CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512

DATE: October 22, 2008

TO: Interested Parties

FROM: Steve Munro, Compliance Project Manager

SUBJECT: El Segundo Power Redevelopment Project (00-AFC-14C) Addendum I to the Staff Analysis of Proposed Change to Dry Cooling and Other Project Changes

On June 15, 2007, the project owner of the El Segundo Power Redevelopment Project (ESPRP) filed a petition with the California Energy Commission to amend the Energy Commission Decision for the ESPRP. The Energy Commission issued a Staff Analysis (SA) of these proposed changes on June 12, 2008, intiated a 30-day public comment period, and held a site visit and staff workshop on June 25, 2008, to discuss the SA with interested agencies and members of the public.

Addendum I, which is enclosed, addresses comments received in all technical areas except air quality. It consists of a recapitulation of comments on the SA and responses to those comments. It also includes additions, deletions, or changes to ESPRP conditions of certification and figures resulting from the workshop. Additionally, copies of actual written comments are attached.

Addendum II, containing the revised air quality staff analysis, will be published after the South Coast Air Quality Management District issues a Revised Preliminary Determination of Compliance (PDOC). Addendum II will also address comments related to air quality.

ESPRP was certified by the Energy Commission on February 2, 2005, as a 630 megawatt combined cycle power plant located in the City of El Segundo in Los Angeles County. It is currently in the demolition phase of pre-construction.

The proposed modifications will result in

- Elimination of once-through cooling in favor of the use of dry cooling;
- Use of Siemens Rapid Response Combined Cycle technology as opposed to the GE Frame 7FA turbines originally approved by the Commission, resulting in a reduction of the megawatt output from 630 MW to 560 MW;
- Possible barge delivery and use of a related beach landing ramp for transporting and delivering prefabricated elements of the power plant;
- Elimination of a firewater pump diesel engine on site;
- Use of an existing aqueous ammonia storage tank on site, and elimination of a previously approved second tank;

- Replacement of an offsite laydown area for equipment staging and construction and employee parking;
- Modification of the plant's access road configuration; and
- Elimination of a wastewater stream by use of zero liquid discharge technology.

Energy Commission staff reviewed the comments from the public, project owner, and agencies which were received during June and July 2008. It is staff's opinion that, with the implementation of the revised conditions contained in the SA, as modified by Addendum I, the project will remain in compliance with applicable laws, ordinances, regulations, and standards and that the proposed project modifications will not result in a significant adverse direct or cumulative impact to the environment (Title 20, California Code of Regulations, Section 1769).

The amendment petition, the SA, and Addendum I have been posted on the Energy Commission's website and can be found at the following website address: http://www.energy.ca.gov/sitingcases/elsegundo_amendment/documents/index.html.

The Energy Commission's Order (if approved) will also be posted on the website. If you have comments on Addendum I, they must be received in writing by November 21, 2008.

Steve Munro, Compliance Project Manager
California Energy Commission
1516 9th Street, MS-2000
Sacramento, CA 95814

Comments may be submitted by fax to (916) 654-3882, or by e-mail to smunro@energy.state.ca.us If you have any questions, please contact me at (916) 654-3936.

Enclosure

Staff Analysis Addendum I

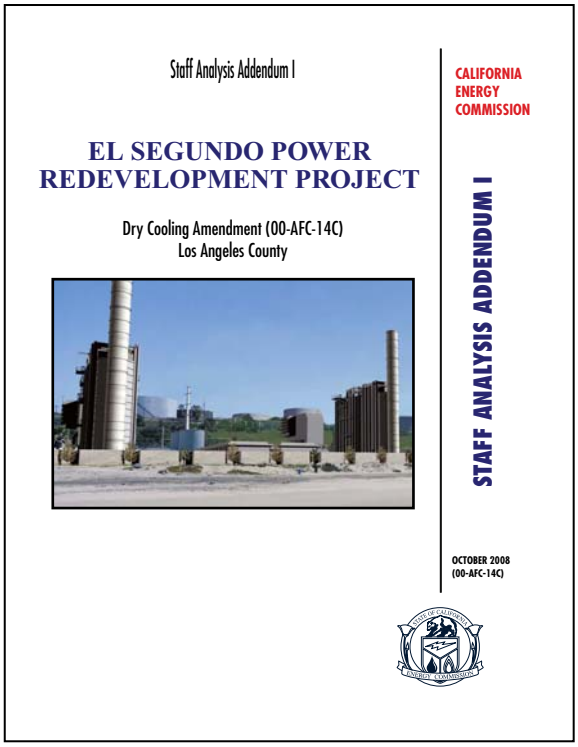
CALIFORNIA
ENERGY
COMMISSION

EL SEGUNDO POWER REDEVELOPMENT PROJECT

Dry Cooling Amendment (00-AFC-14C)
Los Angeles County

STAFF ANALYSIS ADDENDUM I

OCTOBER 2008
(00-AFC-14C)
CEC-700-2008-006-AD1



CALIFORNIA ENERGY COMMISSION

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EL SEGUNDO POWER REDEVELOPMENT PROJECT
(00-AFC-14C)

ADDENDUM I
October 2008

Response To Comments On
The Staff Analysis Published June 12, 2008

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INTRODUCTION

Prepared by: Steve Munro

The original project owner, El Segundo Power II, LLC (ESP II), filed a petition with the California Energy Commission dated June 15, 2007, to amend the Energy Commission Decision for the El Segundo Power Redevelopment Project (ESPRP) to change the project from once through ocean water cooling to dry cooling technology, among other significant changes in equipment and design. The project was originally certified by the Energy Commission on February 2, 2005, as a 630 megawatt combined-cycle electrical generating facility. A change of ownership was approved by the Energy Commission on August 13, 2008, and the new owner, El Segundo Energy Center, LLC (ESEC) continues to pursue the amendment petition. ESEC now has a power purchase agreement with Southern California Edison and intends to begin construction of the revised project as soon as feasible.

