

IV. TEXT CHANGES TO THE MITIGATED NEGATIVE DECLARATION/INITIAL STUDY

The following text changes are made to the Mitigated Negative Declaration/Initial Study and incorporated as part of the Mitigated Negative Declaration/Initial Study. These include both text changes made in Section III of this document in response to comments, and staff-initiated text changes and errata. Additions to text in this section are shown as double-underlined, and deletions to the text are noted by strike through lines. In addition, this section includes revised figures from the Mitigated Negative Declaration/Initial Study.

In the Mitigated Negative Declaration, the first sentence of the third paragraph of mitigation measure 4.5.a.2 is revised as follows:

PG&E agrees that the transfer of title for ~~Morro Bay~~ Moss Landing Power Plant will not occur until either Rule 431 or the plant's is-permit to operate has been so modified.

The following mitigation measure is added to the Mitigated Negative Declaration:

Hazards

4.9.a.1 For the plants subject to this proceeding, PG&E shall provide the new owner, for each respective plant, with all of PG&E's material, non-privileged informational materials and training documents (not including records relating to PG&E 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: PG&E 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).

The first sentence of the second paragraph of mitigation measure 4.14.b.1 of the Mitigated Negative Declaration, is revised as follows:

A qualified archaeologist shall be consulted prior to implementing construction or soil remediation activities that will involve earth moving or soil excavation, and the

archeologist shall be available for consultation or evaluation of any cultural resources uncovered by such activities. For any previously undisturbed, known archeological areas, a qualified archeologist shall monitor earth moving and soil excavation activities, consistent with relevant Federal, State, and local guidelines.

The second item in the list of terms and conditions found on page 2.2 of the Initial Study is revised as follows:

All generating and retired units at a site would be sold to the same buyer, along with equipment and land necessary to the generation function. Related facilities at some of the power plant sites (such as tank farms and marine terminals) ~~may be retained or sold separately~~ are included in the sale, as shown in Figures 2.3, 2.4, 2.6, and 2.9.

The entire seventh enumerated set of Terms and Conditions on page 2.4 is fully deleted.

7. ~~If the PX operations begin before the plant sales are able to close, PG&E would enter into "Bidding Contracts" with the buyer, which would give the buyer bidding and dispatch control and thereby mitigate market power concerns, until such time as full ownership can be transferred.~~

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.

The last sentence of the first paragraph on page 3.2 is revised as follows:

Changes in generation patterns of the plants may affect...

The first sentence of the third paragraph on page 3.2 is revised as follows:

...more uncertain for new owners, or for other reasons.

The second paragraph on page 3.3 is revised as follows:

Because the California electric system will be operated in an even more integrated manner than before, with many interconnections between control areas, the above changes could have environmental effects at facilities in addition to those to be divested. For example, increasing generation at one in-state plant could decrease generation at

other in-state facilities, out-of-state generation, net imports into the state, and loads on interstate transmission lines. This “re-mixing” of generation could create environmental impacts within throughout California. However, as discussed below, to precisely predict the generation output of each power plant unit would be speculative.

The last paragraph on page 3.5 is revised as follows :

Table 3.1 presents reasonably foreseeable capacity factors (the percentage of total plant capacity) for operation of the three plants in a restructured setting if they were not sold, but were retained by PG&E. These capacity factors are based on the SERASYM™ unit-specific, California-wide data set, which was processed by the SERASYM™ model to forecast plant operations in 1998^{FN}(*add footnote: SERASYM™ is Copyright 1991-1997 Sierra Energy & Risk Assessment, Inc.*). Table 3.1 also indicates the projected technically feasible maximum operating capacity factors

The last sentence of the first paragraph on page 4.1.1 is revised as follows:

...Northern California Plant (Oakland) which is located...”

