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 Plant (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 in 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.