Energy Commission staff issued its Staff Analysis (SA) of the amendment petition on June 12, 2008 for a 30-day public comment period. On June 25, Energy Commission staff held a site visit and workshop regarding the amendment petition and the Staff Analysis. The workshop was held to accept comments from agencies and the public regarding the proposed changes to the original Commission Decision approving the project design and conditions of certification. Members of the public and agency representatives attended the site visit and workshop held at the city of El Segundo administrative offices where they asked questions and commented on the SA. The participants were urged to submit their comments in writing and several comment letters and e-mails were received, which documented public, agency, and owner concerns and also favorable comments on the proposed changes to the project.

To respond to the public, project owner, and agency comments, staff will issue two addenda to the SA. Both will be issued for public comment. This document, Addendum I, addresses all technical sections for which comments were received, except for air quality. For a number of reasons, comments regarding air quality impacts from the proposed project modifications will be addressed in a subsequent document, Addendum II, which will be issued as soon as possible after the South Coast Air Quality Management District (SCAQMD) issues its Final Document of Compliance (FDOC) for the proposed modified project. At this time, the probable schedule for SCAQMD to issue its FDOC is not known, primarily due to a legal ruling suspending the District's program for allocating Priority Reserve Credits (PRCs) for new sources of air emissions within its jurisdiction.

TECHNICAL AREAS WITH COMMENTS AND/OR MODIFICATIONS

Prepared by: Steve Munro

Addendum I addresses the technical areas, with the exception of air quality, in which comments were received and/or conditions of certification were modified, added, or deleted. These technical areas are shown in the following table, Table I:

TABLE 1

Section/Technical Area	SA Affected Page Numbers
Biological Resources	4.2-8
Hazardous Materials Management	4.4-2
Land Use	4.5-1 thru 4.5-5, 4.5-7, and 4.5-10
Noise and Vibration	4.6-2
Soil and Water Resources	4.8-2
Visual Resources	4.12-7
Air Quality	To be addressed in Addendum II

In each technical area, the comments and responses to comments will be addressed first, followed by the changes to the conditions of certification. The original SA changes are shown with additions underlined and deleted text with ~~strikethrough~~. The new revisions are shown in **bold with double-underlining** for added text, and ~~**bold with double-strikethrough**~~ for deleted text.

BIOLOGICAL RESOURCES

Original Prepared by: Marc Sazaki
Addendum I Prepared by: Rick York

Staff Assessment Page Number(s): 4.2-8
Section Heading: Amended And Proposed Conditions Of Certification

Comments:

Condition of Certification **BIO-1**

Scott Valor and Lia Protopapadakis of the Santa Monica Bay Restoration Commission (SMBRC) commented in a July 14, 2008 e-mail and letter that staff has deleted the requirement in condition **BIO-1** for the project owner's payment of the additional $4 million for impact mitigation in light of their changed plans for dry cooling. They noted that staff also agrees that the $1 million already paid out will not be required to be returned so long as it has been encumbered (100%) or spent (about 80% at this point). Mr. Valor and Ms. Protopapadakis requested written documentation that the $1 million paid out will not be required to be returned.

Response to Comment:

Staff hereby documents that the commenters' understanding is correct that the SMBRC will not be required to return the $1 million payment already tendered.

Condition of Certification **BIO-9**

The project owner has requested a change in Condition of Certification **BIO-9** for clarification purposes.

Response to Comments:

Staff agrees with project owner's requested change to **BIO-9** because it reflects the original intent of the author. The following is staff's revised Condition of Certification:

Modified Condition of Certification:

BIO-9 The project owner shall submit to the CPM for review and approval a copy of the final Biological Resources Mitigation Implementation and Monitoring Plan (BRMIMP) and, once approved, shall implement the measures identified in the plan. **The BRMIMP shall apply to beach delivery activities only.**

The BRMIMP shall include:

1. All new Biological Resource conditions included in the Energy Commission's Final Decision as amended;
2. All biological resources mitigation, monitoring, and compliance measures proposed and agreed to by the project owner;

3. A list and a map of locations of all sensitive biological resources to be impacted, avoided, or mitigated by project construction and operation;
4. A list of all terms and conditions set forth by USACE permits and necessary state LARWQCB certifications, should these become necessary throughout the life of the project;
5. Detailed descriptions of all measures that will be implemented to avoid and/or minimize impacts to sensitive species and reduce habitat disturbance;
6. All locations, on a map of suitable scale, of areas requiring temporary protection and avoidance during construction;
7. Duration for each type of monitoring and a description of monitoring methodologies and frequency;
8. Performance standards to be used to help decide if/when proposed mitigation is or is not successful;
9. All performance standards and remedial measures to be implemented if performance standards are not met;
10. A discussion of biological resource-related facility closure measures;
11. A process for proposing plan modifications to the CPM and appropriate agencies for review and approval;
12. A copy of any State or USFWS Biological Opinion or NMFS consultation, and incorporation of all terms and conditions into the final BRMIMP, should a biological opinion become necessary any time throughout the life of the project;
13. Protocols for dealing with wildlife that gain access the barges, beach delivery ramp, and other project features whereby their well being could be at risk; and
14. Vegetation restoration that provides for planting seacliff buckwheat (*Eriogonum parviflorum*), eradication of ice plant (*Carpobrotus chilensis*), and is coordinated with Visual Resources landscaping requirements.

