STATE OF CALIFORNIA PETE WILSON, Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



MITIGATED NEGATIVE DECLARATION

SOUTHERN CALIFORNIA EDISON COMPANY'S APPLICATION NO. 96-11-046 PROPOSAL FOR DIVESTITURE

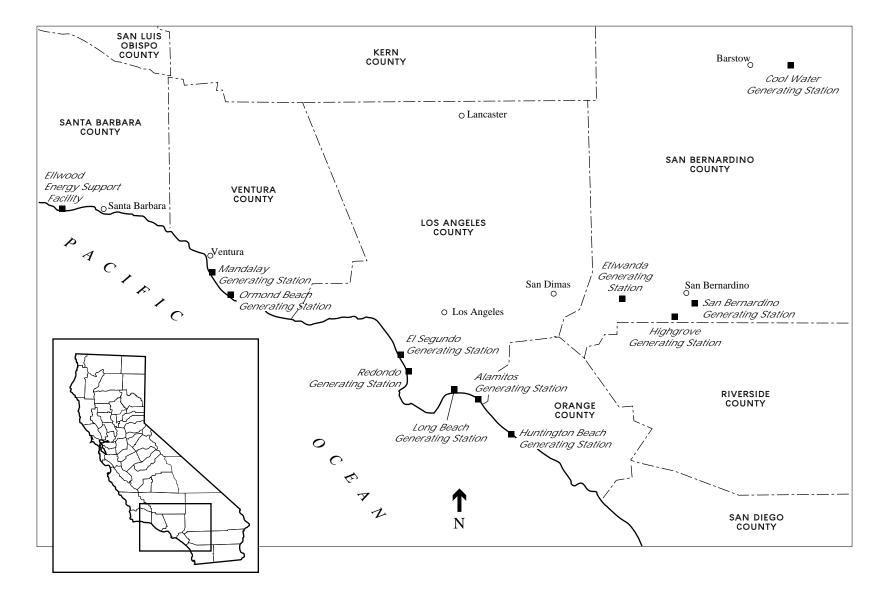
PROJECT DESCRIPTION

To further competition, the California Public Utilities Commission (CPUC) requested that Southern California Edison Company (Edison) voluntarily divest ownership of some of its generating capacity. Edison's divestiture application (Application No. 96-11-046), originally filed in November 1996 (and subsequently amended), responds to the CPUC's request for voluntary divestiture and seeks authority from the CPUC to sell, by means of an auction, close to 100% of its natural gas and fuel oil fired generation assets, located at twelve plant facilities in southern California. Approval of the auction process is now being considered by the CPUC. As part of its decision-making process, the CPUC must determine whether the proposed sales are in the public interest. The generating stations proposed for divestiture include the following: Alamitos, Cool Water, Ellwood, El Segundo, Etiwanda, Highgrove, Huntington Beach, Long Beach, Mandalay, Ormond Beach, Redondo, and San Bernardino. The locations of these stations are shown in Figure 1. These stations have various types and sizes of power generating units. Combined, these facilities consist of 9,562 megawatts of dependable summer generating capacity. Edison's application (A. 96-11-046) includes identification of the plants and ancillary equipment and systems to be sold. Edison will return to the CPUC for final approval of the sales. The proposed power plant sales are commonly referred to as "divestiture."

Approval of the specific divestiture plans by the CPUC is required by the Public Utilities Code Section 851 prior to the sale of these power plants. It is the responsibility of the CPUC to determine whether the proposed divestiture plans "will be adverse to the public interest."

The sale of these power plants would include transfer of permits or reissuance of current permits necessary for the operation of each plant (e.g., air and water permits). A more detailed project description is included in the attached Initial Study.

SOURCE: Environmental Science Associates



Divestiture of Electric Generation Assets / 970110 ■

Figure 2.1
Locations of Southern California Edison Company
Generating Facilities for Divestiture

ENVIRONMENTAL DETERMINATION

An Initial Study (attached) was prepared to assess the potential effects on the environment of the divestiture project, and the respective significance of those effects. Based on the Initial Study, comments on the Initial Study, responses to those comments and other evidence in the record, the proposed divestiture of Edison's generating assets will have less than significant effects or no impact in the areas of:

- Land Use and Planning
- Population and Housing
- Geological Problems
- Water

- Transportation /Circulation
- Energy and Mineral Resources
- Hazards
- Noise

- Public Services
- Utilities and Service Systems
- Aesthetics
- Recreation
- Cumulative Impacts

The Initial Study indicates that Edison's proposed divestiture would have potentially significant impacts in the areas of:

- Air Quality
- Biological Resources
- Cultural Resources

Each of the identified impacts can be mitigated to avoid the impact or reduce it to a less than significant level. In addition, a mitigation measure has been included for a less than significant impact in hazards. The mitigation measures, which Edison has agreed to include in the project, are as follows:

Air Quality

4.5.a.1 If the MDAQMD has not adopted the planned revisions to Rule 1158 prior to sale of the Cool Water power plant, then:

To assure that the NOx emission concentration limits and emission caps will apply to a new owner of the Cool Water Power Plant, regardless of the status of Rule 1158 modifications, Edison will request that the Air District complete modifications to the plant's permits to incorporate emission limits into the permits to operate in substantially the form and stringency described in Draft Rule 1158.

Edison agrees that the transfer of title for Cool Water Power Plant will not occur until either Rule 1158 or the plant's permit to operate has been so modified.

Monitoring Action: Edison provides the CPUC mitigation monitor with a copy of

either the revised Rule 1158 or the modified permit to operate.

