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ATTACHMENT 1

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**Pacific Gas and Electric Company
Comments on Draft Environmental Impact Report
Technical Appendix
May 10, 2005**

EXECUTIVE SUMMARY

I. General Comments

1. Section 3.13.1, Page ES-42,¹ Traffic and Circulation

The document should clearly identify that all traffic impacts are construction-related and therefore can be identified as short term roadway impacts. No long term, project-related traffic and circulation impacts are anticipated because the Project will not result in a net increase of employees after the project is completed. It is a maintenance project, not a new, stand-alone project that will generate long term traffic and circulation impacts.

PG-41

2. Section 3.14.1, Page ES-44, Visual Resources

The visual analysis is reminiscent of a federal environmental review process with terms such as “viewer sensitivity” and “strong project contrast.” While the analysis provides a comprehensive background and context, the document’s analysis should focus on the thresholds established by CEQA Guidelines, Appendix G for Aesthetics, as follows:

PG-42

Would the project . . .

Have a substantial adverse effect on a scenic vista?

Substantially damage scenic resources, including, but no limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

Substantially degrade the existing visual character or quality of the site and its surroundings? Or

Create a new source of substantial light or glare which would adversely affect day of nighttime views in the area?

¹ Please note that the page numbers differ in the hard copy and electronic versions of the DEIR. The page numbers provided in this Technical Appendix refer to the hard copy version of the document.

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The document's analysis clearly shows that the Proposed Project does not reach or cross over any of these CEQA thresholds.

PG-44

3. Section 5, Page ES-58, Table ES-6, Summary of Impacts and Mitigation for the Proposed Project

PG-45

Mitigation measures S-2 through S-6 address issues that are pre-empted from state and local review, and should be eliminated from this document. Should the CPUC insist on retaining these mitigation measures within the document (including this table and throughout the entire document), at a minimum, an accompanying statement clearly identifying these suggestions as "pre-empted from state and local review, being the sole purview and responsibility of the NRC," needs to be added in every instance.

II. Specific Comments

4. Section 1, Page ES-2, First Paragraph

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The following sentence should be added to the paragraph.

In addition to the CPUC using this EIR in as a part of their specific approval process, this document will also be used by Responsible Agencies as defined by CEQA Guidelines Section 15381, including the County of San Luis Obispo and Port San Luis Harbor District, as a part of their respective discretionary actions and approval processes.

5. Section 1, Page ES-2, Third Paragraph

The following sentence should be added to the paragraph.

In addition, license renewal is not a reasonably foreseeable project to be included as part of this EIR's cumulative impact analysis.

6. Section 1, ES-5, Third Paragraph, Fourth Sentence

This sentence should be revised to read:

"All other potential RSG offloading alternatives from Avila Beach to..."

7. Section 2.1.5, Page ES-19, First paragraph

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This paragraph makes a conclusory statement regarding the environmental and safety concerns about “new nuclear, hydroelectric, or coal and oil-fired generation” facilities without any substantiating analysis or reference to such analysis. It is recommended that a brief analysis or reference to such analysis be cited here to substantiate the conclusion.

PG-47

For example, the following sentence should be added to this paragraph:

Section C.6.2 of this DEIR provides an analysis of these types of facilities with the potential environmental impacts being noted in the subsequent sections.

8. Section 3.1.2, Page ES-22, Third paragraph

PG-48

This paragraph should include an additional sentence identifying that license renewal is not a reasonably foreseeable project and therefore was not included within this document’s cumulative impact analysis.

9. Section 3.12.1, Page ES-40, Third paragraph

The second sentence states that “these impacts could be mitigated to less than significant levels by coordinating with harbor operations.” Amend this sentence to state that this activity would be governed by the Port San Luis Harbor District acting as a responsible agency. This should also refer to the discussion in the Land Use Section regarding consistency with the Port Master Plan and the Harbor District Ordinances.

