

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.