thus serves as a baseline and reference value to evaluate the effect of noise control methods applied. Edison has applied a number of methods to achieve this noise level on the property lines of the site. These methods include active noise suppression systems for inlets of

Forced Draft fans of units 7 and 8 and noise control enclosures around the fan housings, equipment enclosures, barriers, valve change-out and pipe lagging systems. These noise reduction techniques have reduced the noise levels from 72 dBA to 63 dBA at the existing east fence lines of the site which is the most sensitive of all segments of the fence lines. This would generally be considered to represent a reduction in loudness of nearly 50 percent.

It appears from the information provided that appropriate and “best available” methods have been applied to control the Redondo Beach plant noise. Information received related to this issue indicates that the plant is currently in compliance with the “informal” standard of 64 dBA at the east property line (George, 1997).

CRB-25.

As described on page 4.11.6, it is not known if the new owner would or would not provide security services. Also, as described in the Initial Study, it is anticipated that if no private security were provided, any demand for police services would be low and that no significant impact would occur. There is no basis to conclude otherwise. In any event, even if the facility has private security services, the services of police can still be required at times and the local police are still responsible for serving the site.

CRB-26.

With or without divestiture, it is possible that the plant would generate more electricity and more employees could be added to the plant. Although identifying a specific number of new employees would be speculative, the growth in wastewater flows from the additional sewage generated by a few new employees, if any, would be unnoticeable to the wastewater collection system. Since the project itself would not generate incremental impacts to the system, it would not have cumulative effects when considered in light of the other projects mentioned by the commentor.

CRB-27.

With the exception of adding fences to proposed parcel boundaries internal to the plant, the proposed project will add no new structures and will not change any views. The following information is added to the end of the last paragraph on page 4.13.6 of the Initial Study:

In views from the east, the site is visually compatible with surrounding industrial uses. The station facilities and transmission lines dominate the background of southwesterly views from uphill areas along Herondo Street. The City of Redondo Beach has noted that nearly all of the industrial uses to the east of the plant will be redeveloped. The City considers the view of the plant to be incompatible with the community and destructive to the scenic vista of the harbor. However, with the exception of fences to proposed parcel

boundaries internal to the plant, the proposed project will add no new structures and will not change any views. Therefore, the project will generate no significant visual impacts.

As discussed in Section 3 of the Initial Study, the continued existence of the Redondo plant, as with all other Edison plants being offered for divestiture, is dependent on market forces that are independent of divestiture. Either Edison or the new owners would have similar incentives to continue operations, refurbish or repower these plants. (See also responses to CCC-1, CCC-2, and CRB-13.)

CRB-28.

The past use of cooling water to heat the City's public swimming pool is noted on page 4.15.17. Such use was discontinued in 1994 because of damage caused by the Northridge earthquake. Accordingly, the document states that, "It is not known what the availability of this resource would be to the City with a new owner of the plant."

REFERENCES:

George, Ballard, Acoustic Engineer, phone interview, October, 13, 1997.

Khosrovani, Hooshang, Paul S. Veneklasen & Associates, "Noise Impact Report-Redondo Generating Station," 12 November 1996.

Robey, Bob, Paul S. Veneklasen & Associates, personal communication, August 13, 1997.

September 24, 1997

Mr. Bruce Kaneshiro, Project Manager
c/o Environmental Science Associates
225 Bush Street - Suite 1700
San Francisco, California 94104

**SUBJECT: SOUTHERN CALIFORNIA EDISON'S APPLICATION NO.
96-11-046 TO SELL 12 POWER PLANTS INCLUDING ETIWANDA
PLANT IN THE CITY OF RANCHO CUCAMONGA - PROPOSED
MITIGATED NEGATIVE DECLARATION**

Dear Mr. Kaneshiro:

[Begin CRC-1]

Attached are comments made on the Initial Study for the Edison Power Plants including the Etiwanda Power Generating facility in the City of Rancho Cucamonga. Our comments on the Initial Study, as well as comments from every responding jurisdictions, have not been acknowledged or incorporated into the Environmental Assessment/Mitigated Negative Declaration document.

[End CRC-1]

[Begin CRC-2]

From the project description and Initial Study previously reviewed, staff concluded that an Environmental Impact Report should be prepared (see attached response dated July 1, 1997). On such a significant restructuring of power generation ownership in California, how can the response to comments on the Initial Study be entirely ignored. We respectfully suggest that issuance of a Negative Declaration skips an important part of the environmental review process and is, therefore, a premature and inappropriate conclusion at this time.

[End CRC-2]

Thank you for the opportunity to comment on the subject document.

Sincerely,

COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION

L.J. Henderson, AICP
Principal Planner

LJH:MB/JFS

Attachments
cc: Rick Gomez, Community Development Director
Brad Buller, City Planner

The City of Rancho Cucamonga

July 1, 1997

Bruce Kaneshiro and Martha Sullivan
California Public Utilities Commission
c/o Environmental Science Associates
301 Brannan Street, Suite 200
San Francisco, CA 94107

SUBJECT: SOUTHERN CALIFORNIA EDISON'S APPLICATION NO. 96-11-046 TO SELL
12 POWER PLANTS INCLUDING ETIWANDA PLANT IN THE CITY OF RANCHO
CUCAMONGA - ENVIRONMENTAL INITIAL STUDY

Dear Mr. Kaneshiro and Ms. Sullivan:

Thank you for the opportunity to review the draft Initial Study for the subject project. SCE's Etiwanda plant is within the City of Rancho Cucamonga. In general, the draft Initial Study is comprehensive, but we are concerned about cumulative impacts and some minor omissions and incomplete statements of fact. Based on the Environmental Checklist, particularly the discussion of potential cumulative impacts, an Environmental Impact Report should be prepared.

CUMULATIVE IMPACTS. We believe the discussion of cumulative impacts should be substantially expanded and the following issues should be added to the discussion on page 4.16.2:

[Begin CRC-3]

- Demolition As to cumulative impacts, the Initial Study does not address whether some or most of the sold generating plants may be demolished. One report stated that the terms of the sale provided that two of three plants in a "bundle" may be dismantled and relocated to other countries. The study should specify whether or not demolition is permitted. If the sale contract provides for demolition, then the possibility should be addressed in the Study as to adequacy of power generation, replacement generation, and rehabilitation of the site for reuse. The provision for complete toxic cleanup and rehabilitation of a site upon removal of a generating plant is a strong concern of jurisdictions where a plant is located, such as Rancho Cucamonga

[End CRC-3]

[Begin CRC-4]

- Trigger for new plant construction A recent news release stated that four new power generation plants were being considered as a result of deregulation. Under Cumulative Impacts, the Study should address the relationship of the proposed sale as a justification for construction of new power plants. We understand that applications for new plants may not yet have been submitted and that no applications for demolition are pending, but there is a reasonable relationship between the sale and potential demolition and between demolition and new construction.

[End CRC-4]

[Begin CRC-5]

- Relationship to nuclear plants Another aspect of the sale which should be addressed under Cumulative Impacts is the relationship of existing and proposed steam generation and existing nuclear capacity and its economic viability.

[End CRC-5]

MINOR INCOMPLETE FACTS AND OMISSIONS

The following items reference specific facts by page number in the draft Initial Study.

[Begin CRC-6]

- 4.1.2. The Inland Empire area of Southern California is far from rural. The Department of Finance reports that Rancho Cucamonga, for example, had a January 1, 1997, population of 116,045 and the City of San Bernardino 180,306. The populated coastal plain area of Riverside San Bernardino PMSA, which is the service area for the Etiwanda, Highgrove, and San Bernardino plants, contains well over a million people. County wide data from the Department of Finance report for January 1, 1996 is attached.

[End CRC-6]

[Begin CRC-7]

- 4.1.10. The statement is incorrect that the Industrial Area Specific Plan (ISP) and the City of Rancho Cucamonga's Development Code do not define "Extensive Impact Utility Facilities," "Utility Services," and "Petroleum Storage" uses. These terms are defined in the ISP on pages III-16, 17, 18, which are attached.

[End CRC-7]

[Begin CRC-8]

- 4.2.4. The population projection is high compared to the City's Housing Element contained in the Rancho Cucamonga General Plan, revised May 17, 1995, which projects build-out between 2015 and 2020. The population projected is based on current zoning, vacant land, a five percent vacancy rate, and 2.9 persons per household for a buildout range between 153,668 to 162,475 with the most likely population being 158,071. The January 1, 1997, vacancy rate is stated at 7.51 percent with 3.066 persons per household.

[End CRC-8]

[Begin CRC-9]

- 4.3.8 - Table 4.3.1 The City-adopted Red Hill Fault Special Study Zone should be added: Trend Northwest; closest segment is 4.5 miles north, with a maximum credible event magnitude 6.5. See attached General Plan Geotechnical Hazard map, Figure V-4.

[End CRC-9]

[Begin CRC-10]

- 4.3.9 - Table 4.3.2 Recorded earthquakes greater than magnitude 5 near Edison Power Plants: The information in the table ends in 1970 and is very incomplete. The following events should be added: Sylmar (San Fernando) February 9, 1971, magnitude 6.5; Whittier Narrows, October 1, 1987, magnitude 5.9; Upland, February 28, 1990, magnitude 5.5; Sierra Madre, June 28, 1991, magnitude 6.0; Desert Hot Springs, April 22, 1992, magnitude 6.1; Big Bear, June 28, 1992, magnitude 6.6; Landers, June 28, 1992, magnitude 7.5; Northridge, January 17, 1994, magnitude 6.7. The Sylmar, Upland,

and Sierra Madre events were on the San Gabriel Mountain thrust fault, which is a continuation of the Cucamonga Fault, located approximately five miles north of the Etiwanda generating station. See attached article on the Cucamonga fault zone scarps.

[End CRC-10]

[Begin CRC-11A, 11B]

- 4.4.36-38 Ground water resources for Etiwanda generating plant: A waste water treatment plant is under construction adjacent to the Etiwanda Generating Plant. A sewer connection should be considered a mitigation measure as a condition of change of ownership. The relationship of past and future spills and soil contamination as mentioned on page 4.9.3 under hazardous materials should be addressed in relationship to ground water.

[End CRC-11A, 11B]

[Begin CRC-12]

- 4.5.30 "Sensitive Receptors:" The statement that the closest air pollution-sensitive receptors to the Etiwanda generating station are located approximately one mile to the northwest of the site is incomplete. Multi-family residential development exists less than one-half mile directly north, beginning at the northeast corner of Etiwanda Avenue and Arrow Highway. Also a San Bernardino County prison facility is located approximately one mile directly south, at the northwest corner of Etiwanda Avenue and Fourth Street (San Bernardino Road).

[End CRC-12]

[Begin CRC-13]

- 4.7.4 Delhi Sands Habitat: The endangered fly is named for the soil type "Delhi Sand" not "Delphi". The general soil type is present, but not the specific dune type formation of Delhi Sand nor significant stands of the native vegetation association.

[End CRC-13]

[Begin CRC-14]

- 4.9.3 Hazardous material contamination on the Etiwanda site: This item is critical to the local community and discussion should be expanded. A discussion of cleanup in the event of plant demolition should be added.