The first paragraph of page 4.1.6 of the Initial Study is revised as follows:

The Oakland power plant and surrounding vicinity are designated as M-40, Heavy Industry. However, because of the authority vested by the City Charter (Section 706) in the Board of Port Commissioners, the zoning designations of the City do not apply within the Port Area. At this time the Port of Oakland has not adopted a zoning or land use code for properties that are either under the control of the Port or private land which falls under Port of Oakland jurisdiction. There is no anticipation that such a land use plan will be adopted in near term; however, ~~the Port does have the authority under the Charter to do so;~~ both the City of Oakland's General Plan and the Port's Estuary Plan may designate all or portions of the Oakland Power Plant Site for future commercial use, and a land use plan for the area may be adopted by the Port in the future. ~~The Port has accepted the land use for the power plant and assumes that it will continue so as long as the facility remains in operation (Heffes, 1997).~~ It is probable that the property will remain a heavy industrial use so long as the power plant remains in operation.

On page 4.5.5 of the Initial Study, the National Ozone attainment status for the San Francisco Bay Area Air Basin is revised as follows:

~~Non~~ Attainment /a/

Table 4.5.2 for the North Central Coast is revised for carbon monoxide and nitrogen dioxide as follows:

North Central Coast Air Basin

<u>Pollutant</u>	<u>National</u>	<u>State</u>
Ozone	Attainment	Nonattainment
Carbon Monoxide	<u>Unclassified/attainment</u>	<u>Monterey-Attainment</u> <u>San Benito-Unclassified</u> <u>Santa Cruz-Unclassified</u>
Nitrogen Dioxide	<u>Unclassified/attainment</u>	Attainment
Sulfur Dioxide	Unclassified	Attainment
Particulate Matter (PM10)	Unclassified	Nonattainment

On page 4.5.5, footnote /a/ is revised as follows:

/a/ As of August 21, 1997, the San Francisco Bay Area Air Basin has been redesignated from a maintenance area to a non-attainment area. On August 21, 1997, the U.S.E.P.A. proposed to redesignate the San Francisco Air Basin from an attainment area to a moderate non-attainment area. However, to date, the proposal has not been formally published in the Federal Register.

On page 4.5.12 of the Initial Study, the first two paragraphs of the Regulations, Plans and Policies Section are revised as follows:

Regulations, Plans, and Policies

The 1991 Air Quality Management Plan (AQMP) for the Monterey Bay Region addresses attainment of air quality standards for ozone and inhalable particulate matter (PM10) within Monterey, San Benito, and Santa Cruz counties. The AQMP addresses state planning requirements and establishes the basis for meeting federal requirements. CARB determined that a 30% reduction of those emissions leading to the formation of ozone is required to achieve the standard in the North Central Coast Air Basin. The 1991 AQMP was updated in 1994, and the 1994 AQMP addresses attainment of the State ozone standard only. The 1994 AQMP includes a revised design value which reduced emission reductions needed to achieve the State ozone standard from 30% to 20%. With the revised design value, no additional control measures were needed beyond those adopted between 1991 and 1994 (Brennan, 1997).

The last two sentences of the first full paragraph on page 4.5.19 is revised as follows:

The predominant wind direction at the site is from the west north-northwest, with and an average windspeeds range from 4 to of 8 miles per hour. An important secondary wind flow component is also observed from the east-southeast which is typically observed at night as a nocturnal drainage flow. Daily and seasonal variations are small.

The second sentence of the fifth paragraph on page 4.5.19 is revised as follows:

In 1993, units 6 and 7 together had a capacity factor of 54.4% ~~were utilized~~ approximately 54.4% of the time.

The last sentence of the first paragraph on page 4.5.22 is revised as follows:

The closest sensitive receptors are located north and northeast of Highway 880

The second bullet on page 4.5.24 is revised as follows:

~~reflect-forecasted~~ levels of direct access to be...

The last sentence of the fourth paragraph on page 4.5.29 is revised as follows:

The closest sensitive receptors to the Oakland Power plant are located north and northeast of Highway 880, over 600 feet from the project site

The fifth paragraph on page 4.9.2 is revised as follows:

PG&E recently conducted both Phase I and Phase II Environmental Site Assessments at the plant ~~and will follow up, as appropriate, with Phase II testing~~ to determine the nature and extent of contaminants. The Phase I report (Camp Dresser & McKee, 1997a) identified 26 “recognized environmental conditions” at the Morro Bay Power Plant; these conditions represent past or present incidents of release of hazardous substances or petroleum products to the ground, groundwater, or surface water of the property. The Phase I report went on to identify at least 11 impaired conditions at the Morro Bay plant as “material recognized environmental conditions,” defined in the report as a situation of environmental contamination “requiring extensive investigation and/or remedial efforts to address.” The Phase II work (Fluor Daniel GTI, 1997a) investigated among other thing the specific Phase I identified environmental concerns and concluded, “The risk assessment showed the cumulative risk posed to human health and the environment by chemicals in soil and groundwater did not exceed the acceptable level established for this project throughout the risk assessment process and by regulatory policies.” The Phase II report also indicated that remediation of two environmental concerns (relating to contaminated soil and groundwater) would likely be required. PG&E will work with appropriate environmental agencies to develop specific remediation plans.

The fifth paragraph on page 4.9.3 is revised as follows:

PG&E recently conducted both Phase I and Phase II Environmental Site Assessments at the plant ~~and will follow up, as appropriate, with Phase II testing~~ to determine the nature and extent of contaminants. The Phase I report (Camp Dresser & McKee, 1997b) identified 17 “recognized environmental conditions” at the Moss Landing Power Plant. The Phase I report went on to identify at least nine impaired conditions at the Moss

Landing plant as “material recognized environmental conditions.” The Phase II work (Fluor Daniel GTI, 1997b) investigated among other thing the specific Phase I identified environmental concerns and found them to “pose no unacceptable risks to current site workers or future construction workers.” The Phase II report also indicated that remediation of four environmental concerns (relating to contaminated soil and groundwater) would likely be required. PG&E will work with appropriate environmental agencies to develop specific remediation plans.

The first paragraph on page 4.9.4 is revised as follows:

Because the Oakland power plant site has a history of industrial use dating back to 1902, the potential exists that some portion of the surface and subsurface soils and groundwater at the plant may have been contaminated with various wastes or otherwise adversely affected by past structures and operations. In reviewing the *Cortese List* (State of California's Hazardous Waste and Substance Site List) as per Public Resources Code §21092.6, it appears that this site may be included on the list. The list includes a site at 510 Martin Luther King, Jr. Way, which is not the address of the Oakland power plant, however, the description in the list is identified as the “PG&E” power plant. Although the notation may be in error, this is included for informational purposes: two references to the Oakland Power Plant have been identified. Both of these references (Mizera, 1997) were for leaking tanks containing diesel (Case Numbers 01-1075 and 01-1175). One of these cases (01-1175) incorrectly indicated that the address of the Oakland Power Plant was at 510 Martin Luther King, Jr. Way, when in reality its address is at 50 Martin Luther King, Jr. Way. Based on the data provided by the Cortese List, these two incidents occurred in the 1990 to 1991 time frame. The data show that in each case the tank leak was stopped and the tank was either closed or repaired. This information is included here for informational purposes only.

The second paragraph on page 4.9.4 is revised as follows:

PG&E has recently conducted both a Phase I and Phase II Environmental Site Assessments at the plant ~~and will follow up, as appropriate, with Phase II testing to determine the nature and extent of contaminants.~~ The Phase I report (Camp Dresser & McKee, 1997c) identified 15 “recognized environmental conditions” at the Oakland Power Plant. The Phase I report went on to identify at least nine impaired conditions at the Oakland plant as “material recognized environmental conditions. The Phase II work (Fluor Daniel GTI, 1997c) investigated among other things the specific Phase I identified environmental concerns and found them to “pose no unacceptable risks to current site workers or future construction workers.” The Phase II report also indicated that remediation of five (relating to contaminated soil and groundwater) environmental concerns would likely be required. PG&E will work with appropriate environmental agencies to develop specific remediation plans.

The following mitigation measure is added to the Initial Study after the third paragraph on page 4.9.5:

Mitigation Measures

4.9.a.1 For the plants subject to this proceeding, PG&E shall provide the new owner, for each respective plant, with all of PG&E's material, non-privileged informational materials and training documents (not including records relating to PG&E 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: PG&E 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).

The fourth paragraph on page 4.9.5 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 PG&E now. Furthermore, PG&E will continue to operate the divested plants for two years after the sale under an Operations & Maintenance (O&M) agreement, and PG&E has agreed to provide each new owner with information about PG&E'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.