10. Section 4, Page ES-45, Summary Comparison of the Proposed Project and Alternatives

PG-49

The first sentence should be amended to reflect the purpose of CEQA, as it relates to alternative analysis. For example, CEQA requires the analysis of alternatives for the purpose of avoiding or reducing any potential significant, adverse environmental impacts, not to compare the “environmental advantages and disadvantages of the Proposed Project.” Please refer to CEQA Guideline Section 15126.6. The subsequent analysis complies with the Guidelines; however, this introductory sentence is not consistent with the purpose of an alternative analysis.

11. Section 4.2, Page ES-47, Second paragraph

See comment immediately above. Citing the environmental “advantages and disadvantages” of each alternative is not consistent with the CEQA Guidelines language. It is recommended that the following sentence be substituted for the first sentence in this paragraph:

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The following is a discussion provides a meaningful evaluation, analysis and comparison of each alternative with the Proposed Project, and a determination of whether the Proposed Project or an alternative is considered to be environmentally superior within each component of the project.

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12. Section 4.2.1, Page ES-48, Table ES-2, Proposed Project vs. Replacement Steam Generator Offloading Alternative - Issue Area: Socioeconomics

PG-50

The Intake Cove is indicated as being "Slightly Preferred" for this category. The assessment should be changed to "Preferred" as no businesses/fishermen would be impacted at the Intake Cove.

13. Section 4.2.4, Page ES-51, First sentence

PG-51

The subject of this sentence is pre-empted from state and local review, and should not be a part of this analysis, nor set forth as a basis for selecting an environmentally superior alternative. This sentence should be removed.

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INTRODUCTION

I. General Comments

1. Section A.6, Page A-14, Table A-2 (Permits that May Be Required for the DCPP Steam Generator Replacement Project)

Clean Water Act Permits: The SGRP will not include possible interaction with jurisdictional waters of the United States that would require a permit under § 404 of the Clean Water Act, or associated certifications under § 401 of the Clean Water Act.

Stormwater Pollution Prevention Plan (SWPPP): PG&E is not required to prepare a SWPPP in connection with the SGRP because the SGRP will require less than one acre of soil disturbance. State Water Resources Control Board, Division of Water Quality, National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity (General Permit), Water Quality Order 99-08-DWQ. PG&E will employ best management practices and take all measures necessary to ensure that no stormwater impacts result from the SGRP. See Hydrology and Water Quality, Specific Comment 1.

CDFG § 1601 Streambed Alteration Permit: Similar to the discussion above with respect to Clean Water Act permits, the SGRP will not include possible interaction with Diablo Creek. Therefore, a § 1601 streambed permit will not be required.

PG&E recommends that the EIR include a more complete discussion of some of the key responsible agencies (e.g., County of San Luis Obispo and Port San Luis District) and their permitting/licensing processes either immediately before or after this table. These agencies will rely on this document to support the permits they will issue in connection with the Proposed Project. The following language should added to this section of the EIR:

County of San Luis Obispo

Conditional Use Permit: Old Steam Generator Storage Facility.
Pacific Gas and Electric Company (PG&E) filed a Conditional Use Permit (CUP) pursuant to San Luis Obispo County (County) Code Section 22.62.060 in order to accommodate a necessary accessory storage building. This accessory storage building, or Old Steam Generator Storage Facility (OSGSF), will have approximately 18,000 square feet of floor area and will store a total of eight steam generators with additional room to store the reactor vessel heads if necessary.

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Table 2-2, Allowable Land Uses and Permit Requirements, of Title 22 of the County Code identifies Accessory Storage as permitted within the Public Facilities Land Use category, subject to a land use permit required by the specific use standards. Further, Section 22.30.040 states that a “land use permit is not required to establish accessory storage except when this Section requires a permit for a specific type of storage, or the storage involves construction of a new structure or alteration of an existing structure.”