[End CRC-14]

[Begin CRC-15]

- 4.15.14 Add Rancho Cucamonga Adult Sports Park, located at the northwest corner of Arrow Highway and Rochester Avenue as the facility nearest the Etiwanda generating station, as well as Northeast Park, Heritage Park, Elena Park.

[End CRC-15]

Again, thank you for the opportunity to comment on the draft Initial Study. When completed, please forward a copy of the draft Environmental Impact Report for review and comment. If you have additional questions please contact Miki Bratt, AICP, Associate Planner at (909) 477-2750.

Sincerely,

COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION

/s/

L.J. Henderson, AICP
Principal Planner

LJH:MB:taa

Attachments

cc: Rick Gomez, Community Development Director
Brad Buller, City Planner

**San Bernardino County Population and Housing Estimates
January 1, 1996**

CITY	POPULATION			HOUSING UNITS								PERSONS
	TOTAL	HOUSE-HOLD	GROUP QUARTER	TOTAL	SINGLE		MULTIPLE		MOBILE HOMES	OCCUPIED	% VACANT	PER
					DETACHED	ATTACHED	2 TO 4	5 PLUS				HOUSE-HOLD
ADELANTO	13353	12924	429	5119	3059	307	519	785	449	4571	10.71	2.827
APPLE VALLEY	52834	52649	185	18715	14056	336	2285	1262	776	17498	6.50	3.009
BARSTOW	22297	22147	150	8768	4978	252	1097	1488	953	7884	10.08	2.809
BIG BEAR LAKE	5957	5949	8	8911	7379	218	520	431	363	2353	73.59	2.528
CHINO	63378	55298	8080	17001	11908	920	691	2905	577	16473	3.11	3.357
CHINO HILLS	49763	49615	148	16911	13541	848	279	1680	563	15291	9.58	3.245
COLTON	44509	44154	355	15305	8424	475	1281	4288	837	13956	8.81	3.164
FONTANA	103261	102775	486	32837	23805	678	1647	5907	800	29487	10.20	3.485
GRAND TERRACE	13201	13100	101	4780	2965	184	186	1155	290	4542	4.98	2.884
HESPERIA	59375	59288	87	19838	16059	285	955	1604	935	18914	4.66	3.135
HIGHLAND	40478	40321	157	14008	10021	351	767	2024	845	12620	9.91	3.195
LOMA LINDA	21201	19451	1750	7966	3315	776	1078	2259	538	7353	7.70	2.645
MONTCLAIR	29968	29625	343	9167	5087	810	952	1634	684	8779	4.23	3.375
NEEDLES	5746	5616	130	2497	1420	62	267	277	471	2127	14.82	2.640
ONTARIO	142440	141570	870	44244	25825	3010	4200	8977	2232	41894	5.31	3.379
RANCHO CUCAMONGA	115937	113455	2482	39702	26816	2309	1458	7747	1372	36720	7.51	3.090
REDLANDS	65650	63558	2092	24488	15432	1038	2422	4708	888	23222	5.17	2.737
RIALTO	80312	80238	74	25859	18109	419	2026	3411	1894	23751	8.15	3.378
SAN BERNARDINO	181701	177021	4680	64059	36526	2026	6366	14465	4676	59188	7.60	2.991
TWENTYNINE PALMS	14478	14758	20	6808	4472	128	1433	319	456	5313	21.96	2.778
UPLAND	66230	65699	531	24904	14222	1657	2514	5652	859	23462	5.79	2.800
VICTORVILLE	60009	59523	486	23143	14835	1373	1565	3445	1925	19186	17.10	3.102
YUCAIPA	37450	37131	319	14995	9235	347	567	510	4336	13990	6.70	2.654
YUCCA VALLEY	18632	18305	327	8466	6459	242	595	399	771	7473	11.73	2.449
INCORPORATED	1308460	1284170	24290	458491	297948	19051	35670	77332	28490	416047	9.26	3.087
UNINCOPORATED	281010	269517	11493	130080	100805	3577	4565	5047	16086	86817	33.26	3.104
COUNTY TOTAL	1589470	1553687	35783	588571	398753	22628	40235	82379	44576	502864	14.56	3.090

Definitions:

(From the Industrial Area Specific Plan)

Petroleum Products Storage: Activities typically include, but are not limited to: bulk storage, sale and distribution of gasoline, liquefied petroleum gas, and other petroleum products.

Extensive Impact Utility Facilities: Activities typically include, but are not limited to those performed by public agencies or which are strongly vested in the public interest, and which produce or may produce a substantial impact upon the surrounding area. Uses typically include, but are not limited to the following institutions and installations:

- Electric, gas, and oil transmission facilities
- Garbage or refuse disposal facilities
- Major mail-processing centers
- Radio and television transmission facilities, including but not limited to booster or relay stations
- Railroad and bus terminals
- Railroad rights-of-way, railroad yards and bus storage areas
- Public utility corporation or truck yards
- Reservoirs, water tanks, and water treatment facilities
- Sewage treatment facilities and truck lines exclusive of individual septic tanks
- Steam, fossil, or nuclear power plants
- Truck terminals operated by a public agency

Public Safety and Utility Services: Activities typically include, but are not limited to, the maintenance and operation of the following installations:

- Communications equipment installations and exchanges, except telephone exchange and switching facilities.
- Electrical substations;
- Gas substations;
- Ambulance services;
- Police stations and fire stations;
- Post offices, but excluding major mail-processing centers; and,
- Publicly operated off-street parking lots and garages available to the general public either without charge or on a fee basis.

CRC - THE CITY OF RANCHO CUCAMONGA

CRC-1.

The City indicates its comments to the Draft Initial Study, submitted in its July 1 letter, were not addressed in the Mitigated Negative Declaration/Initial Study. Those comments are addressed individually below as CRC-3 through CRC-15.

Throughout its CEQA review of Edison's divestiture proposal, the CPUC has actively sought and welcomed the input of other affected jurisdictions to inform its environmental analysis. Comments on the Draft Initial Study were requested as a function of informal consultation prior to the completion of the CPUC's analysis. All of the input received was considered by the CPUC in completing the Initial Study and in determining that a Mitigated Negative Declaration was appropriate. Responses were not required nor necessary to accomplish the purpose of the informal consultation, as encouraged in *CEQA Guidelines* § 15063 (g).

CRC-2.

Please see response to CRC-1.

CRC-3.

As noted on page 2.7 of the Initial Study, Edison has revised its proposal such that no generating station is being offered as part of a "bundle" of facilities.

As discussed in Section 3 and Attachment C at page C.16 of the Initial Study, Edison and the new owners have similar incentives to continue operations, refurbish or repower (or implicitly, to retire) any plant, including any associated demolition activities. These incentives arise from market forces that are part of restructuring, not divestiture (see also responses to CCC-1, CCC-2, CCC-3, CRB-13, and CRB-27). For a discussion of remediation activities see CCC-2.

CRC-4.

Potential cumulative impacts were addressed in Section 4.16 of the Initial Study, including the relationship of the project with three current and certified power plant developments, and five plants with applications pending before the California Energy Commission. As noted on page 4.16.6 of the Initial Study, "These potential future power plants, once constructed, are not expected to have cumulative impacts with the project. Demand for electricity in California is not expected to significantly increase. The cumulative effect of new plants (if built) would likely inhibit the tendency of the new owners of divested plants to increase operations at individual

plants because new plants would tend to increase electrical generation capacity in California. The new proposed plants would employ the latest in generating and pollution control technology and may be cleaner to operate so that they would have lower emissions. This would provide a potential positive net benefit to the environment, particularly with respect to air quality. Therefore, the cumulative impacts associated with future potential power plants and the project would be less than significant.” Please also see response CCC-3.

CRC-5.

As noted in CRC-4, cumulative impacts are addressed in Section 4.16 of the Initial Study. It is unclear what, if any, physical impact the commentor is suggesting could arise from “the relationship of existing and proposed steam generation with existing nuclear capacity and its economic viability.”

CRC-6.

As noted on page 4.1.2 of the Initial Study, more than 90 percent of the land in San Bernardino County, where the plant is located, is rural, vacant or recreational open space. The Initial Study notes, however, that though the percentages of land used for housing or commercial/industrial applications are relatively small, the total acreage devoted to such use in San Bernardino County is “greater numerically than comparable acreage in the City of Los Angeles.” In other words, though the percentage of land used for residential, commercial or industrial applications is small, San Bernardino County is so large that the total acreage devoted to such use is still quite significant. Regardless, the exact nature of the lands of the entire county are irrelevant to the project; only the nature of the properties near the power plants proposed for sale are relevant to the project and the Initial Study, and those properties were all considered in the analysis leading to the conclusions of the Initial Study.

CRC-7.

This comment was addressed; the Initial Study was corrected (pg. 4.1.10) and makes no reference to whether such terms are defined in the ISP.

CRC-8.

The Initial Study relied on population statistics supplied by Edison in its *Technical Resources Document, Background Environmental Information for the Proposed Divestiture of Edison Gas-Fired Generation Plants* (ENTRIX, Inc. 1996). That document relied on the 1996 Report from the California Department of Finance's Demographic Research Unit and a 1994 report from the Southern California Associations of Governments giving population statistics (pg. 8-11 of the *Technical Resources Document*). In any event, the differences in the estimates between the two

sources is small, and would not change any conclusion in the Initial Study. For instance, the *Technical Resources Document* provided an estimate of 3.09 persons per household in Rancho Cucamonga, while the City's Plan gives a figure of 3.066 persons per household, a difference of about 0.8 percent.

CRC-9.

The Red Hill Fault is included on page 4.3.6 of the Initial Study in Table 4.3.1, is listed as active, and identifies the closest segment as 5 miles north. However, the following is added to the Geologic Hazards section on page 4.3.14 to note the special study zone around the Red Hill Fault:

The City of Rancho Cucamonga has adopted an earthquake special study zone on the City's General Plan Geotechnical hazard map for the area around the Red Hill Fault. The plant is not within this zone.

Also, column 7 of Table 4.3.1 on page 4.3.6 of the Initial Study is revised such that a Maximum Credible Earthquake of magnitude 6.5 is designated for the Red Hill fault. Neither of these revisions change the Initial Study's conclusions.

CRC-10.

Based on the information provided by the City, the following recorded earthquakes are added to Table 4.3.2 under the Etiwanda Plant. The distances to the epicenter are approximate.

Date	Richter Scale Magnitude	Epicenter from Station	Location
<u>2/9/71</u>	<u>6.5</u>	<u>37 mi. NW</u>	<u>San Fernando</u>
<u>10/1/87</u>	<u>5.9</u>	<u>20 mi. SW</u>	<u>Whittier</u>
<u>2/28/90</u>	<u>5.5</u>	<u>less than 4 mi. W</u>	<u>Upland</u>
<u>6/28/91</u>	<u>6.0</u>	<u>20 mi. NW</u>	<u>Sierra Madre</u>
<u>4/22/92</u>	<u>6.1</u>	<u>61 mi. SE</u>	<u>Desert Hot Springs</u>
<u>6/28/92</u>	<u>6.6</u>	<u>44 mi. NE</u>	<u>Big Bear</u>

<u>6/28/92</u>	<u>7.5</u>	<u>68 mi. NE</u>	<u>Landers</u>
<u>1/17/94</u>	<u>6.7</u>	<u>55 mi. NW</u>	<u>Northridge</u>

The addition of this information does not change the conclusions of the Initial Study.