Verification: At least 30 days prior to start of any site mobilization activities related to the beach front or the beach delivery system, the project owner shall provide the CPM with the final version of the BRMIMP for this project, and the CPM will determine the plans acceptability. The project owner shall notify the CPM five (5) working days before implementing any CPM approved modifications to the BRMIMP.

Within 30 days after completion of project construction, the project owner shall provide to the CPM for review and approval, a written report identifying which items of the BRMIMP have been completed, a summary of all modifications to mitigation measures made during the project's construction phase, and which mitigation and monitoring plan items are still outstanding.

HAZARDOUS MATERIALS MANAGEMENT

Prepared by: Dr. Alvin Greenburg

Staff Assessment Page Number(s): 4.4-2
Section Heading: Proposed Modifications to Conditions of Certification

Comment: Condition of Certification **HAZ-4.**

The project owner has requested deletion of Condition of Certification **HAZ-4** because the Rapid Response Combined Cycle technology does not require the use of hydrazine as an oxygen scavenger.

Response to Comment:

In the Staff Analysis issued on June 12, 2008, staff proposed no changes in the existing conditions of certification due to the proposed modifications. However, staff agrees with project owner's requested change because the equipment change eliminates the need for hydrazine, and therefore, condition **HAZ-4** should be deleted.

Modified/Deleted Conditions of Certification:

~~**HYDRAZINE ALTERNATIVES FEASIBILITY STUDY**~~

~~**HAZ-4 The project owner shall undertake a feasibility study for the substitution of the 35% hydrazine with a less hazardous chemical. Should the study conclude that substitution is infeasible and the project owner elects to continue the use of the 35% hydrazine, then the project owner shall develop and prepare a safety management plan focusing on the storage and handling of the hydrazine and the associated protective equipment requirements, handling techniques, personnel training, spill response procedures, detectors and alarms, as a minimum.**~~

~~**Verification: At least 45 days prior to start up of Units 5, 6, and 7, the project owner shall furnish a final copy of either the feasibility study or the hydrazine storage and handling management plan, as appropriate, to the CPM, CESFD and CMBFD. All initial drafts shall be reviewed and commented upon by the CPM and CESFD. All final copies shall be approved by the CPM.**~~

LAND USE

Prepared by: Mark Hamblin

Staff Assessment Page Number(s): 4.5-1 thru 4.5-5, 4.5-7, and 4.5-10
Section Headings: Introduction, Analysis, and Proposed Modifications to Conditions of Certification

Comments:

In Condition of Certification **LAND-10**, the project owner has requested insertion of the phrase, "during beach delivery activities" to clarify that the requirements not to prohibit public access and use of the bicycle trail are relevant only to the beach delivery option if that option is chosen.

In Condition of Certification **LAND-13** and the **LAND-13** Verification section, the project owner has requested insertion of the phrase, "or equivalent land use document," to provide the opportunity for a document other than an executed lease with the California State Lands Commission be considered acceptable proof that the State Lands Commission has approved the use of the beach area to be used for the beach delivery of equipment if the beach option for equipment delivery is, in fact, selected.

Response to Comments:

Staff agrees with project owner's requested changes, which are consistent with the original intent of the SA.

In addition to the condition modifications described above, staff has made editorial changes to the Land Use section, which are not in response to specific comments, but are editorial in nature. These revisions do not reflect any change in the substance of the analysis. Only paragraphs with changes are reproduced in this document.

EDITORIAL REVISIONS:

INTRODUCTION

The implementation of the beach delivery option would restrict public access and use of an approximate 300-foot wide by 300-foot long beach area west of the El Segundo Generating Station and would cause intermittent closure of the Marvin Braude Bikeway adjacent to the power plant. The bikeway is a Los Angeles County maintained Class 1 bicycle trail. The closure of the bikeway would conflict with **LAND-10** of ~~**their certification**~~ **the ESPRP Energy Commission Decision** issued in February 2005. The petition also includes the use of a new offsite construction laydown and parking area in the city of Los Angeles to replace the use of the Federal Express laydown/parking area in El Segundo that is identified in the license.

ANALYSIS

The project owner is considering a beach delivery option for new oversized equipment (e.g., steam turbine generators, heat recovery steam generators, air-cooled condensers). This option would close for public use an approximate two-acre area west of the El Segundo Generating Station **property** for an approximate six-month period (construction period). The two-acre area extends from the northwest corner of the El Segundo Generating Station property to the surf zone of Santa Monica Bay (**Land Use Figure 1** – Aerial Photo of Proposed Beach Delivery Path and Existing Bicycle Path).