PG-53

A new structure with the necessary permit is required for this storage. Table 2-3, Permit Requirements Based on Project Characteristics, of Title 22 establishes that Site Plan Review is required for structures under 20,000 square feet (floor area) for manufacturing, processing, and/or outdoor storage land uses or uses with similar development characteristics. However, County Code Section 22.62.040.B.1.a (Site Plan Review) states the following:

If an Environmental Impact Report (EIR) is required, the project shall be processed and authorized only as a Conditional Use Permit (Section 22.62.060).

While this DEIR is being prepared for the SGRP by the CPUC that includes this accessory storage building, it is unclear from Title 22 whether this EIR would trigger the requirement for a CUP.

Coastal Development Permit: Temporary Staging Area. Pacific Gas and Electric Company (PG&E) filed a Coastal Development Permit (CDP) application pursuant to Section 23.02.034 of the San Luis Obispo County (County) Coastal Zone Land Use Ordinance (CZLUO) for the construction of certain temporary structures that are part of a larger project to replace the steam generators at the Diablo Canyon Power Plant (DCPP).

PG-54

Section 23.03.04 of the County CZLUO exempts repair, replacement, and maintenance activities from the requirements of Title 23. Because the SGRP will also require the construction of a series of temporary structures within the Coastal Zone, PG&E filed the CDP application pursuant to Section 23.02.034 for these temporary structures (described below). All of these structures will be temporary and removed after the SGRP is completed. Approximately three years will be required to establish the

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supporting facilities, replace the steam generators, and remove the supporting facilities.

PG-54

Therefore, as a responsible agency the County of San Luis Obispo will use this EIR for the CUP and CDP applications pursuant to CEQA Guidelines Sections 15097(a), (f) and 15231.

Building and Grading Permits. Upon approval of the CUP and the CDP, the SLO County Building Department will issue the building and grading permits necessary to complete the SGRP. Issuance of these permits is a ministerial function and will rely on the analysis conducted by SLO County to issue the CUP and CDP.

PG-55

Port San Luis Harbor District

Section 8.032 (District Permits Required) states that the Port San Luis Harbor District is recognized as a "land owner" and is vested by the State of California with authority to review and issue permits, licenses and/or contracts for activities occurring within the Port's jurisdiction. Specifically this section of the Port's Code of Ordinances grants the following authority:

PG-56

A. Approval of a land use permit pursuant to Sections 8.110 et seq. of this chapter (which is for the purpose of evaluating the appropriateness of a proposed use);

B. The approval of an operating agreement, license, or lease by the Board of Commissioners, granting either limited or long-term right to occupy and use District property and establishing a business relationship between the applicant and the District with the applicant as a concessionaire;

C. Issuance of a building or other construction permit pursuant to Chapter 12 of this code (Construction Codes) if proposed development is located on Harbor or Avila piers; or

D. Issuance of a mooring permit pursuant to Chapter 16 of this Code.

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II. Specific Comments

PG-57

2. **Section A.1, Page A-1, Third Paragraph**

“Stress corrosion cracking” is the appropriate, complete term for the degradation occurring at the steam generators. All further references should be to this term.

3. **Section A.2.2, Page A-7, Paragraph 6, second to last sentence**

This sentence should be amended to read as follows:

“disrupted and measured as a change in voltage.”

4. **Section A.6, Page A-13, Third paragraph, Second sentence**

The CDP and CUP applications were submitted on February 4, 2005, and deemed complete by the County of San Luis Obispo on March 18, 2005.

5. **Section A.6, Page A-14, Fourth sentence**

The fourth sentence states that “it appears that the OSG Storage Facility is outside of the coastal zone.” It is more accurate to state that OSG Storage Facility *is* outside of the Coastal Zone, as indicated in an exhibit within the applicant’s CDP and CUP application packages.

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PROJECT DESCRIPTION

I. General Comments

1. Clarifications to Project Description

Certain clarifications should be made to the Project Description in order to ensure that it presents the most accurate and up-to-date depiction of the SGRP. PG&E includes these suggested clarifications below. None of these proposed clarifications substantively revises the Project Description.