CRC-11A.

As noted on page 4.4.37 of the Initial Study, the plant now discharges wastewater to the Los Angeles County Sanitation District via the Chino Basin Municipal Water District (CBMWD), under a temporary permit issued by CBMWD in 1991. By law, any new owner of the plant would be required to obtain a new permit from CBMWD for continued wastewater discharge, thus ensuring compliance with all applicable rules, regulations and operating criteria. The City did not identify an environmental impact that its recommended mitigation measure would mitigate. Since there is no environmental impact associated with the project that such a measure would mitigate, there is no basis for or need to require Edison or the new owner to construct a sewer connection to the new wastewater treatment facility.

CRC-11B.

As discussed in response to CCC-2, a condition of the sale of the plants targeted for divestiture, Edison will retain responsibility for remediation of all existing soil contamination, including that which may affect groundwater. The new owner will assume responsibility for remediation of soil contamination that occurs after the sale.

CRC-12.

The second sentence of the last paragraph of the Etiwanda section of Permit Conditions and Current Emissions, on page 4.5.26 of the Initial Study, is revised as follows:

The closest air pollution-sensitive receptors to the generating station are located approximately one mile to the northwest of the site. ~~half mile directly north of the~~ generating facility in multi-family residential development near the intersection of Etiwanda Avenue and Arrow Highway. Other receptors are located approximately one mile to the northwest of the site, and at a San Bernardino County Jail facility approximately one mile south of the generating facility at the intersection of Etiwanda Avenue and Fourth Street (San Bernardino Road).

However, identifying sensitive receptors that are one-half mile from the plant makes no difference in the conclusions drawn concerning air quality. For other Edison plants proposed for divestiture, many receptors are located “in close proximity (1,000 feet or less) of seven of the 12 power plants,” as noted on page 4.5.39 of the Initial Study under “Local Issues.” Previous health risk assessments of receptors near PG&E plants concluded that increased emissions of hazardous air pollutants (HAPs) from gas-fired boilers did not correlate to increased risk to nearby sensitive receptors. In any event, new owners of divested plants would still be required to comply with the Air Toxics “Hot Spots” Information and Assessment Act, including notification of exposed individuals if the assessments identify “significant health risk.”

CRC-13.

Concerning the commentor's first point, the last sentence of the Etiwanda description under the “Local Setting” section on page 4.7.4 of the Initial Study is revised as follows:

However, the plant is within a critical habitat area for Delhi ~~Delphi~~ sand-flower-loving fly (federally endangered) and the residual open space could harbor several special status species such as the burrowing owl, orange-throated whiptail, the San Bernardino Merriam's kangaroo rat and the San Diego horned lizard.

The City's second point appears to state that although Delhi Sand is present at or near the Etiwanda site, the specific dune types and associated native vegetation are not present at the site; this observation does not change or affect any analysis or conclusion drawn in the Initial Study.

CRC-14.

This comment was addressed in the Initial Study. The Etiwanda description under Local Settings in the Hazards Section, found on page 4.9.3 of the Initial Study, included substantially more information than the description in the DIS, and cleanup procedures are discussed at length in the Exposure to Existing Hazards section on page 4.9.12 of the Initial Study.

CRC-15.

This concern was addressed, as all four of the parks are included in the list found on page 4.15.14 of the Initial Study.

County of Santa Barbara
Planning and Development
123 East Anapamu Street
Santa Barbara, CA 93101-2058

September 4, 1997

Bruce Kaneshiro, Project Manager
c/o Environmental Science Associates
225 Bush Street, Suite 1700
San Francisco, California 94104

RE: Draft Mitigated Negative Declaration and Initial Study (ND/IS), Southern California Edison
Plant Divestitures, Application 96-11-046

Dear Mr. Kaneshiro:

[\[Begin CSBPD-1\]](#)

Thank you for the chance to review and comment on this draft ND/IS. Prior comments on the draft Initial Study were submitted by letter dated July 2, 1997, a copy of which is attached. Our review of the more recent draft ND/IS indicates that no changes have been made in the project which would change the nature or extent of these prior comments. Therefore, please enter them into your record as comments on the current draft ND/IS.

[\[End CSBPD-1\]](#)

Please call me directly at (805) 568-2080 if you have any questions.

Sincerely yours,

/s/

GREGORY MOHR, Planner
Comprehensive Planning Division

Attachment

cc: Members of the Board of Supervisors
Scott Ullery (County Administrator's Office)
Ron Tan and Vijaya Jammalamadaka, APCD
Bill Douros, Michelle Gasperini, and Zoraida Abresch (P&D/Energy)
Natasha Heifetz (P&D/Development Review)
Noel Langle and Lisa Plowman (P&D/Zoning Administration)
P&D chron

County of Santa Barbara
Planning and Development
John Patton, Director

July 2, 1997

Bruce Kaneshiro and Martha Sullivan, Co-Project Managers
California Public Utilities Commission
c/o Environmental Science Associates
301 Brannan Street, Suite 200
San Francisco, California 94107

RE: Draft Initial Study, Southern California Edison Plant Divestitures, Application 96-11-046

Dear Mr. Kaneshiro and Ms. Sullivan:

Thank you for the chance to review and comment on this draft Initial Study (IS). The following comments pertain only to issues concerning SCE's proposed divestiture of the "Ellwood Energy Support Facility," a 50± MW gas-fired generator located in the unincorporated Goleta area of Santa Barbara County. Prior comments were submitted by letter dated April 9, 1997, a copy of which is enclosed for convenient reference.

General Comments:

[\[Begin CSBPD-2\]](#)

The draft IS finding of "no potentially significant impacts" appears to be premised upon an assumption that the plant would continue to be operated only intermittently, up to 200 hours per year as allowed by the facility's current Santa Barbara County Air Pollution Control District (APCD) permit. However, as noted in the APCD's letter to you dated 25 June 1997 (copy attached), a new operator could apply for a permit modification to increase the use of the plant. This could result in substantially greater adverse impacts than analyzed in the draft IS, especially with regard to noise and vibration, air pollutant emissions, electromagnetic fields, and risk of upset. These impacts are of particular concern because of the plant's close proximity to the Ellwood Elementary School and to both existing and proposed residential uses.

[\[End CSBPD-2\]](#)

[\[Begin CSBPD-3\]](#)

We realize that an analysis of such impacts would be somewhat speculative, because the intentions of some as-yet-unknown new operator cannot be foreseen with certainty. Nevertheless, a reasonable worst case assumption could be that a new operator would want to run the Ellwood plant in a manner similar to other plants of its type and size within the state, especially if there is a consistent pattern to such operations wherever else they may exist. This assumption could become the basis for a more useful and forthright analysis of the plant divestiture's potential environmental impacts. Also as noted in our previous letter, consistency with local plans and policies, including the APCD's Clean Air Plan, should be considered in the project's Initial Study.

[\[End CSBPD-3\]](#)

Specific Comments and Questions:

[\[Begin CSBPD-4\]](#)

1. Please address how any change in ownership of this peaking facility would affect the rest of the Ellwood/Isla Vista grid system, including:
 - A. As stated on Page 3.2 of the IS, no mandate exists that requires new owners to continue to operate a plant after it is sold, unless they are "must run" plants. Is the Ellwood Peaking Station a "must run" plant? Edison has stated to the County, that the Ellwood Peaking Station provides limited and temporary electrical energy for transmission throughout the Santa Barbara area system as well as providing peak support for the Edison electrical grid. If SCE no longer has access to this peaking facility, how can it accommodate intermittent increases in demand?
 - B. What, if any, new demands (including power supply problems or concerns) would be placed on SCE's new UCSB substation and SCE's proposed Mobil Ellwood Onshore Facility substation once SCE no longer has access to a peaking facility in this vicinity? If the proposed substation at Mobil is not permitted, or is otherwise not built, what if any demands would be placed on the Peaking Station?

[\[End CSBPD-4\]](#)

[\[Begin CSBPD-5\]](#)

2. As stated in the IS, with divestiture, any new buyer of a power plant would likely have a strong economic incentive to operate the facility up to its available capacity or to increase capacity.
 - A. The only permit limitation on the Ellwood Peaking Station is a limit on the number of operational hours of the plant. A new owner that operates the plant at a maximum reasonable output would exceed the Santa Barbara County Air Quality threshold for NOx emissions. This should be analyzed under a reasonable worst case scenario.
 - B. As previously noted under "General Comments," because it is reasonably foreseeable that a new owner would operate the Peaking Station at a higher or maximum capacity, the IS should address how operation of the facility at such higher capacities would affect noise/vibration, air quality, electromagnetic radiation, and risk of upset/safety impacts.

[\[End CSBPD-5\]](#)

[\[Begin CSBPD-6\]](#)

3. Please provide additional information relative to the Peaking Station's current use. How many hours and days per year is this facility currently used? What is the maximum number of hours and days per year the facility could be used? Please explain the term "dependable capacity" as opposed to maximum capacity. What is the maximum capacity of the Peaking Station?

[\[End CSBPD-6\]](#)

I hope that these comments are useful in your preparation of a final Initial Study and other appropriate environmental documentation, specifically insofar as the project relates to the Ellwood Peaking Station. Please call me directly at (805) 568-2080 if you have any questions.

Sincerely yours,

/s/

GREGORY MOHR, Planner
Comprehensive Planning Division

Attachments (2)

cc: Members of the Board of Supervisors
Scott Ullery (County Administrator's Office)
Ron Tan and Vijaya Jammalamadaka, APCD
Bill Douros, Michelle Gasperini, and Zoraida Abresch (P&D/Energy)
Natasha Heifetz (P&D/Development Review)
Noel Langle and Lisa Plowman (P&D/Zoning Administration)
P&D chron

County of Santa Barbara Planning and Development
123 East Anapamu Street
Santa Barbara, CA 93101-2058

April 9, 1997

BY FAX (213) 934-1289 (3 pp. total)

Mr. Manuel R. Gurrola
Environmental Science Associates
4221 Wilshire Boulevard, Suite 480
Los Angeles, California 90010

RE: Public Utilities Commission Initial Study, Southern California Edison Plant Divestitures

Dear Mr. Gurrola:

This letter follows up on a meeting held last Friday, April 4, between several Santa Barbara County P&D staff members and ESA staff members Dani Hamilton and Richard Masters. The topics of discussion were the CEQA and other issues of local concern for SCE's proposed divestiture of its "Ellwood Energy Support Facility," a 50± MW gas-fired generator.

CEQA Issues

As discussed at the meeting, the plant is adjacent to a tentatively-approved affordable housing project (Sandpiper) and is close to other approved residential projects and established neighborhoods. We loaned to ESA a copy of the Sandpiper EIR to provide a first-hand look at how the plant's operational characteristics were treated in Sandpiper's environmental analysis. In summary, it was expected that the plant would continue to be operated only intermittently; should a new operator increase the use of the plant, this could represent a substantial change in Sandpiper's setting, resulting in the need to prepare a Supplemental EIR when the Sandpiper project developers apply for final approval. The primary concern would be electromagnetic field exposures, since residential units are proposed in close proximity to the plant.