BEACH

During the beach delivery phase, beach users would not be able to use an approximate 300-foot by 300-foot (2 acres) beach area west of the El Segundo Generating Station between Dockweiler State Beach and Manhattan Beach (**Land Use Figure 3** – Beach Area West of the El Segundo Generating Station). This beach area, owned by the project owner, is to be traversed by an approximate 250-foot long beach ramp made of geo-tech fiber, wood matting and sandbags with an access ramp extending over the bicycle trail into the El Segundo Generating Station. The access ramp would include closure gates across the bike path to prevent public access to the beach ramp during deliveries. Fencing for safety and security purposes would be installed around the beach delivery area (**Land Use Figure 4** – Conceptual Layout of Beach Delivery Area). **The project's proposed ramp crossing the beach to move oversized equipment from barges docked in Santa Monica Bay to the project site may affect beach operations conducted by the LACDBH (Land Use Figure 5 – Beach Ramp Rendering).**

Staff has recommended Condition of Certification **LAND-12** which provides for the restoration of the beach area after project construction is completed.

Public use of both Dockweiler State Beach and Manhattan Beach would remain available. The majority of public beach activity occurs to the north and south of the El Segundo Generating Station. During high tide, the narrow stretch of beach south of the beach delivery area is inundated; preventing beach users from walking along the shoreline (**Land Use Figure ~~5~~ 6** -View of Beach Area Next to El Segundo Generating Station at High and Low Tide).

Los Angeles County Department of Beaches and Harbors (LACDBH) manages, operates, maintains, develops and promotes County-owned or operated beaches including Dockweiler State Beach and Manhattan Beach. The LACDBH provides beach maintenance (refuse removal, restroom cleaning, sand maintenance, grounds maintenance and facility repairs); facilities maintenance inspections; planning and implementation of capital and infrastructure improvement programs; concession, parking and special event use permit administration; and children's water awareness, training, education and recreation programs**.** ~~**The project's proposed ramp crossing the beach to move oversized equipment from barges docked in Santa Monica Bay to the project site may affect beach operations conducted by the LACDBH (Land Use Figure 6** Beach Ramp Rendering).~~

In a letter dated October 16, 2007, received from t~~T~~he ~~**Executive Director of the**~~ California Coastal Commission**, the Executive Director** states that the project as proposed would end the environmentally destructive use of seawater from once-through cooling by using dry cooling technology which the Coastal Commission has strongly supported during past power plant reviews. The move away from once-through cooling removes what has been the single most contentious and environmentally damaging aspect of past coastal zone power plant proposals. The elimination of the once-through cooling also reduces the Coastal Commission's concerns about the type and scale of impacts associated with the project, and the ability of it to conform to Coastal Act provisions. Although the project has the potential to cause other types of adverse effects to coastal resources, the Executive Director noted in his letter that the Coastal Commission trust that Energy Commission staff will continue to thoroughly review coastal zone power plant projects as it has done in past Application For Certification proceedings incorporating Coastal Act conformity into the review (CCC2007). As a courtesy, on May 29, 2008 staff left a phone message and provided an email detailing the proposed beach delivery option to his counterpart at the California Coastal Commission.

Modified Conditions of Certification and Revised Figures 5 and 6:

LAND-10 The project owner shall not prohibit public access and use of the Los Angeles County maintained Class 1 bicycle trail known as the "Marvin Braude Bikeway" (bikeway) **during beach delivery activities** except as stipulated below for the project:

A. Prior to the start of pre-construction activity involving the bikeway, the project owner shall contact the Los Angeles County Department of Public Works and provide for its review a schedule for bike trail closure and trail use interruption, the detour route, the location of delineators or barricades to channelize individuals past the work site, and the placement of public signage (e.g., construction warning signs).

B. Prior to the first closure of the bikeway to perform necessary project pre-construction or construction activity, the project owner shall:

a. Provide the final schedule and timing of bike trail closures to the Department of Public Works Construction Division and Bikeway Coordinator, and CPM,

b. Provide a detour plan to the Department of Public Works Construction Division, Bikeway Coordinator and CPM showing a safe bicycle route around the project site for bicyclists.

c. Provide the Department of Public Works Construction Division and Bikeway Coordinator 30-calendar days to review and provide written comments to the project owner on a. and b. above.

d. Provide to the CPM a copy of the transmittal letter submitted to the Department of Public Works Construction Division and Bikeway Coordinator requesting their review of the items identified in a. and b. above.

e. Provide to the CPM a copy of the Department of Public Works Construction Division and Bikeway Coordinator written comments on the items identified in a. and b. above for approval.

f. Notify the Bikeway Coordinator within 24-hours after any reopening of the bikeway.

C. If the bikeway's existing width must be reduced in size to perform necessary project construction activity, the project owner shall provide the following:

Eight (8) feet of bicycle trail width shall be maintained around the project site to the greatest extent possible. The project owner shall post construction signs warning "**CONSTRUCTION AHEAD**" and "**BIKEWAY NARROWS**" in advance of the project site on all approaches along with delineators and barricades for channelization.

If a minimum of eight feet of paved bicycle trail cannot be provided, construction signs warning "**CONSTRUCTION AHEAD**" and "**WALK BIKE**" shall be posted in advance of the project site on all approaches. Where bicyclists are instructed to walk their bikes, flagmen shall be present at all approaches. Delineators or barricades shall also be placed to channelize pedestrians past the work site.