PG-58

2. The Project Will Result In “Like for Like” Replacement, Section B.3, Page B-12

Consistent with PG&E’s SGRP Application, and its testimony before the CPUC, the Final EIR should highlight that the SGRP calls for a “like for like” replacement of the original steam generators with the replacement steam generators. As set forth in the Draft Environmental Impact Report for the San Onofre Nuclear Generating Station (SONGS) Steam Generator Replacement Project, the Final EIR should include the following new paragraph at the beginning of Section B.3:

PG-59

The replacement steam generators would be designed to match the specifications of the original steam generators. As such, the steam generator replacement project would not result in any change in the rated capacity output (MW) of the units, and it would not change the basic power plant operation in any other way. For example, the Proposed Project would not affect the fuel consumption rate, the cooling water intake rate, or the thermal discharge of DCPP.

II. Specific Comments

3. Pages B-16 through B-21

Assign appropriate dates to any photographs.

PG-60

4. Section B.3.1.2, Page B-12, Last Sentence

The barge docking will be SOUTH of the small peninsula. All further narrative and graphic descriptions need to incorporate this change.

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PG-60

5. **Section B.1, Page B-1, Second Paragraph**

“Stress corrosion cracking” is the appropriate, complete term for the degradation occurring at the steam generators. All further references should be to this term.

6. **Section B.2.4, 1st Paragraph and Figure B-4**

The OSGs weigh 330 tons.

7. **Section B.1.3, Page B-2, Fourth Sentence**

The sentence should read as follows:

After the OSGs are removed, each OSG must be prepared in accordance with Nuclear Regulatory Commission (NRC) requirements in order to be stored in the OSG Storage Facility. The exterior of the OSGs would be decontaminated to the extent possible inside the containment structure (or potentially just outside the hatch, depending on space requirements) and a protective plastic coating would be applied to prevent the release of any potentially loose contaminated material.

8. **Section B.3.1.2, page B-16, First Paragraph, Fifth Sentence**

This sentence should be revised to read as follows:

The Proposed method to dock and stabilize the barge at Port San Luis would be to “pin” the nose of the barge to the harbor bottom (PG&E, 2004d). The barge would be pulled as close to the shore as possible and positioned directly on the harbor bottom.

9. **Section B.3.1.1, Page B-12, Second Paragraph, Last Sentence:**

This sentence should read as follows:

At the California port, the RSGs would be offloaded onto one or two barges (2 or 4 steam generators per barge) and shipped to San Luis Obispo.

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10. Section B.3.1.3, B-23, Second Paragraph, Third Sentence:

The sentence should read as follows:

The OSGs were delivered along approximately the same route during construction of DCP in the 1970s, as were the reactor vessels, main bank transformers, main electrical generators, and other equipment of similar or larger size.

The DEIR addresses the stability of the ground along the transport route and proposes mitigation to ensure that the roads are capable of carrying the Project loads. *See* Geology, Soils and Paleontology Section at D.5-14 to D.5-15 and Comment 2 to the Geology Section, below.

PG-61

11. Section B.3.2, Page B-24, First Paragraph, Fifth Sentence

The sentence should read:

PG&E considers it important to locate all project staging areas in close proximity, so space may be combined or connected with other existing facilities.

PG-62

12. Section B.3.2.3, Page B-27, Third Paragraph, First Sentence

The space will be a maximum of 10,000 square feet with approximately 25 feet in total height and approximately 167 feet by 60 feet in exterior dimensions.

PG-63

13. Section B.3.2.5, B-27, First Paragraph, Fourth Sentence

The dimensions of a one-story building would be approximately 167 feet by 60 feet. Also a two story building will have a maximum height of 30 feet from grade.

14. Section 3.3.2, Page B-33, First Paragraph, First Sentence

The OSGs will be treated in the containment facility prior to transport to the OSG Storage Facility. The phrase "at the proposed OSG Storage Facility" should be deleted.