Other CEQA issues of concern to the Sandpiper project and to the broader local area, should the Ellwood plant see increased use, include noise, ground vibration, air quality, and possibly risk of upset. Consistency with local plans and policies also should be considered in the project's Initial Study, and ESA staff were given a copy of the Goleta Community Plan at the conclusion of last Friday's meeting. A broad range of other CEQA issues could be involved if the plant site is divested and put to some other use. Such issues would depend upon the actual proposed new use, and it wouldn't be very productive to speculate further at this time since no alternative uses are being proposed.

Permitting Issues

1. It appears that the County has land use/zoning permit jurisdiction over the Ellwood plant. A change in ownership would not affect the permit status for this facility.

On September 26, 1961, in accordance with Ordinance 661, the County of Santa Barbara

Planning Commission (P/C) approved the construction, operation and maintenance of an electric distribution substation in the M-1-B zone district via 61-CP-010 (Conditional Use Permit). As approved, SCE may "change, alter, replace, and/or modernize the substation equipment and facilities and to increase the capacity thereof when demands for electricity increase so long as there is substantial conformance with the arrangement of facilities and equipment as shown on said Exhibit A Plot Plan." The P/C further ruled that since this permit is for the expansion of an existing use (since 1929) there is no time limit to begin construction of the project. According to the current proposal, the facility began operating in 1973.

On January 3, 1983, Article III became effective (which superseded Ordinance 661) and the property was rezoned to Public Works, Utilities and Private Service Facilities (PU). Before any development, including grading, can occur in this zone district a Final Development Plan (FDP) must be approved. So, while the frequency of the facility's use does not appear to be limited currently, any changes, including structural alterations, beyond those specified in the current permit (61-CP-010) would trigger the requirement for a FDP. Furthermore, approval of a FDP would be contingent upon meeting the performance standards of the PU zone district. These include, but are not limited to, proper storage of equipment and material, and limitations on noise, ground vibration, odor, lighting, smoke, dust.

2. The Initial Study should address how any change in ownership of this peaking facility would affect the rest of the Ellwood/Isla Vista grid system, including:
 - A. If SCE no longer has access to this peaking facility, how can it accommodate intermittent increases in demand?
 - B. What, if any, new demands would be placed on SCE's new UCSB substation and SCE's proposed Mobil Ellwood Onshore Facility substation once SCE no longer has access to a peaking facility in this vicinity?

Finally, please add to your notification list for future actions on this project: Julie Ellison, Planning & Development/Energy Division, 1226 Anacapa St., Santa Barbara, CA 93101-2010.

We hope that this feedback, although prepared in some haste, will assist ESA and the PUC in completing the divestiture project's Initial Study. Please call me directly at (805) 568-2080 if you have any questions.

Sincerely yours,

/s/

GREGORY MOHR, Planner
Comprehensive Planning Division

cc: Bill Douros & Julie Ellison (P&D/Energy)
Natasha Heifetz (P&D/Development Review)
Noel Langle and Lisa Plowman (P&D/Zoning Administration)

Santa Barbara County
Air Pollution Control District

25 June 1997

Bruce Kaneshiro
Public Utilities Commission
State of California
505 Van Ness Avenue
San Francisco, CA 94102-3298

Regarding: Draft Initial Study for Southern California Edison Proposal for Divestiture

Dear Mr. Kaneshiro:

Thank you for the opportunity for commenting on the Draft Initial Study for Southern California Edison's Proposal for Divestiture. While the Draft I.S. is generally a well-prepared document, the statement on page 4.5.58 that there will be no air quality impact associated with the divestiture of the Ellwood Facility is incorrect. Santa Barbara County is a non-attainment area with respect to both the federal and California ozone standards. Our attainment demonstration plan assumes there will be no growth in emissions from the Ellwood Facility. While Edison's APCD permit to operate currently limits the annual operating hours, a new divested owner could request a permit modification increasing the operating hours and thus emitting more pollutants than forecasted in our attainment plan. These additional emissions, if not fully mitigated, would jeopardize Santa Barbara County's progress towards attainment of the ozone standard. If this is a reasonably foreseeable scenario, it must be addressed in your environmental document and analyzed under a reasonable worst case scenario.

If you have any questions, please contact me at (805) 961-8812.

Sincerely,

/s/

Ron Tan

cc: TEA Chron

CSBPD - COUNTY OF SANTA BARBARA PLANNING AND DEVELOPMENT

CSBPD-1.

The department's previous comments from its July 2 letter are addressed below as responses CSBPD-2 through 6.

CSBPD-2.

The analysis in the Initial Study assumed that the new owner would operate the plant under the same permit conditions as are currently in place, including the 200 hours per year operating restriction. The Initial Study notes on page 3.5, "This Initial Study assumes that each of the divested plants continues to operate within the parameters of its existing permits (e.g., water discharge permits and air emissions permits) because it is not reasonably foreseeable that operations would exceed those levels." Air emissions permits are considered in the development of Clean Air Plans.

This project involves the sale of the Ellwood facility but no request to increase the limitation in the permit for annual hours of operation. While a new owner might apply for a permit revision (and so could Edison if it retains the Ellwood facility), such a revision would be subject to environmental review and any substantial adverse impacts would be identified at that time.

CSBPD-3.

The analysis in the Initial Study is consistent with the comment already. Plants of the type similar to Ellwood (i.e., combustion turbines) typically run 100 hours or less per year and are likely to do so in the future under any ownership scenario. Thus, it is reasonably foreseeable that the divested plants would continue to operate within the parameters of their existing permits and thus, that the Ellwood facility would continue to operate no more than 200 hours per year.

CSBPD-4.

This comment was substantially addressed in the Utilities and Service Systems section of the Initial Study. As noted on page 4.12.2 of the Initial Study, "AB 1890 caused the creation of the Independent System Operator (ISO), which will coordinate the scheduling and dispatch of electricity, and will ensure that reliability of the transmission system is maintained.... Additionally, the CPUC will continue to have statutory responsibilities for system reliability." Concerning must-run status and issues, the CPUC determined in Decision 97-09-049 (page 8) that for the purposes of PU Code Section 362, Edison had met its burden of proof showing that

the Ellwood facility “will be needed neither for local voltage support nor to meet applicable planning reserve criteria,” and that no party to the case disputed the evidence Edison presented to support its classification of the Ellwood facility. Therefore, the Ellwood facility for the purposes of this proceeding is not a “must-run” plant.

The Initial Study assumes all the power plants targeted for divestiture will continue to be operated in the restructured industry. The ISO has tentatively accepted the Edison determination that the Ellwood facility is not a “must-run” plant. If the ISO subsequently identifies the Ellwood Energy Support Facility as a must-run plant, needed to maintain local reliability of the grid, it will negotiate with the new owner to sign a Master Must Run Reliability Agreement (MMRRA) requiring the new owner to keep the facility available during certain times. The CPUC and the Federal Energy Regulatory Commission (FERC) are in the process of finalizing the MMRRA. New owners would be required to sign and honor such contracts before assuming ownership of a must-run plant. Even without an MMRRA, the ISO will be free to use the Ellwood facility as needed to meet local load and maintain reliability and power quality, as long as the facility is available. If the Ellwood facility becomes unavailable, for whatever reason, the ISO will take action, if needed, to ensure reliability of the grid.

No change in energy use is expected as a result of the divestiture of the Ellwood peaking facility. The energy delivered through the UCSB substation and the proposed substation at Ellwood will be scheduled by the ISO which will ensure that the reliability of the transmission system (including these two substations) is maintained.

Substations deliver energy to customers (as opposed to generation facilities which produce the energy). If the proposed Ellwood substation is not built, then other substations would deliver the energy the Ellwood substation would have delivered, but there will be no impact upon, or change in demand to, the Ellwood Energy Support Facility since it is a generation facility.

CSBPD-5.

Please refer to responses to CSBPD-2 and CSBPD-3. Also, the Initial Study evaluated noise/vibration (Section 4.10), air quality (Section 4.5), and EMF and other hazards (Section 4.9).

CSBPD-6.

As noted in Table 2.1, the Ellwood facility operated at an average capacity factor of 0.39 percent over the five period from 1992 through 1996, or about 37 hours per year, based on Edison's Uniform Monthly Fuels and Operations Reports for the same period. The facility is used only to meet peaking needs during times of unusually high demand, which generally occur in summer months. Predicting which days the facility will operate is difficult at best because weather is

generally the determining factor in making demand high enough to require use of the Ellwood facility for maintaining voltage and frequency in the region. As noted in several places in the Initial Study, such as on page 4.5.26, operation of the Ellwood facility is limited to 200 hours per year, except during emergency conditions; there is no limit on the number of days per year the facility can be operated, as long as the 200 hours per year total is not exceeded.

Dependable capacity is defined as the amount of energy the facility could safely generate at any given time, as confined by thermal limits and other operating criteria. For Ellwood, the winter dependable capacity is 53 Megawatts (MW), while the summer dependable capacity is 48 MW because air temperature is generally higher, meaning the air-cooled turbine must be kept at lower power levels to ensure thermal limits are not exceeded. The maximum capacity of any generating unit is generally the highest dependable capacity, which for Ellwood is 53 MW.

State of California-Business and Transportation Agency
Department of Transportation
District 7, 120 So. Spring Street
Los Angeles, CA 90012-3606
TDD (213) 897-6610

September 8, 1997

IGR/CEQA/MND/#970907/CP
Mitigated Neg. Dec. & Initial Study
So. California Edison Co. Application No. 96-11-046
Proposal for Divestiture
LA-01-VAR
SCH#97081067

Mr. Bruce Kaneshiro
C/O ESA
California Public Utilities Commission
225 Bush Street, Suite 1700
San Francisco, CA 94104

Dear Mr. Kaneshiro:

Thank you for including the California Department of Transportation (Caltrans) in the environmental review process for the project referenced above. The project consists of the proposed sale of 12 electric generation facilities. These facilities are currently under single ownership and would be offered for sale at auction.

[\[Begin DOT-1\]](#)

Based on the information received we have no comment at this time. However, we do believe that new projects resulting from the sale of these assets should be submitted for environmental review.

[\[End DOT-1\]](#)

If you have any questions regarding this response please reference IGR/CEQA #970907, and call me at (213) 897-4429 or Cheryl Powell IGR/CEQA Coordinator for the project at (213) 897-3747.

Sincerely,

/s/

STEPHEN J. BUSWELL
IGR/CEQA Program Manager
Transportation Planning Office

Chris Belsky
State Clearinghouse

DOT - DEPARTMENT OF TRANSPORTATION

DOT-1.

With regard to the commentor's concern about environmental review of future projects resulting from the sale of Edison power plants, the Initial Study assessed only the impacts of the proposed divestiture. As noted on page 3.2 of the Initial Study, if an Edison power plant is purchased, the new owner may determine that modifications to the plant are needed. However, the same would be true of Edison if it were to continue ownership of the facility, as discussed thoroughly in section 3.2 of Attachment C to the Initial Study. If either a new owner or Edison decided to modify the plant, it would have to comply with applicable regulations, including environmental review. Based upon the type of modifications requested, either a local agency or the California Energy Commission (CEC) would be the CEQA Lead Agency. In any event, any changes proposed in operations, retrofitting, etc. would be evaluated at the time an application for such changes were presented for consideration by the owner of the plant. Therefore, the Department of Transportation and other interested parties would have the opportunity to evaluate impacts to land use and other environmental effects at that time.

