



SAN LUIS OBISPO COUNTY
DEPARTMENT OF PLANNING AND BUILDING

VICTOR HOLANDA, AICP
DIRECTOR

May 5, 2005

Andrew Barnsdale, CPUC
c/o Aspen Environmental Group
235 Montgomery St; Suite 935
San Francisco, CA 94104

Dear Mr Barnsdale:

**SUBJECT: DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED
DIABLO CANYON POWER PLANT STEAM GENERATOR
REPLACEMENT PROJECT**

Thank you for the opportunity to comment on the Draft Environmental Impact Report (DEIR) for this project. As we have mentioned in the past, the Diablo Canyon Nuclear Power Plant is a very important facility located in San Luis Obispo County. The County is a Responsible Agency pursuant to the provisions of the California Environmental Quality Act (CEQA). As such, the County will use the Final EIR, once it is certified by the Commission, during the public hearing process that will consider the project's Coastal Development Permit (CDP) application. We offer the following comments on the DEIR:

- 1. Project Baseline:** Page D.1-1 of the DEIR states the project baseline condition includes two operating nuclear reactor units and accessory facilities. This section also states that the environmental baseline condition includes the plants' NRC operating licenses through the years 2021 and 2025. This does not appear to be correct. The Steam Generator Replacement Project will allow the two reactors to continue operating past the years 2013 and 2014, to the end of their license periods. Without the proposed project, the two reactors would cease operations in the year 2013 and 2014. Also, the physical baseline for the project should reflect the degraded condition of the steam generators, not the status of the "paper" licenses.

Pursuant to CEQA section 15125, the environmental baseline shall include conditions that may exist at the time of the Notice of Preparation. Based on the statements in the DEIR and in the supporting materials developed by the applicant, the reactors would not operate past the years 2013 and 2014 without implementation of the proposed project. Therefore, operations of the nuclear reactors between the years 2013 and 2025 (the end of the NRC license period)

should be made a part of the DEIR analysis. Please revise the document accordingly.

2. **Beyond the NRC License:** This section of the DEIR contains the rationale for ending the analysis of the project's environmental impacts at the year 2025. The DEIR states that PG&E currently has no plans for license renewal and has not yet decided whether to apply for such renewal. These two statements appear at odds with one another. On one hand, the first statement leads the reader to assume that PG&E will not apply for license renewal while the second statement's connotation is that PG&E is weighing whether to apply or not. As an EIR is supposed to be an informational document helpful to the public and decision-makers, an analysis of the continued operation of the plant past 2021 and 2025 is necessary.

Secondly, given the cost of this project at approximately \$800,000,000, the reader must assume that such a project would lead to continued operation of the plant past 2021 and 2025. Otherwise, the \$800,000,000 project would lead to the operation of the plant for just an additional 8 to 11 years. While economic factors are not generally within the scope of an EIR, the reader cannot help but question the financial feasibility of such a project. Most readers would be left with the assumption that there is a direct causal relationship between the proposed project and the continued operation of the plant past 2021 and 2025. Also, the life expectancy of the RSG's is 40 years. Please revise the document accordingly.

3. **No Project Alternative (Section D.1.2.3):** The DEIR states that power generated by DCCP would need to be replaced if the plant shuts down. The document further states that the DEIR does not analyze any specific scenarios for providing replacement power. However, without more than a cursory analysis of alternative power sources, the document lacks the information needed by decision-makers to make informed decisions. Recent proposals for liquefied natural gas terminals to provide fuel for power plants have been mentioned in the media. Please provide some analysis of this alternative power source.
4. **Limit of NRC Authority:** The DEIR should acknowledge the limit of NRC authority. This Department was Lead Agency for the ISFSI project recently approved by the Board of Supervisors and California Coastal Commission. That process made it clear that the NRC does not have the responsibility to provide building and fire safety checks for new construction outside of the radiological area of the plant. In the case of the subject steam generator project, all buildings constructed for the project must be subject to review, approval and inspection by the local fire authority; CDF/County Fire in this case. Please revise the document's Public Services and Utilities accordingly. Please also insure that all fire requirements and recommendations of CDF/County Fire Dept are implemented through the Mitigation Monitoring Program.

5. **Original Steam Generator Offsite Disposal Alternative:** Little information is provided for this alternative. Please revise this section of the document so that some level of analysis is available to decision makers regarding off site disposal of the OSGs. The San Onofre Steam Generator Replacement project includes a description of the activities required to ship the OSG's off site for disposal. This description appears generic enough to give DEIR readers an idea of what an OSG disposal alternative would entail. Please revise this section accordingly and re-analyze the environmentally superior alternative.

6. **RSG Offloading:** The RSG unloading alternative was determined to be the environmentally superior alternative. In the Comparison of Alternative section, this alternative was judged superior to the project's proposal to off load the RSG at the Port. The analysis does not include two important points. First, the offshore conditions at the intake cove have not been taken into account. Adverse sea conditions including wind and fog occur frequently in this area. The Port however, is often sheltered from these conditions making it a safer location to conduct barge operations.

Secondly, staff believes that marine mammals use the rocks at the intake cove for haul out areas. The presence of these mammals should be included in the project's environmental review and alternatives analysis. The EIR preparers should contact PG&E to learn whether marine mammals inhabit the intake cove area.

7. **Local Ordinances and Policies:** Please note in this section starting on page D.8-18, that the project's consistency with local ordinances and policies will be determined by the County of San Luis Obispo. The CPUC should acknowledge in the document, that the Land Use portion of the DEIR is included only for CEQA purposes. The County will make determinations of ordinance and policy consistency through the land use permit process. The CPUC's analysis in this area has no affect on future County determinations.

For example, the DEIR states that coastal access does not need to be provided with the proposed project. The analysis in the DEIR is incorrect. The County and the Coastal Commission both required coastal access be granted for the ISFSI project. Such access dedications will be required for the subject project pursuant to the LCP's Shoreline Access policies.

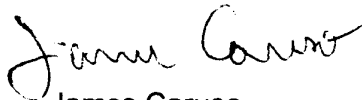
8. **OSG Storage Locations:** The locations for OSG storage seem to be arbitrarily limited to sites outside the Coastal Zone. According to the DEIR, the proposed and alternative sites all require extensive geotechnical testing and review. The document has included this work as required mitigation prior to construction. This work should be accomplished now, prior to finaling the EIR. Otherwise, the mitigation measure for Impact G-4 represents delayed mitigation (See Sunstrom v. Mendocino County). Other sites near parking lots 7 and 8 for example, will not

require the extensive geotechnical review required for the proposed and alternative sites outside the Coastal Zone. Please include alternative sites in the Coastal Zone for OSG storage.

9. **Monitoring:** The mitigation monitoring plan should reflect the need for the applicant to submit grading, drainage and construction permits applications to the County for review and approval. For instance, mitigation measure B-6a requires revegetation of soil disposal area. The County's grading plan will also require revegetation along with approval of a SWEPP.
10. **Traffic and Circulation:** Mitigation measure T-3a requires development of a trip reduction program. This measure should be revised to include a required trip reduction threshold such as 50% reduced traffic from the unmitigated condition. Please also identify the possible locations of off site parking and shuttle stops. In order to be effective in reducing traffic where it counts, the parking areas should be located outside the Avila Valley. Possible locations could include the Five Cities area and the City of San Luis Obispo.

Please contact me at (805) 781-5702 if you wish to discuss these comments.

Sincerely,



James Caruso
Senior Planner

cc: Shirley Bianchi, Chair Board of Supervisors
Port San Luis Harbor District
Ellen Carroll, Environmental Coordinator