Vertical clearance to obstructions across the clear width of the bicycle trail shall be a minimum of 8 feet.

D. Required public signage shall be posted at least 14-calendar days prior to the start of pre-construction activity involving the bikeway. The Department of Public Works Construction Division and Bikeway Coordinator, and the CPM shall be notified that signage has been installed within 24-hours after posting.

E. To the extent feasible, the project owner shall make the bicycle trail open to the public on weekends and holidays. The bicycle trail shall be completely free of obstructions including barricades, swept clean, and have a minimum of eight-feet of vertical clearance with a two-foot wide shoulder. If a two-foot wide shoulder cannot be maintained, the project owner shall provide warning signage.

F. Within 48-hours after receiving a bicycle related trail complaint specific to the project's bikeway pre-construction and construction activities, the project owner shall provide the CPM with a complaint resolution form

report as specified in the Compliance General Conditions and a written explanation of the resolution to the complaint.

Verification: At least 30 days prior to start of pre-construction activity involving the bikeway, the project owner is to contact the Los Angeles County Department of Public Works Construction Division and Bikeway Coordinator.

The project owner is to provide to the CPM a copy of the transmittal letter submitted to the Department of Public Works Construction Division and the Bikeway Coordinator requesting their review.

The project owner is to provide to the CPM a copy of the written comments provided by the Department of Public Works Construction Division and the Bikeway Coordinator on the scheduled for bike trail closure and trail use interruption, the detour route, the installation of public signage and notification.

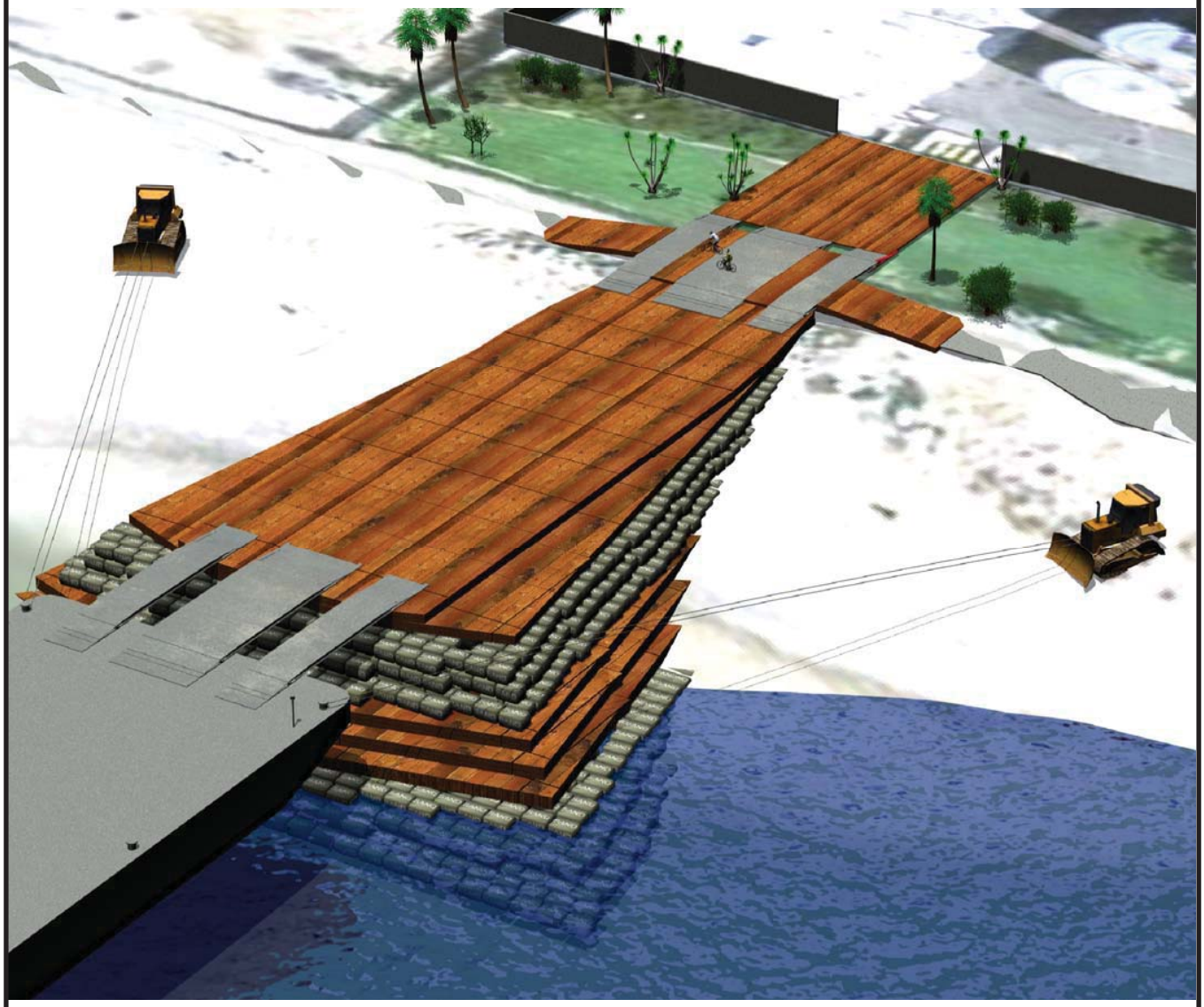
California State Lands Commission Lease

LAND-13 Prior to the start of the project's pre-construction activity on the beach, the project owner shall provide the CPM a copy of their executed lease **or equivalent land use document** with the California State Lands Commission permitting barge anchorage, and the storage and transfer of oversized power plant equipment (e.g., steam turbine generators, heat recovery steam generators, air-cooled condensers) to the project site.