September 25, 1997

VIA FACSIMILE & U.S. MAIL

Bruce Kaneshiro, Project Manager
c/o Environmental Science Associates
225 Bush Street, Suite 1700
San Francisco, CA 94104

Re: Edison Divestiture Application (A.96-11-046)

Dear Mr. Kaneshiro:

[\[Begin E-1\]](#)

Southern California Edison Company is pleased to submit these comments on the Mitigated Negative Declaration ("MND") and the Initial Study ("IS") issued by the Commission on August 24, 1997, regarding Edison's application to sell twelve powerplants. As we have discussed with you, the mitigation measures identified in the MND are acceptable to Edison and Edison will modify its divestiture of the powerplants as described in those mitigation measures. (As discussed below, however, one of the mitigation measures has already been satisfied through a regulatory change and therefore no longer needs to be included). [\[End E-1\]](#) [\[Begin E-2\]](#) In submitting these comments, however, Edison wishes to emphasize that our agreement on mitigation measures does not constitute an agreement with the Commission's threshold legal conclusion, reflected in the IS and MND, that Edison's sale and transfer of the plants is a "project" subject to CEQA. Also, we wish to reiterate that our agreement with the MND in no way implies that we concur with or endorse all of the economic analysis or forecasts accompanying the IS, although we are pleased to note that the IS now correctly concludes that any prediction of increase in generation due to divestiture is too speculative to form the basis for requiring an EIR or mitigation measures addressing increased generation.

[\[End E-2\]](#)

[\[Begin E-3\]](#)

In considering and responding to comments received during this comment period and preparing its CEQA findings, we request that the Commission consider the information contained in our PEA and comments on the Draft Initial Study and we hereby incorporate those prior documents by reference.

[\[End E-3\]](#)

Finally, in these comments we also provide updated information regarding the lot-line adjustment applications at several facilities that were pending when the IS and MND were being prepared. This updated information does not alter or affect any of the conclusions in the IS or MND, but we provide it to you so that the public has the most complete information available regarding the divestiture.

[\[Begin E-4\]](#)

1. MDAQMD Rule 1158 has been revised to apply to non-utilities.

The MND includes a mitigation measure intended to ensure that the Cool Water Generating Station would continue to be subject to NOx emission limits in Mojave Desert Air Quality Management District ("MDAQMD") Rule 1158 even if that rule were not revised by the time of the sale of the plant to clearly apply to non-utilities. (MND at page 3.) The governing board of the MDAQMD adopted appropriate revisions to Rule 1158 on August 25, 1997, clarifying that the plant remains subject to the rule regardless of whether it is owned by a utility. (A copy of the revised rule is attached hereto as Attachment A.) Accordingly, this mitigation measure can and should be removed from the MND.

[\[End E-4\]](#)

[\[Begin E-5\]](#)

2. Because the Commission lacks legal discretion to completely prohibit the sale and transfer of the plants, such sale and transfer itself is not a "project" subject to CEQA.

As you know, it consistently has been Edison's position that the sale and transfer of ownership of the powerplants is not subject to CEQA, for several reasons. First, as discussed in the Proponent's Environmental Assessment ("PEA") filed with Edison's Divestiture Application, the sale and transfer of the facilities will not cause any direct, or reasonably foreseeable indirect, physical changes to the environment, and therefore does not meet the CEQA definition of "project." (Pub. Res. Code ' 21065) In addition, as also mentioned in the PEA, even if the divestiture of the plants were a "project" under CEQA, it would fall within the categorical exemption from CEQA for existing facilities. (14 C.C.R. ' 15301)

[\[End E-5\]](#)

[\[Begin E-6\]](#)

Moreover, in addition to the other bases for Edison's position, Edison has pointed out in response to the Commission's Draft Initial Study ("DIS") (specifically, the DIS's baseline scenario in which Edison is assumed to continue to own all of the plants permanently or indefinitely), that the Commission lacks legal discretion to completely prohibit the sale and transfer of the plants. (See, e.g. letter dated July 21, 1997, from Sumner J. Koch to Bruce Kaneshiro and Martha Sullivan [copy attached hereto as Attachment B] at pages 2-3.) Even if the plants were not sold and transferred via the pending divestiture application, Edison *and the Commission* still would be required by law to market-value the plants no later than the end of 2001 (Pub. Util. Code ' 367), and immediately thereafter the plants are no longer subject to Commission regulation and may be sold without Commission approval (Pub. Util. Code ' 377), as the IS acknowledges. (IS at page 3.4.) Via one route or another, then, Edison is clearly authorized by law to sell the plants, and the Commission, although it is authorized and obligated to ensure that a sale or alternative market-valuation process meets certain specified requirements, lacks discretion to completely bar the sale. The sale and transfer itself, not being subject to Commission discretionary authority, is not a project subject to CEQA.

[\[End E-6\]](#)

[\[Begin E-7\]](#)

Edison's agrees to the mitigation measures identified in the MND in the interest of advancing the divestiture proceeding without unnecessary delay, and such agreement does not constitute an

acknowledgment that the sale and transfer of the plants is subject to CEQA.

[\[End E-7\]](#)

[\[Begin E-8\]](#)

3. Edison's agreement with the MND does not imply agreement with all of the economic forecasts or analysis accompanying the IS.

Edison's acceptance of the mitigation measures identified in the MND is not to be construed as agreement with all of the conclusions or rationale contained in the "System Economic Analysis" accompanying the IS (IS Attachment C). Edison's oral and written comments to the Commission on the DIS included extensive comments on the earlier version of this economic analysis, some of which remain applicable to the IS's revised economic analysis, and we will not repeat those comments here. We note however that the revised analysis, unlike the earlier version, cites the example of plants in the England/Wales market ("E/W") that are owned by entities owning no other generation as indicating a tendency for such singly-owned plants to operate at higher capacity factors than portfolio plants. This example is of little or no application to the California market, however, since the facts are so distinct. The singly-owned plants in E/W are new merchant plants that are relatively low-cost and infra-marginal units. In contrast the owners of the large portfolios typically own the older generation, built well before restructuring, which are more costly to operate. There is simply no reason to conclude from this example that a marginal plant, such as the plants included in this divestiture application, would be operated in the same manner as a new infra-marginal plant in E/W. Moreover, some of the new singly-owned plants in E/W are affiliated with distribution utilities and sell output to them under long-term contracts; the UDCs in California cannot enter into similar contracts for four years.

[\[End E-8\]](#)

[\[Begin E-9A\]](#)

4. Current status of lot line adjustment applications.

As you know, Edison has proposed to retain certain land at each of the plant sites, and at 11 of the 12 sites (all except Ellwood) that has entailed adjustment to the pre-existing lot lines. At the time the IS was issued Edison's lot line adjustment applications were still pending at three sites. Below is updated and corrected information regarding those sites.

Highgrove: The Highgrove lot line adjustment applied for by Edison has been approved. Because the IS mislabeled the two Highgrove property maps (i.e., IS Figure 2.14(a), which is captioned "without lot line adjustment," actually shows the site *with* the lot line adjustment) the property will be divided as shown in Figure 2.14(a).

[\[End E-9A\]](#)

[\[Begin E-9B\]](#)

Huntington Beach: The map previously provided by Edison and included in the IS, which was intended to show the site *without* adjustment of the lot lines, was incorrect and a corrected version on that map is attached hereto as Attachment C-1. In addition, however, Edison now expects that its lot line adjustment application may be approved

prior to sale of the plant, and the corresponding map of the site *with* lot line adjustment is attached hereto at Attachment C-2.

[\[End E-9B\]](#)

[\[Begin E-9C\]](#)

Redondo: The Redondo lot line adjustment application remains pending at this time. Attached hereto as Attachment D is a slightly revised, corrected version of the map showing the site *without* the lot line adjustment. This map more accurately reflects the proposed divestiture transaction, because while Edison does not intend to sell the strip along the east edge of the site in the near future, it is being sold separately from the generating station and therefore is "retained" in the sense of not being included in the pending Divestiture Application. This separate sale is along existing lot lines and requires no lot line adjustment.

[\[End E-9C\]](#)

We appreciate the opportunity to provide these comments on the IS and MND.

Very Truly Yours,

/s/

Sumner J. Koch

Attachments

July 21, 1997

VIA FACSIMILE & U.S. MAIL

Bruce Kaneshiro and Martha Sullivan, Co-Project Managers
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Draft Initial Study on Edison Divestiture
Application, A.96-11-046

Dear Bruce and Martha:

This letter is to confirm and clarify Edison's position regarding the correct "baseline" that should be used in the Commission's CEQA analysis of our Divestiture Application - that is to say, the correct description of the conditions that would exist if Edison's pending application is not approved by the Commission. As you know, in our June 30th oral comments and our July 3rd written comments on the Draft Initial Study (DIS), as well as in our recent conversations with you, we have stated that the DIS's baseline, which rests on an assumption of continued Edison ownership of the twelve gas-fired generating facilities, is incorrect.

From our recent discussions we understand your concern to be that, without an unqualified commitment from Edison that even if our pending divestiture application is rejected we will nevertheless dispose of some or all of these facilities by other avenues, you may be required for purposes of a CEQA initial study to assume that Edison continues to own all of the facilities. Your concern seems to be that unless there is hard-and-fast "proof" to the contrary, such as a binding Edison commitment, CEQA possibly requires you to make the "environmentally worst-case" assumption.

Edison strongly believes that this approach is incorrect and unfounded under CEQA for at least two reasons, which this letter will discuss in more detail below:

(1) Because the Commission lacks the discretion, under AB 1890, to completely bar the sale and transfer of these plants, the sale and transfer itself is not the "project" that is before the Commission for environmental review under CEQA. Rather, the Commission has discretionary authority only over the particular means and methods of divestiture or other valuation proposed by Edison, and accordingly the Commission's inquiry under CEQA is limited to assessing the potential environmental impacts, if any, only of those particular aspects of the application.

(2) Even assuming, for the sake of argument, that the Commission has the authority under CEQA to analyze the potential impacts of the sale itself, the analysis still must be based on reasonable assumptions. There is no basis whatsoever for assuming that Edison would retain ownership of all or most of its gas-fired generation in the baseline case, and there is every reason to assume the contrary.

1. **Edison May Transfer the Plants to New Owners as a Consequence of Restructuring, Mandated by AB 1890, and Not Only as a Consequence of This Divestiture**

Application: Therefore the Potential Impacts of Such Transfers Are Not Properly the Subject of this CEQA Inquiry.

Before addressing further your inquiry regarding Edison's divestiture intentions if the pending application is not approved, I want to reiterate our position that such intentions of Edison are fundamentally irrelevant to the inquiry that is properly before the Commission. While this point really goes to correctly defining the boundaries of the CEQA "project" that is before the Commission, rather than just the baseline, the point deserves discussion here since the DIS incorrectly frames the project in a way that leads it to misstate the baseline.

AB 1890, as you know, mandates that all of the subject facilities are to be market-valued no later than December 31, 2001 (Public Utilities Code Section 367(b)). AB 1890 further mandates that upon market-valuation the facilities cease to be subject to Commission regulatory authority (Section 377), including the Commission's authority under Section 851 over the sale of utility property. No later than the end of 2001, therefore, Edison will be free to sell and transfer the plants without any Commission review. (Indeed, under Section 377 Edison would need Commission approval to *retain* any of these plants within the distribution utility company.)