The fourth paragraph on page 4.9.9 is revised as follows:

Because of the fuels, water treatment chemicals, and other hazardous materials historically used at the power generating stations and discussed above, the three stations to be divested could have contaminated soils, structures, or equipment. Phase I and Phase II environmental site assessments have identified potential surface or subsurface contamination at specific facilities. Known conditions are summarized above under "Setting." The transfer of plant ownership may advance the time at which existing hazards are remediated.

The fourth paragraph on page 4.9.10 is revised as follows:

Appropriate Phase I and Phase II 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. Therefore, all likely areas of known and potential contamination have been identified and will be known to prospective buyers.

The last sentence on page 4.10.7 is revised as follows:

The closest sensitive receptors are located north and northeast of Highway 880, over 600 feet from the project site.

The fourth paragraph on page 4.10.8 is revised as follows:

Night is the most sensitive time for noise effects. The expected result of potential increases in generation would be that multiple units are operated at night (two units would be expected to produce a noise level about 3 dBA higher than one unit). However, current information indicates that, sometimes, multiple boilers are frequently left on at night, but at a somewhat lower capacity than during the daytime (which does not affect the noise levels). Steam boilers are generally started during daytime hours; nighttime start-ups are not expected as a reasonably foreseeable consequence of divestiture (Weatherwax, 1997). In as much as multiple units are sometimes typically operated at night under existing conditions without identified noise impacts and within the applicable noise ordinance criteria, the operation of multiple units at night under divestiture would not constitute a significant impact. If multiple units operating at night operated at higher capacity, this would also not be significant because (as discussed earlier) noise produced by a single unit is fairly constant over a range of loads.

The first sentence of the last paragraph on page 4.14.4 of the Initial Study is revised as follows:

A qualified archaeologist shall be consulted prior to implementing construction or soil remediation activities that will involve earth moving or soil excavation, and the archeologist shall be available for consultation or evaluation of any cultural resources uncovered by such activities. For any previously undisturbed, known archeological areas, a qualified archeologist shall monitor earth moving and soil excavation activities, consistent with relevant Federal, State, and local guidelines.

The third sentence of the fourth paragraph on page 4.16.3 is revised as follows:

There are a number of reasons for this rationale that are outlined in Attachment Appendix C of the Initial Study.

The last sentence of the first bullet on page 4.16.5 is revised as follows:

...with the CEC in the near future by ~~October 1, 1997~~.

The last sentence of the third bullet page 4.16.5 is revised as follows:

...file its AFC in the near future in September, 1997.

The first sentence of the fourth bullet on page 4.16.5 is revised as follows:

Pioneer (aka Livingston) is proposed by Mock Brock Energy, the...

The last two sentences of the first bullet on page 4.16.6 are revised as follows:

...to support the plant. The applicants expect to reach a decision on whether to file an AFC in the latter part of 1997 at the end of August (Haussler, 1997).

The following references are added to Section 7 of the Initial Study:

Brennan, Janet, Supervising Air Quality Planner, Monterey Bay Unified Air Pollution Control District, Planning and Air Monitoring Division, letter to CPUC, September 4, 1997.

Fluor Daniel GTI, Phase II Environmental Site Assessment Morro Bay Power Plant, Morro Bay, California, prepared for Pacific Gas and Electric Company, July 1997a.

Fluor Daniel GTI, Phase II Environmental Site Assessment Moss Landing Power Plant, Highway 1 and Dolan Road, Moss Landing, California, prepared for Pacific Gas and Electric Company, July 1997b.

Fluor Daniel GTI, Phase II Environmental Site Assessment Oakland Power Plant, 50 Martin Luther King Jr. Way, Oakland, California, prepared for Pacific Gas and Electric Company, July 1997c.

Mizera, Steve A., Personal Communication between Mr. Tim Morgan of ESA and Mr. Steve Mizera of the State Water Resources Control Board. October 6, 1997.

Reiner, Steve, Personal Communication between Mr. Dail Miller of ESA and Mr. Steve Reiner of the Port of Oakland. October 2, 1997.