Verification: At least 15 days prior to the start of pre-construction activity on the beach, the project owner is to provide the CPM a copy of their executed lease **or equivalent land use document** with the California State Lands Commission.

LAND USE - FIGURE 5

El Segundo Power Redevelopment Project - Beach Ramp Rendering



CALIFORNIA ENERGY COMMISSION - ENERGY FACILITIES SITING DIVISION, OCTOBER 2008

SOURCE: El Segundo Power Redevelopment Project Amendment Petition - Figure 2.2-2

LAND USE - FIGURE 6

El Segundo Power Redevelopment Project - View of Beach Area Next to El Segundo Generating Station At Low and High Tide

Low Tide

High Tide

CALIFORNIA ENERGY COMMISSION, ENERGY FACILITY SITING DIVISION, OCTOBER 2008

SOURCE: Staff photos

NOISE AND VIBRATION

Prepared by: Steve Baker

Staff Assessment Page Number(s): 4.6-2
Section Heading: Analysis

Comments:

Lia Protopapadakis of the Santa Monica Bay Restoration Commission in her letter dated July 14, 2008, requests that the Noise and Vibration analysis should discuss the proposed change to the project seawall, and whether it would result in greater noise impacts to joggers and bicyclists.

Response to Comments:

Staff changed the narrative in the proposed **NOISE AND VIBRATION** section to address the above-cited comment and clarify that the change to the seawall is not expected to cause any significant noise impacts to residents, joggers, or bicyclists. Only the paragraph with changes is cited below.

CLARIFICATION IN THE ANALYSIS LANGUAGE:

ANALYSIS

Seawall Relocation

The northern end of the seawall would be relocated **approximately 25 feet** to the west to accommodate the larger footprint of the Siemens power trains. This change could only affect joggers and bicyclists on the bike path; it is too far from sensitive receptors to cause any increase in detectable noise levels. **Users of the path might be exposed to slightly higher noise levels, but any increase would be too small to notice.** Since all noise LORS restricting noise emissions at the property line would be adhered to, and since users of the path are only in the vicinity of the power plant for a short duration as they pass by, this relocation would be unlikely to cause any significant adverse noise impacts.

SOIL AND WATER RESOURCES

Prepared by: Richard Latteri

Staff Assessment Page Number(s): 4.8-2
Section Heading: Analysis

Comment:

In the project owner's comments dated July 14, 2008, they have provided comments on staff's proposed modifications to Conditions of Certification **WATER QUALITY-7, -8, and -9**. Their comments are offered to provide clarifications associated with the City of El Segundo's Standard Urban Storm Water Mitigation Plan (SUSMP) and the review and approval process for National Pollutant Discharge Elimination System (NPDES) permits per Section 402(p) of the Clean Water Act.

Response to Comment:

Section 402(p) of the Clean Water Act establishes a framework for regulating municipal, industrial, and construction storm water discharges under the NPDES program. The State Water Resources Control Board (SWRCB) processes NPDES applications under general statewide permits for storm water discharges associated with construction and industrial activities. The nine Regional Water Quality Control Boards require permittees under the general permits to develop storm water pollution prevention plans (SWPPP) and other regional storm water quality management programs to achieve water quality standards. Conditions of Certification **WATER QUALITY-7 and -9** require compliance with the permitting and reporting process under Section 402(p) for the construction and operation of the ESPRP.

Comment:

The project owner proposes to add specificity to **WATER QUALITY-7, -8, and -9** by referring to the City of El Segundo's SUSMP ordinance and the SWRCB's Water Quality Order 99-08-DWQ. For **WATER QUALITY-7 and -9,** they also propose that the CPM have review and approval authority for compliance with these state and regional NPDES permits.

Response to Comment:

Staff agrees with the project owner's proposal to add the reference to SWRCB Water Quality Order 99-08-DWQ and the City's SUSMP ordinance to the conditions, but does not agree with the project owner's request for CPM review and approval authority for compliance with the provisions of the NPDES permits for **WATER QUALITY-7 and 9**.

Under the provisions of Water Quality Order 99-08-DWQ, the Los Angeles Regional Water Quality Control Board (LARWQCB) adopted NPDES Permit No. CAS004001 (municipal permit) for municipal storm water and urban runoff discharges within the County of Los Angeles. The City of El Segundo (City) is a permittee under this municipal permit and is responsible for implementing a storm water quality management

program (SQMP). A specific requirement of the City's SQMP is the SUSMP and its specific requirements for reducing pollutants in storm water and urban runoff. Because the City is responsible for implementing and enforcing the requirements of the municipal permit, the City retains the authority for review and approval of the NPDES permits specified in **WATER QUALITY-7 and -9**.