Because the Commission does not have authority to prevent Edison from selling and transferring ownership the plants, the actual sale and transfer itself is not the "project" that is before the Commission for environmental review. Accordingly any potential impacts from such sale and transfer are not appropriately the subject of this CEQA analysis. Assuming the Edison's divestiture proposal is subject to CEQA at all, it is subject to it only to the extent of the Commission's discretionary authority. The Commission may examine the potential environmental impacts of the various particular aspects of Edison's divestiture proposal that are before the commission for discretionary approval, but not of those aspects that do not require Commission approval.

(At most, it might be argued that the "project" subject to Commission review includes the first four years of divested operations, up until December 2001. Even according to the DIS's own analysis, which engages in numerous speculative and unreasonable assumptions to find impacts from divestiture, few if any impacts of divestiture are expected during this initial transition period.)

To illustrate, in the closely analogous case of *City of Ukiah v. County of Mendocino*, 196 Cal.App.3d 47 (1987), a company that already possessed vested rights to conduct gravel mining at a site sought approval of its mining reclamation plan, so that it could proceed with the mining. The court upheld the lead agency's determination that there were no potentially significant impacts, on the basis that the only matter presented for the agency's approval, and thus for environmental review, was the reclamation plan itself, and not the overall mining activities. Similarly, in *Black Property Owners Association v. City of Berkeley*, 22 Cal.App.4th 974 (1994), in which the lead agency was updating its City Housing Element, the court held that the city needed to assess the potential impacts only of the update itself. The court rejected the argument that the city had to undertake an EIR and analyze the impacts of related city ordinances and policies that were already in effect.

As these cases confirm, the scope of the Commission's authority under CEQA stems entirely from its underlying discretionary authority to grant or withhold approval of a project. The

Commission does not have authority to review the potential impacts of an action -- in this case, the actual sale and transfer of the powerplants -- that it is mandated by law to permit.

2. **Based on the Evidence Before the Commission, including Edison Filings, the Reasonable and Correct Baseline Assumption is That Edison Would Sell or Otherwise Dispose of its Gas-Fired Generation.**

Edison believes that the above point regarding the correct description of the CEQA "project" is completely dispositive of this question. However we also want to respond directly to your concern that, if the sale of the plants is properly the subject of the Commission's CEQA review, the correct baseline assumption for the Commission to make is that no divestiture of plants will occur. We believe that the Commission has before it ample commitment by Edison that we will dispose of these plants -- and, importantly, the Commission has no evidence to the contrary -- such that the DIS's baseline assumption of no plant divestiture is unreasonable and therefore incorrect under CEQA.

As you know, even before the submittal of our divestiture application, Edison filed proposals at the Commission and at FERC to dispose of at least half of our gas-fired generation in order to assuage market-power concerns. Nothing to date causes Edison to retract or reconsider the commitments we stated in those filings; on the contrary, as you are aware, we have recently (May 1997) made a subsequent filing at FERC committing ourselves to certain market-power mitigation measures if the commencement of the competitive market precedes divestiture, and those measures further motivate us to dispose promptly of gas-fired generation. And finally, of course, it should be evident to everyone that Edison is pressing for the approval and completion as soon as reasonably possible of its pending divestiture proposal. Against this backdrop we find the DIS's baseline assumption that Edison would retain its gas-fired generation to be completely without basis.

The question of how Edison would proceed if our current proposal to sell the plants via auction is rejected, and we have to pursue other means of valuing of the plants, necessarily entails a high degree of speculation. Edison (like any other entity) cannot offer absolutely unqualified commitments about future hypothetical events -- especially about a hypothetical event the presupposes the failure of a planned course of action that many different parties have counted on. (A wide variety of stakeholders have emphasized that they prefer auction sales as the means of market-value generation, and any alternative means may be contentious and therefore especially unpredictable.) What Edison can confirm, and does confirm, is that based upon all the facts currently available to us we intend and expect to fully dispose of (i.e., to transfer to non-Edison ownership) all of our gas-fired generation capacity.

Obviously it is possible to engage in endless speculation and counterspeculation about what might occur in various conceivable circumstances. CEQA recognizes, however, that such speculation adds nothing to informed decisionmaking, and consequently does not require or even permit the environmental review to be based upon such speculation. All existing factual evidence before the Commission is that Edison intends to divest its gas-fired generation, and there is no basis for any assumption to the contrary. The DIS's baseline assumption of continued Edison ownership of the gas-fired plants is therefore incorrect under CEQA.

In this connection I also want to restate briefly a point that we explain at greater length in our

comments on the DIS, which is that even if Edison did retain all of the plants, it is clear that FERC would impose and enforce market-power mitigation measures that would effectively prevent Edison from exerting market power and would effectively cause the twelve commonly-owned plants to operate as if in competition with each other. The DIS's assumption that FERC would not fulfill its responsibility and authority is speculation ungrounded on any facts, and is not proper under CEQA.

Please do not hesitate to call us if you wish to discuss the foregoing points further, or if you have any other questions that we may be of assistance in answering.

Very Truly Yours,

/s/

Sumner J. Koch

cc: Paul Clanon
Ed O'Neill

E - SOUTHERN CALIFORNIA EDISON

E-1.

Comment noted.

E-2.

Comment noted.

E-3.

Edison's Proponent's Environmental Assessment (PEA) and all of Edison's comments throughout the process, as well as those submitted by other parties, are part of the record and, as such, will be considered by the CPUC in acting on the Mitigated Negative Declaration and Edison's application.

E-4.

The Initial Study was published on the same date as the amendment date for Rule 1158 (August 25, 1997), so the adoption of the amendment could not be known at the time of publication of the Initial Study. Because the Applicability clause (A)(2)(b) of Rule 1158 has been modified to apply to non-utility owners, Rule 1158 as amended August 25, 1997 (a copy provided in Edison's Attachment A) now fully complies with Air Quality mitigation measure 4.5.a.1.

E-5.

Comment noted.

E-6.

The CPUC considered Edison's July 21, 1997 letter in preparing the Initial Study, and the fact that Edison may be able, without CPUC approval, to sell the plants once they are market valued, is discussed on page 3.4 of the Initial Study.

E-7.

Comment noted.

E-8.

Comment noted.

E-9A.

For the Highgrove plant, the title of Figure 2.14a is revised as follows:

Highgrove Generating Station Property Lines ~~Without~~ With Lot Line Adjustment

The last three sentences of the second paragraph on page 2.22 are revised as follows:

Figure 2.14 shows the ~~approximate~~ existing 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, which were recently approved by the City of Grand Terrace, if the lot line adjustment is not approved before the auction.

E-9B.

For the Huntington Beach plant, Figure 2.16 (dated 08/13/97) should be replaced with Edison's Attachment C-1 and C-2 (accompanying its September 25 letter), showing property lines both without (06/01/97) and with lot line adjustments (09/09/97), respectively, as Edison expects the lot line adjustments may soon be approved.

Figure 2.16 is replaced with Edison's new figure Attachment C-1 and a new Figure 2.16a noted as (With Lot Line Adjustment) is added. The following text is added following the end of the second sentence on page 2.27:

Figure 2.16a shows Edison's proposed lot line adjustment application that is pending before the City of Huntington Beach.

E-9C.

For the Redondo Generating Station, Figure 2.25a is replaced with Edison's Attachment D (accompanying its September 25, 1997 letter).

Environmental Defense Center
906 Garden Street, Suite 2
Santa Barbara, CA 93101

September 5, 1997

State of California
Public Utilities Commission
ATTN: Douglas Long, Manager
Decision Making Support Branch
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102-3298

RE: MITIGATED NEGATIVE DECLARATION; SOUTHERN CALIFORNIA EDISON
COMPANY'S APPLICATION NO. 96-11-046; PROPOSAL FOR DIVESTITURE

Dear Mr. Long:

The Environmental Defense Center is a non-profit environmental law firm working to ensure that natural resources, such as the land, air and water, in Ventura, Santa Barbara, and San Luis Obispo Counties are protected from degradation. We have reviewed the Draft Mitigated ND for the proposed project and we submit the attached September 5, 1997 Environmental Defense Center letter to the County of Santa Barbara for your review as comments to this Draft ND.

[\[Begin EDC-1\]](#)

The Environmental Defense Center recommends that the project be modified to address the potentially serious environmental consequences of the project that are outlined in the attached letter to Santa Barbara County. The Ellwood facility should be deleted from the proposed project description.

[\[End EDC-1\]](#)

In addition, the analysis of air quality issues is inadequate.

[\[Begin EDC-2\]](#)

CEQA requires a good faith effort at full disclosure of potentially adverse impacts. Much of the State of California fails to attain either or both of the state and federal ambient air quality standards for a number of pollutants. This problem is particularly acute in southern California, where project impacts will be greatest. The South Coast Air Quality Management District and Ventura Air Pollution Control District are currently subject to citizen's suits for SIP implementation delays, and Santa Barbara County and the Bay area's Air Quality Management Plan are inadequate and the subject of pending EPA reclassification action and a SIP call (62 FR 46234 for Santa Barbara, Bay area unknown Federal Register cite).[\[End EDC-2\]](#) [\[Begin EDC-3\]](#)
Any potential for any increase in emissions in these regions must be considered a significant impact. Citizens To Preserve The Ojai v. County of Ventura (1985) 176 Cal.App.3d 421, 222 Cal.Rptr. 247; Kings County Farm Bureau v. City of Hanford (1990) 221 Cal.App.3d 692, 270 Cal.Rptr. 650, mod. 222 Cal.App.3d 516a.

[\[End EDC-3\]](#)

[\[Begin EDC-4\]](#)

PUC cannot rely on inadequate Air Quality Attainment Plans in concluding that existing regulatory mechanisms are adequate to control air pollution emissions, particularly in a cumulative sense, since this action is of statewide significance. An EIR must be prepared.

[\[End EDC-4\]](#)

[\[Begin EDC-5\]](#)

The EIR's air quality analysis must identify the regulatory and permit compliance status of each generating unit (some, including the Ellwood facility, are known to be or recently have been operating under state law variances or other enforcement vehicles which are not recognized under federal law), address all potential emissions increases that can occur under existing permits, but are not currently actual emissions (since new operators are likely to operate the facilities differently, and may shift production schedules drastically, increasing emissions from higher polluting plants). Banked emissions credits must be quantified and their status as part of divestiture defined. The air quality attainment status of each are must be identified, and the likely impact of any increases in permitted emissions evaluated.

[\[End EDC-5\]](#)

Thank you for your attention and timely response to these comments.

Sincerely,

/s/

Brian Trautwein, Environmental Analyst
Environmental Defense Center

Environmental Defense Center
906 Garden Street, Suite 2
Santa Barbara, CA 93101

September 5, 1997

Brian Bosse
Santa Barbara County
Planning and Development Department
1234 E. Anapamu Street
Santa Barbara, CA 93101

RE: DRAFT MITIGATED NEGATIVE DECLARATION FOR SOUTHERN CALIFORNIA
EDISON'S 66-kV SUBSTATION PROJECT AT ELLWOOD; 96-ND-24

Dear Mr. Bosse:

The Environmental Defense Center has reviewed the draft mitigated ND for the proposed SCE Substation Project at Ellwood, and is familiar with SCE's other proposed project to sell its Ellwood substation. Having reviewed the ND's for both of these projects, the Environmental Defense Center submits the following comments for the County's consideration.