Responsibility: CPUC

Timing: At least 3 business days prior to the transfer of title.

Biological Resources

4.7.a.1 Edison shall provide each new owner, for the respective plant, with Edison's jurisdictional wetlands and special status species and habitats informational materials and training documents regarding resources associated with the respective plant, to assist new owners in knowing the location of jurisdictional wetlands, special status species and habitats, and in meeting their legal obligations regarding endangered, threatened, or rare species or their habitats.

Monitoring Action: Edison will provide the CPUC mitigation monitor with

disclosure form signed by the new owner listing documents

received to accomplish this condition.

Responsibility: CPUC

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

Hazards

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).

Cultural Resources

4.14.a.1 Edison shall prepare and certify its intent to comply with a program to address potential impacts to paleontological resources from Edison actions related to the divestiture of the Cool Water Power Plant, such as minor construction to separate the properties or soil remediation activities. The program shall include provisions in Edison construction documents and protocols for coordination with appropriate resource agencies. The program shall at a minimum include the following provisions:

A qualified paleontologist shall be consulted prior to implementing construction or soil remediation activities that will involve earthmoving or soil excavation, and the paleontologist shall be available for consultation or evaluation of any paleontological resources uncovered by such activities. For any previously undisturbed, known paleontological areas, a qualified paleontologist shall monitor earthmoving and soil excavation activities, consistent with relevant Federal, State, and local guidelines. If an unrecorded resource is discovered, construction or excavation activities shall be temporarily halted or directed to other areas pending the paleontologist's evaluation of its significance. If the resource is significant, data collection, excavation, or other standard paleontological procedures shall be implemented to mitigate impacts pursuant to the paleontologist's direction. A report by the paleontologist evaluating the find and identifying mitigation actions taken shall be submitted to the CPUC.

Monitoring Action: CPUC mitigation monitor's approval of Edison's proposed

paleontological monitoring program, and review of any

subsequent implementation reports.

Responsibility: CPUC

Timing: CPUC approval of program at least 10 business days prior to

transfer of ownership of the Cool Water plant; review

implementation reports upon submittal.

4.14.a.2 Edison shall provide the new owner of the Cool Water plant with Edison's paleontological resource informational materials and any training documents concerning paleontological resources at Cool Water, in order to assist new owners in knowing the locations of paleontological resources, and in meeting their legal obligations regarding preservation of these resources.

Monitoring Action: Edison will provide CPUC mitigation monitor with a disclosure

form signed by the new owner listing documents received to

accomplish this condition.

Responsibility: CPUC

Timing: At least 3 business days prior to transfer of title of the Cool

Water plant.

4.14.b.1 Edison shall prepare and certify its intent to comply with a program to address potential impacts to archaeological resources from Edison actions related to the divestiture at Alamitos, Cool Water, Ellwood, Mandalay, Ormond, and Redondo power plants, such as minor construction to separate the properties or soil remediation activities. The program shall include provisions in Edison construction documents and protocols for coordination with appropriate resource agencies. The program shall at a minimum include the following provisions:

A qualified archaeologist shall be consulted prior to implementing construction or soil remediation activities that will involve earthmoving or soil excavation, and the archaeologist shall be available for consultation or evaluation of any cultural resources uncovered by such activities. For any previously undisturbed, known archaeological areas, a qualified archaeologist shall monitor earthmoving and soil excavation activities, consistent with relevant Federal, State, and local guidelines. If an unrecorded resource is discovered, construction or excavation activities shall be temporarily halted or directed to other areas pending the archaeologist's evaluation of its significance. If the resource is significant, data collection, excavation, or other standard archaeological or historical procedures shall be implemented to mitigate impacts pursuant to the archaeologist's direction. If any human remains are encountered, the archaeologist shall contact the appropriate County Coroner immediately and security measures shall be implemented to ensure that burials are not vandalized until the decision of burial deposition has been made pursuant to California law. If human remains are determined to be Native American interments, the Coroner shall contact the Native American Heritage Commission pursuant to Public Resources Code Section 5097.98 and follow the procedures stated herein and other applicable laws. A report by the archaeologist evaluating the find and identifying mitigation

actions taken shall be submitted to the CPUC. Where appropriate to protect the location and sensitivity of the cultural resources, the report may be submitted under Public Utilities Code Section 583 or other appropriate confidentiality provisions.

CPUC mitigation monitor's approval of Edison's proposed Monitoring Action:

archaeological mitigation program, and any subsequent

implementation reports.

CPUC Responsibility:

Timing: Approval by CPUC monitor of archaeological mitigation

> program at least 10 business days prior to transfer of ownership of the Alamitos, Cool Water, Ellwood, Mandalay, Ormond, and Redondo plants; review implementation reports upon submittal.

4.14.b.2 Edison shall provide the new owner of the Alamitos, Cool Water, Ellwood, Mandalay, Ormond Beach and Redondo plants with Edison's archaeological resource informational materials and any training documents concerning the new owner's respective plant. This will assist the new owner in knowing the locations of such resources, and in meeting their legal obligations regarding preservation of these resources.

> Monitoring Action: Edison will provide the CPUC mitigation monitor with a

> > disclosure form for each plant specified, signed by the new

owner listing documents received to accomplish this action.

Responsibility: **CPUC**

Timing: At least 3 business days prior to the transfer of title for each

plant.

In light of the analysis in the Initial Study, and the mitigation measures identified therein (and listed above) for inclusion into the project, the CPUC should find that the project will not have a significant effect on the environment.

Douglas M. Long, Manager **Decision-Making Support Branch Energy Division** California Public Utilities Commission