Staff has revised **WATER QUALITY-7, -8, and -9** to add the references to the City of El Segundo's SUSMP ordinance and the SWRCB's Water Quality Order 99-08-DWQ. Staff has included additional revisions to **WATER QUALITY-9** that are specific to the ESPRP as a proposed amendment. Staff has not included all of ESP II's requested changes because **WATER QUALITY-7, -8, and -9** are standard conditions that apply to all power plant applications and amendments. In order to be consistent with past assessments, staff has included only those project specific revisions requested by ESP II that are not encompassed in the generic language of the standard condition.

Modified Conditions of Certification:

WATER QUALITY-7: The project owner shall comply with the requirements of the State Water Resources Control Board's (SWRCB) National Pollutant Discharge Elimination System (NPDES) Permit for Storm Water Discharges Associated with Construction Activity **(Water Quality Order 99-08-DWQ).** The project owner shall develop and implement a Storm Water Pollution Prevention Plan (Construction SWPPP) for the construction of the ESPRP site, laydown areas including El Segundo Beach, and all linear facilities. The Construction SWPPP shall be reviewed and approved by the City of El Segundo (City) and shall be in compliance with the City**'s** ~~**of El Segundo's (City)**~~ Standard Urban Stormwater Mitigation Plan (SUSMP) per the requirements of the Los Angeles Regional Water Quality Control Board (LARWQCB) NPDES Permit No. CAS0004001 **and the City's Ordinance No. 1348 and Chapter 7 of Title 5 of the municipal code.**

Verification: Prior to site mobilization, demolition, and/or construction related ground disturbing activities, including those activities associated with the beach delivery and linear facilities, the project owner shall submit to the CPM a copy of the Construction SWPPP that includes the requirements of the City's SUSMP ~~**prior to site mobilization, demolition, and/or construction related ground disturbing activities**~~ and retain a copy on-site. The project owner shall submit copies to the CPM of all correspondence between the project owner and the City**, the LARWQCB, and the SWRCB regarding** ~~about~~ the City's SUSMP and the Construction SWPPP within 10 days of its receipt or submittal. This information shall include copies of the Notice of Intent and Notice of Termination for the project.

WATER QUALITY-8: Prior to ~~**mobilization or demolition**~~ **soil disturbing** activities, the project owner shall obtain CPM approval for a site-specific Drainage, Erosion, and Sediment Control Plan (DESCP) that addresses all project elements including those activities related to delivery of equipment from the beach. **The DESCP shall be revised to address specific soil disturbing**

and soil stabilizing activities associated with pre-construction, construction, and post-construction of the ESPRP.

The DESCP shall be consistent with the grading and drainage plan as required by condition of certification CIVIL-1 and may incorporate by reference any Storm Water Pollution Prevention Plan (SWPPP) developed in conjunction with state or municipal NPDES permits. The DESCP shall contain elements A through I below:

A. Vicinity Map – Map(s) at a minimum scale 1”=100’ shall be provided indicating the location of all project elements with depictions of all significant geographic features including swales, storm drains, and sensitive areas.

B. Site Delineation – All areas subject to soil disturbance for the ESPRP (project site, lay down area, all linear facilities, landscaping areas, and any other project elements) shall be delineated showing boundary lines of all construction areas and the location of all existing and proposed structures, pipelines, roads, and drainage facilities.

C. Watercourses and Critical Areas – The DESCP shall show the location of all nearby watercourses including swales, storm drains, and drainage ditches. The DESCP shall indicate the proximity of those features to the ESPRP construction, lay down, and landscape areas and all transmission and pipeline construction corridors.

D. Drainage Map – The DESCP shall provide topographic site map(s) at a minimum scale 1”=100’ showing all existing, interim, and proposed drainage systems and drainage area boundaries. On the map, spot elevations and contours shall be extended off-site for a minimum distance of 100 feet.

E. Drainage Narrative – The DESCP shall include a narrative of the drainage measures to be taken to protect the site and downstream facilities~~. The narrative should~~ **and** include the summary pages from the hydrologic analysis prepared by a professional engineer/erosion control specialist. The narrative shall state the watershed size(s) in acres used in the calculation of drainage control measures and text included that justifies their selection. The hydrologic analysis should be used to support the selection of Best Management Practices (BMPs) and structural controls to divert off-site and on-site drainage around or through the ESPRP construction and laydown areas.

F. Clearing and Grading Plans – The DESCP shall provide a delineation of all areas to be cleared of vegetation and areas to be preserved. The plan shall provide elevations, slopes, locations, and extent of all proposed grading as shown by contours, cross sections or other means. The locations of any disposal areas, fills, or other special features will also be shown. Illustrate

existing and proposed topography tying in proposed contours with existing topography.

G. Clearing and Grading Narrative – The DESCP shall include a table with the quantities of material excavated or filled for the site and all project elements of the ESPRP (project site, lay down areas, transmission corridors, and pipeline corridors) to include those materials removed from the site due to demolition, whether such excavations or fill is temporary or permanent, and the amount of such material to be imported or exported. The table shall distinguish whether such excavations or fill is temporary or permanent and the amount of material to be imported or exported.

H. Best Management Practices – The DESCP shall identify on a Water Pollution Control Drawing(s) (WPCD) the location of the site specific BMPs to be employed during each phase of construction (initial grading/demolition, excavation and construction, and final grading/stabilization). Treatment control BMPs used during construction should enable testing of stormwater runoff prior to discharge to the stormwater system. BMPs shall include measures designed to prevent wind and water erosion in areas with existing soil contamination.