PERPETUATION AND EXPANSION OF NONCONFORMING USE

[\[Begin EDC-6\]](#)

When viewed cumulatively, it is clear that SCE's two projects have a strong potential to perpetuate and facilitate the expansion of Venoco's existing legal non-conforming use at Ellwood, in violation of Section 35-160 of Article II of the Coastal Zoning Ordinance. Inconsistency with this important section of the CZO is a potentially significant impact because it would possibly extend the life and/or production of Venoco's Ellwood facility, see Appendix G (a), CEQA Guidelines. This potentially significant impact is not addressed in the Draft ND, and therefore the ND is legally inadequate.

[\[End EDC-6\]](#)

According to the CZO, Division 10, Nonconforming Structures and Uses, "It is the intent of this Article to permit these non-conformities to continue until they are removed, but not to encourage their survival." (emphasis added.) The proposed project, especially when viewed cumulatively in conjunction with SCE's other project (see attachment) has a strong potential to encourage the survival and expansion of Venoco's nonconforming use. Venoco itself has stated to the County that it intends to investigate options to increase production from Platform Holly, and has reportedly requested increased electrical power from SCE for its Ellwood site. Since, according to this ND, the project would allow SCE to pull Venoco off the existing power grid, and since there will soon be a sale of the SCE Ellwood substation, potentially to Venoco, it appears that the company is readying to extend and expand the utilization of its non-conforming use. This inconsistency with the CZO is a significant impact and, along with the possible sale of SCE's Ellwood facility to Venoco, must be analyzed in an EIR.

On page 3 of the DND, PDD states, "SCE has stated that it need both projects (a substation at Mobil's EOF and at UCSB) in order to meet existing and projected electrical demands in the area." There is no apparent evidence in the record to support this crucial assertion. The County needs to recirculate an appropriate environmental document that includes reference to this

evidence. The project demand referenced by SCE may include the electrical demand that an expanded, extended nonconforming use at Venoco's site would generate. The County cannot approve a project based on projected demand that would occur as a result of an applicant's customer's contemplated expansion of a nonconforming use when such an expansion is in violation of the CZO.

The Environmental Defense Center believes that, if this project were approved by the County and the Coastal Commission, the substation will effectively become part of Venoco's nonconforming use at the site because it is located there, and because its primary purpose will be to provide power for Venoco's nonconforming use and Platform Holly. Furthermore, it will physically allow Venoco to fulfill its stated objective of expanding its operations. Therefore, by approving this project, the County is encouraging the survival and expansion of a nonconforming use in violation of the CZO.

The ND's statement that the proposed substation is an allowed use in a recreation zone District is only true to the extent that the substation would not encourage the survival or expansion of a nonconforming use. In this case it would. While this may be consistent with Venoco's plans for its new site, it is inconsistent with the CZO. For this reason, an EIR must be prepared, and it must analyze the issues raised in by the Environmental Defense Center, including potentially significant cumulative impacts and policy inconsistencies.

The ND also states that the proposed wall extension is considered accessory to the substation, thus are allowed. However, Division 10 of the CZO only allows the building and extension of structures accessory to nonconforming uses if they are also accessory to a conforming use. In this case, as stated above, the substation will become part of the nonconforming use of the site, and therefore the extension of the wall is also prohibited.

POTENTIALLY SIGNIFICANCT EFFECTS CHECKLIST

Air Quality

The environmental setting under air quality states that Santa Barbara County is currently considered a moderate non-attainment area for federal and state ozone standards. This designation is no longer accurate. 62.F.R. 46234 9-2-97. Santa Barbara County's Clean Air Plan is inadequate and cannot be relied upon to evaluate the significance of project impacts. Any increased emission of air pollutants is a significant impact.

There is no analysis in this document of the cumulative effects of the adjacent grading at the Santa Barbara Spa and Resort site. An assessment of the impacts to air quality from that project, combined with the effects of SCE's proposed project and other nearby grading projects, such as the SB Shores Soil Remediation Project must be included in an EIR.

The mitigation and residual impact section under air quality includes a measure designed to reduce wind-blown dust by watering or spreading soil binders "until the area is replanted so that dust generation will not occur." The ND does not specify what specific area will be replanted and what species would be used. The Environmental Defense Center suggests that the EIR that must be prepared for this project should clarify the replanting effort and specify that only native plants from locally collected stocks be utilized in the replanting effort.

Land Use

Impact 'a' in this section is significant and unavoidable because of the issues discussed in this letter. The proposed electrical substation would facilitate an increase in the Mobil facility's oil and gas processing capacity, and encourage extending the life of the nonconforming use. The project is therefore inconsistent with Article II - the CZO.

GROWTH INDUCING IMPACTS

No EIR, including that for the Goleta Community Plan Update, has addressed the purported need for additional electrical energy in the western Goleta area. In fact, all such documents appear to have found an abundance of electrical supply capacity in the project area. No documentation exists that identifies and quantifies this alleged need. The project will make available the electrical energy required for extensive growth in western Goleta with substantial adverse environmental impacts. The EIR that must be prepared for this project must assess the growth inducing impacts of SCE's proposal.

TERMINATION PROCEDURES

The CZO, in Section 35-166, sets forth the procedure and guidelines for the Termination of Nonconforming Uses. The Environmental Defense Center hereby requests that the Planning Commission recommend to the Board of Supervisors that a date be set for a public hearing to initiate the termination of this nonconforming use at Ellwood.

MEASURE A

In as much as this proposed substation would enable Venoco to expand and perpetuate its nonconforming use, this project is subject to the provisions of Measure A. The project site is outside of the Las Flores and Gaviota consolidated south coast onshore oil and gas sites. Furthermore, the project would allow SCE to pull Venoco off the existing grid, and in doing so would facilitate the expansion of an offshore facility in violation of Measure A. Consistent with the measure, this project must be subjected to vote of the residents of Santa Barbara County.

CONCLUSION

The Environmental Defense Center has determined that this project would perpetuate, encourage the survival of, and allow for the expansion of Venoco's existing nonconforming use. As such, it is in violation of the regulations of Division 10 of Article II - the CZO. Additionally, this project is subject to Measure A and requires a vote of the County residents. It would result in growth-inducing impacts in addition to the CZO inconsistency, and requires the preparation of an EIR. Finally, the County should set a public hearing to discuss the timetable for the ultimate termination of the nonconforming use pursuant to Section 35-166 of the CZO.

Sincerely,

/s/

Brian Trautwein, Environmental Analyst
Environmental Defense Center

EDC - ENVIRONMENTAL DEFENSE CENTER

EDC-1.

The Initial Study addresses the potential impacts of the proposed project. The proposed project is the sale of 12 generating stations by Southern California Edison, and the Ellwood Energy Support Facility is one of those 12, so it is included in the project. EDC may have equated sale of the Ellwood Energy Support Facility with Edison's proposal to construct a new substation in the Ellwood area. Figure 2.8 in the Initial Study shows the portion of Edison's Ellwood property that is for sale. The existing substation, and the planned future substation, are not located on the property proposed for sale; therefore, the proposed substation is not part of the divestiture project. These two proposals (the sale of the Ellwood Energy Support Facility and the proposal to build a new substation) are independent and unrelated to each other. Either proposal could proceed regardless of whether the other proceeds.

EDC-2.

The attainment status of the air basins in which Edison plants are for sale are summarized in Table 4.5.2 of the Initial Study (page 4.5.6 of the Initial Study). A review of the table agrees with the commentor's statement that "Much of the State of California fails to attain either or both of the state or federal ambient air quality standards for a number of pollutants." The second sentence of the first paragraph of page 4.5.29 of the Initial Study indicates that all of the air basins affected by Edison plant emissions are nonattainment for the national and state ozone standards. The reasons the lead agency did not consider air quality impacts of the project as significant are discussed on pages 4.5.29 to 4.5.31 of the Initial Study.

The reason that the commentor has no citation for the Bay Area reclassification is that there is no such citation. According to information received from the Bay Area Air Quality Management District, the U.S.E.P.A. has proposed to redesignate the San Francisco Bay Area Air Basin from an attainment area to a nonattainment area, but to date the proposal has not been formally published in the Federal Register (Lim, 1997).

EDC-3.

CEQA does not mandate that any potential increase in emissions within nonattainment areas be considered a significant impact. Indeed, if that were the case, any project that would involve more vehicle trips, such as a single-family home, would be deemed to generate a significant impact. The Initial Study, at pages 4.5.29 to 4.5.31, explains why the project's air quality impacts are not considered significant.

EDC-4.

The reasons the lead agency did not consider air quality impacts significant are discussed on pages 4.5.29 to 4.5.31 of the Initial Study. The lead agency did not rely on inadequate Air Quality Attainment Plans. As noted in the third complete paragraph on page 4.5.31 of the Initial Study, areas that do not meet state air quality standards must update their air quality plans every three years.

EDC-5.

At the end of Comment EDC-4, the commentor states that an EIR must be prepared, and in this comment the commentor notes what information and analyses should be in such EIR. Since the CPUC determined that a Mitigated Negative Declaration is the appropriate environmental document and an EIR is not required, the contents of an EIR are not relevant in this situation. Nevertheless, the Initial Study included some of this information in Section 4.5 (see especially pages 4.5.23, 4.5.24, and 4.5.29 through 4.5.40).

EDC-6.

The comment addresses Edison's proposal to build a new substation in the Ellwood area, and not the divestiture project. Edison has not proposed to sell the substation site. The commentor's concern that the proposed substation will “possibly extend the life and/or production of Venoco's Ellwood facility” is not related to and would not be affected by the sale of Edison's Ellwood plant. The commentor also expresses concern that Venoco would purchase the Ellwood plant, & thus have access to more electric power. At this point, the identity of prospective buyers is unknown and it would be highly speculative for the CPUC to ponder on interests and motives. In any event, the CPUC will ultimately act on the sale of each plant, including the Ellwood facility. It is expected that parties will have the opportunity to submit comments on the results of Edison's auction.

However, the proposed substation project should be added to Table 4.16-1, “Local Community Projects Within 1 Mile of the Power Plants,” on page 4.16.7 of the Initial Study.

TABLE 4.16-1: LOCAL COMMUNITY PROJECTS WITHIN 1 MILE OF THE POWER PLANTS	
Ellwood Generating Station	
<u>Edison Proposed 66kV Substation Project at Ellwood</u>	<u>A new substation, needed to meet growing industrial and commercial demand in the Ellwood area. Neg. Dec. 96-ND-24 issued by the Energy Division of Santa Barbara County.</u>

The analyses and conclusions of cumulative impacts with local community projects described on pages 4.16.12 through 4.16.15 remain unchanged.

REFERENCES:

Lim, Kenneth, Bay Area Air Quality Management District, letter to Bruce Kaneshiro at the CPUC, September 25, 1997.