15. Section 3.3.2, Page B-33, Second Bullet Item, Last Sentence

The sentence should read:

PG&E will implement procedures and work practices to maintain dose levels as low as reasonably achievable (ALARA), in compliance with NRC regulation 10 CFR 20.1101(b), Radiation Protection Programs.

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16. Section 3.3.3, Page B-34, Second Paragraph

The DEIR describes one possible location for the disposal of excavated material, namely the previously-approved disposal site for the Independent Spent Fuel Storage Installation (ISFSI) project. In addition to the use of the ISFSI disposal area, PG&E may decide to simply dispose of any excavated material in close proximity of the selected OSGSF site itself. This approach would provide a more straightforward option and would reduce vehicle trips to the ISFSI disposal site. Any onsite disposal would be limited to previously disturbed portions of the man-camp area; PG&E would implement all required BMPs to control soil erosion and protect the creek; and PG&E would perform all required compaction and soils engineering to allow the area to qualify as “engineered fill.” The excavation and disposition of any extra material will be governed/addressed by the grading permit required for the OSGSF.

PG-64

In addition, PG&E’s installation contractor has indicated that up to 5000 cubic yards of excavated materials could result from OSGSF construction, as opposed to the 2300 cubic yards originally anticipated. Both the ISFSI disposal site and the on-site disposal option within the man-camp area would be able to accommodate this additional amount of excavated materials.

PG-65

17. Section B. 6, Page B-39, Second-to-Last Bullet Item

The phrase should read as follows:

“Marine biologist to monitor at both Intake Cove and PSL”

PG-66

18. Section B.6, Page B-40, 2nd bullet point

As described further later in these comments, a SWPPP would not be required under the state water quality control board guidelines because less than an acre of land will be disturbed by the Project. Moreover, PG&E has a substantial stormwater drainage system that will accommodate any runoff associated with the SGRP. Nonetheless, the County of San Luis Obispo routinely requires the submittal of a Storm Water Pollution Prevention Plan (SWPPP) as part of its land use permitting process. These three points should be noted in the Final EIR.

PG-67

19. Section B. 6, Page B-40, 3rd bullet item

The San Luis Obispo Air Pollution Control District frequently requires that a Construction Activity Management Plan (CAMP) be submitted that addresses air quality issues, including all of the sub-bullet points listed on this page. This should be reflected in this section.

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20. **Section B. 6, Page B-40, 1st, 2nd and 4th bullet points (Original Steam Generator Removal, Transport and Storage)**

PG-69

These items are pre-empted from state and local agency review, falling under the exclusive jurisdiction of the NRC.

21. **Section B. 6, Page B-41, 2nd, 3rd, 5th, 6th, 8th, 9th, 10th and 15th bullet items**

These items are pre-empted from state and local agency review, falling under the exclusive jurisdiction of the NRC.

22. **Section B. 6, Page B-42, 7th bullet item**

PG-70

The San Luis Obispo Air Pollution Control District frequently requires that a Construction Activity Management Plan (CAMP) be submitted that addresses air quality issues, including all of the sub-bullet points listed on this page. This should be reflected in this section.

23. **Figure B-6 and Figure B-11**

PG-71

Figure B-6 and Figure B-11 show an incorrect barge route and landing locations for the Port San Luis off-loading option. Corrected Figure B-6 and Figure B-11 are provided as Attachment 8 and Attachment 9.

III. Clerical/Typographical Comments

PG-72

24. **Section B.2.1 Page B-9 Paragraph 3, Line 4**

Please amend as follows:

“Montana *de* Oro State Park”

25. **Section B.3.1.2 , Page B-16 Second Paragraph, Sixth Sentence**

A new paragraph should begin after line 6.

26. **Section B.6 Page B-39, First Paragraph, Third line**

This phrase should read as follows:

“...significance *of* the finds...”

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27. Section B.6 , Page B-42, Bullet 13

This phrase should read as follows:

“Depending *on* the extent...”

PG-72