September 22, 1997

VIA FACSIMILE & FEDERAL EXPRESS

Douglas M. Long, Manager
Decision-Making Support Branch
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102-3298

Bruce Kaneshiro, Project Manager
California Public Utilities Commission
c/o Environmental Science Associates
225 Bush Street, Suite 1700
San Francisco, California 94104

Re: Mitigated Negative Declaration (the "Negative Declaration") in connection with Southern California Edison's ("SCE") Application No. 96-11-046 (the "SCE Project") regarding the Ellwood Power Plant at Los Armas Road, Goleta, California (the "Ellwood Plant")

Dear Messrs. Long and Kaneshiro:

[\[Begin L&B-1\]](#)

PLEASE TAKE NOTICE that we object to the issuance of the Negative Declaration on behalf of our client Aradon Corporation ("Aradon"), the fee title owner of both the sixteen (16) acres directly west of the Ellwood Plant and of the Sandpiper Golf Course property, which is directly south of the Ellwood Plant. As will be discussed below, there is substantial evidence that the SCE Project, as currently proposed, may have a significant adverse effect on the environment and on the health of persons using or occupying Aradon's property. [\[End L&B-1\]](#) [\[Begin L&B-2\]](#) In such instances, the California Environmental Quality Act ("CEQA") requires the preparation of an Environmental Impact Report ("EIR") and not a mitigated declaration. (See, Laurel Heights Improvement Ass'n v. Regents of Univ. of Cal., 6 Cal 4th 1112, 1123 (1993).) Under CEQA and the guidelines issued thereunder, if a project is not exempt and may cause a significant effect on the environment, the lead agency must prepare an EIR. Pub. Res. Code § § 21100, 21151; 14 Cal. Code Regs. § 15064(a)(1). If any aspect of the project may result in a significant impact on the environment, an EIR must be prepared, even if the overall effect of the project is beneficial. 14 Cal. Code Regs. § 15063(b)(1).

[\[End L&B-2\]](#)

[\[Begin L&B-3\]](#)

Aradon's primary objection revolves around the fact that the Negative Declaration completely ignores the impact of the SCE Project on Aradon's 159-unit affordable housing project (the "Sandpiper Housing Project"), previously approved by the County of Santa Barbara and the California Coastal Commission, pursuant to the "Sandpiper Golf Course, Clubhouse, Day Care Center and Residential Development Final Environmental Impact Report", No. 94-EIR-9 SCH #93121097, dated September 1994, prepared by Santa Barbara County Planning and

Development Review Division (the "Sandpiper EIR").[\[End L&B-3\]](#) [\[Begin L&B-4\]](#)
Consequently, the Initial Study fails to address the fact that the Sandpiper Housing Project will face significant safety and financial impacts. Thus, not only is there no substantial evidence, there is no evidence, in the record for the PUC to make a finding that there is no reasonable probability that the SCE Project will not have a significant effect on the environment. Consequently, given the following discussion only the opposite inference can be drawn, which necessitates the preparation of an EIR. See, e.g. No Oil, Inc. v. City of Los Angeles, 13 Cal 3rd 68, 83 n 16 (1974).

[\[End L&B-4\]](#)

[\[Begin L&B-5\]](#)

Specifically, the Negative Declaration fails to address the issue of how increased electromagnetic frequency waves ("EMF") may have an adverse effect on occupants of the housing project. The County of Santa Barbara in the Sandpiper EIR found:

Recent studies from Sweden and Denmark reinforce the hypothesis that exposure to a powerline magnetic field is linked to childhood cancer. A growing body of observations has documented boieffects of fields of 1mG in isolated cells, animals, and humans. A considerable body of epidemiological evidence points to human health hazards from exposures to ambient power frequency magnetic field environments exceeding 2mG (personal communication, G. Bell 1994). In the interim, until scientific evidence provides a clear answer, a policy of prudent avoidance should be applied to projects that have a potential to expose people to elevated magnetic fields in the intensity range that has been correlated with an increased incidence of cancer (1-5mG).

. . . For the purpose of this document, a significant impact caused by EMF would occur if new development is exposed to ELF magnetic fields equal to or greater than 2mG.

The Sandpiper EIR states that when the Ellwood Peaking Facility is running during testing and/or use, the magnetic fields are elevated above 2mG for a distance of 90 feet. Please again refer to the enclosed map. You will note that fifteen (15) units are directly impacted by the magnetic fields generated by the Ellwood Plant. The impact of the Sandpiper EIR was found to be less than significant because the Ellwood Plant is only used for peaking activity of up to one hour/week. In your Initial Study, however, you find that if the Ellwood Plant is sold it will likely be run at maximum capacity. According to Table 3.1 of the Initial Study, this would result in capacity being increased by eleven and one half (11.5%). This increase must be studied to determine whether the impact of ELF magnetic field environment at these sustained levels is still less than a significant impact. If such a finding cannot be made, then appropriate mitigation measures must be included.

[\[End L&B-5\]](#)

[\[Begin L&B-6\]](#)

If the PUC knowingly approves the Negative Declaration in light of the Sandpiper EIR, Aradon will be forced to bring a suit for inverse condemnation against the PUC seeking recovery of the lost units. The PUC's approval of the Negative Declaration will result in a taking as surely as if the PUC had outright condemned Aradon's property. Aradon does not desire to institute such an action against the PUC, particularly when the PUC, like Aradon, does not benefit from the SCE Project. Nevertheless, if the PUC proceeds with the issuance of the current Negative Declaration,

Aradon will have to protect its own economic interest against such action.

[\[End L&B-6\]](#)

[\[Begin L&B-7\]](#)

In summation, from a review of the analysis undertaken in connection with the Sandpiper EIR, the PUC cannot help but infer that the SCE Project, as proposed, creates the potentially significant effect that increased EMFs may have an adverse effect on the Sandpiper affordable housing project and, consequently, the people who are to live there. [\[End L&B-7\]](#) [\[Begin L&B-8\]](#) Pub. Res. Code § 21083(c) and Cal. Code Regs. § 15065(d) state that a lead agency must make a finding of significance if a project's impacts may cause substantial adverse effect on human beings. Thus, given the total absence of discussion and evidence to the contrary, the PUC must find that the SCE Project, as proposed, creates a finding of significance. Even if the PUC determines that there is a real need for additional electrical capacity, that finding alone is not sufficient. 14 Cal. Code Regs. § 15063(b)(1) provides that if any aspect of the project may result in a significant impact on the environment, and EIR must be prepared even if the overall effect of the project is beneficial. Consequently, in connection with the SCE Project as proposed, the PUC must prepare an EIR and not a negative declaration. Lastly, because units will be lost, approval of the current SCE Project will expose the PUC to significant financial exposure on its own account.

[\[End L&B-8\]](#)

[\[Begin L&B-9\]](#)

Notwithstanding the foregoing discussion, it is possible that if SCE agrees to modify its project description to mitigate the effects of 2mG magnetic field environments, then Aradon can be made comfortable with a mitigated negative declaration. Absent the foregoing, however, Aradon demands the preparation of an EIR.

[\[End L&B-9\]](#)

Very truly yours,

/s/

Kevin J. Lamb
of LAMB & BAUTE LLP

KJL:mdg

cc: Robert Y. Nagata, Esq.
Mr. John V. Stahl
Mr. Brian J. Bosse

L&B - LAMB & BAUTE LLP

L&B-1.

There is no basis for concluding that the project may have a significant impact on the occupants of the Aradon property that is of concern to the commentor. See responses to L&B-2, L&B-3, and L&B-5.

L&B-2.

As noted in the Environmental Checklists Section of the Initial Study (4.1 through 4.16), the CPUC determined that the project will have no impact that cannot be mitigated to a less than significant level. Being the lead agency conducting the CEQA review of the proposed project, the CPUC determined that under *CEQA Guidelines* § 15070(b)(1), the appropriate action was to issue a Mitigated Negative Declaration.

L&B-3.

The Sandpiper Housing Project was fully considered in the Initial Study, as were all projects located within one mile of the Ellwood facility (as shown in Table 4.16.1). The Ellwood facility is already limited to only 200 hours of operation per year by the Santa Barbara Air Pollution Control District (SBAPCD) permit. A change in ownership of the plant would not change the permitted limit of 200 hours of operation per year. As detailed in Sections 4.1 through 4.16 of the Initial Study, the CPUC determined that the project would not have a significant impact on residents or occupants near the Ellwood facility.

L&B-4.

Please see responses to L&B-2, L&B-3 and L&B-5.

L&B-5.

Many more studies of the health effects of EMF exposure have been completed since the County conducted its EIR for the Sandpiper development in 1995; none of those provided conclusive evidence that EMF exposure causes any health effects. L&B is incorrect in stating that the Initial Study found “that if the Ellwood facility is sold it will likely be run at maximum capacity.” As noted on page 3.6 of the Initial Study, “This Initial Study evaluates the impacts associated with the tendency of new owners of the divested plants to operate at higher levels than Edison would operate the plants under restructuring without divestiture. The maximum levels at which new owners could operate are those presented as the technically feasible maximum capacity factors.

However, ... it is not expected that operations would reach these levels at each plant, and operations may not reach such levels at any particular plant. It is merely the possibility that operations could increase within this range of capacity factors that is evaluated in this Initial Study.” In addition, as described on page 4.9.11 of the Initial Study, the CPUC has expressly declined to adopt a CEQA threshold for EMF exposure, and is not bound by the Santa Barbara County threshold.

L&B-6.

Please see responses to L&B-2, L&B-3 and L&B-5. The commentor is incorrect that the CPUC's approval of the Mitigated Negative Declaration would constitute a taking (under the U.S. Constitution) of Aradon's property. To begin with, there is no substantial evidence that the sale of the Ellwood plant would result in a significant impact. Second, Edison has the right currently to operate the Ellwood Plant to its permitted capacity as would a new owner. Third, it is not clear that any information in the Mitigated Negative Declaration and Initial Study would cause Aradon to lose the opportunity to build certain housing units. Even if that were to occur, it would not be due to action by the CPUC, but would stem from regulations and decisions of the County of Santa Barbara. Thus, the appropriate body from which to seek relief, if any were warranted, would be Santa Barbara County and not the CPUC. Finally however, and most importantly, any loss of units by Aradon clearly would not constitute a taking of property since Aradon would not be precluded from all use of its property, and would continue to enjoy an economically viable use of its land.

L&B-7.

Please see responses to L&B-3 and L&B-5

L&B-8.

Please see responses to L&B-2, L&B-3, L&B-5 and L&B-6.

L&B-9.

Please see responses to L&B-2, L&B-3 and L&B-5.

Governor's Office of Planning and Research
1400 Tenth Street
Sacramento, CA 95814

September 26, 1997

BRUCE KANESHIRO
CALIFORNIA PUBLIC UTILITIES COMMISSION
225 BUSH STREET, SUITE 1700
SAN FRANCISCO, CA 94104

Subject: SOUTHERN CALIFORNIA EDISON CO. APPLICATION NO. 96-11-046
SCH #: 97081067

Dear BRUCE KANESHIRO:

[\[Begin SCH-1\]](#)

The State Clearinghouse submitted the above named environmental document to selected state agencies for review. The review period is closed and none of the state agencies have comments. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

[\[End SCH-1\]](#)

Please call at (916) 445-0613 if you have any questions regarding the environmental review process. When contacting the Clearinghouse in this matter, please use the eight-digit State Clearinghouse number so that we may respond promptly.

Sincerely,

/s/

ANTERO A. RIVASPLATA
Chief, State Clearinghouse

SCH - STATE CLEARINGHOUSE

SCH-1.

Comment noted.