I. Best Management Practices Narrative – The DESCP shall show the location (as identified on the WPCD), timing, and maintenance schedule of all erosion and sediment control BMPs to be used prior to ~~**initial**~~ grading/demolition, ~~during~~ project excavation and construction, and final grading/stabilization (accomplished by the submittal of DESCP revisions). Text with supporting calculation shall be included for each project specific BMP. Separate BMP implementation schedules shall be provided for each project element.

Verification: No later than 90 days prior to ~~**site mobilization or demolition activities**~~ **the start of grading or excavation activities associated with any element of the ESPRP**, the project owner shall submit a copy of the DESCP ~~**for the initial grading/demolition phase of construction**~~ to the City of El Segundo (City) for review and comment. No later than 60 days prior to ~~**site mobilization or demolition activities**~~ **the start of grading or excavation activities associated with any element of the ESPRP**, the project owner shall submit the DESCP and the City's comments to the CPM for review and approval. The CPM shall consider comments received from the City on the DESCP before issuing approval.

The DESCP shall be revised and a revision submitted to the CPM for project excavation/construction and final grading/stabilization prior to the soil disturbing activities associated with these stages of construction. The DESCP shall be consistent with the grading and drainage plan as required by condition of certification CIVIL-1 and relevant portions of the DESCP shall clearly show approval by the Chief Building Official. The DESCP shall be consistent with the Stormwater Pollution Prevention Plan (SWPPP) developed in **accordance with the General Construction Permit (Water Quality Order 99-08-DWQ)** ~~**conjunction with the City's municipal NPDES Permit No. CAS0004001**~~and ~~**its**~~ **the project's** Standard Urban Stormwater Mitigation Plan

developed in accordance with the LARWQCB NPDES Permit No. CAS0004001 and the City's Ordinance No. 1348 and Chapter 7 of Title 5 of the municipal code.

In the monthly compliance report, the project owner shall provide a narrative describing the effectiveness of the drainage, erosion and sediment control measures; the results of monitoring and maintenance activities, including any BMP inspection reports; and the dates of any dewatering activities.

WATER QUALITY-9: The project owner shall comply with the requirements of the Individual and/or General NPDES Permit for Storm Water Discharges Associated with Industrial Activity. The project owner shall develop and implement a Storm Water Pollution Prevention Plan (Industrial SWPPP) for the operation of the ESPRP. The Industrial SWPPP shall be reviewed and approved by the City of El Segundo (City) and shall be in compliance with the City of El Segundo's (City) Standard Urban Stormwater Mitigation Plan (SUSMP) per the requirements of the Los Angeles Regional Water Quality Control Board (LARWQCB) NPDES Permit No. CAS0004001 **and the City's Ordinance No. 1348 and Chapter 7 of Title 5 of the municipal code.**

Verification: The project owner shall submit to the CPM a copy of the Industrial SWPPP that includes the requirements of the City's SUSMP prior to commercial operation and retain a copy on-site. The project owner shall submit to the CPM copies of all correspondence between the project owner and the City**, the LARWQCB, and the SWRCB regarding** ~~**about**~~ the City's SUSMP and the Individual and/or General NPDES Permit for Storm Water Discharges Associated with Industrial Activity within 10 days of its receipt or submittal. The Industrial SWPPP shall include a copy of the Notice of Intent for the project.

VISUAL RESOURCES

Prepared by: David Flores

Staff Assessment Page Number(s): 4.2-4

Section Heading: Proposed Modifications to Conditions of Certification

Comments:

Condition of Certification VIS-1:

Condition **VIS-1.** Lia Protopapadakis of the Santa Monica Bay Restoration Commission in her letter dated July 14, 2008, requests that seacliff buckwheat should be included in condition **VIS-1** as a favored species for the landscaping plan. She also requests that condition **VIS-1** include a requirement that, to help native plant species succeed where efforts are made to establish them, non-native and aggressive iceplant should be removed to prevent it from out-competing native dune vegetation due to its dense character and vigorous growth.

Response to Comments:

Staff concurs with the comment and has modified condition VIS-1 accordingly.

Modified/Deleted Conditions of Certification:

VIS-1 Facility Visual Enhancement Plan. Before starting construction, the project owner shall complete a comprehensive visual enhancement plan that includes ~~**architectural screening,**~~ landscaping, painting, lighting, and other measures that result in an overall enhancement of views of the facility from areas accessible to the public. The plan shall be made available for review and comment by the Executive Director of the Coastal Commission and for review and approval by the Energy Commission. The plan shall include:

~~Architectural screening: All industrial equipment below elevation 125' (i.e., below the elevation of the outlet dampers on the facility's exhaust stacks) and visible from the beach, coastal waters, Vista Del Mar Avenue, and other areas accessible by the public shall be screened using panels, wire mesh, louvers or other forms of architectural screening. The screening shall be opaque or semi-transparent and have a non-glare finish, and the color shall be harmonious with the facility's setting on a public beach. If the project owner proposes, and the Energy Commission concurs, that it is infeasible to shield portions of the facility using architectural screening, the project owner may instead propose other measures such as landscaping, berms, or fencing to provide the necessary screening. Any such proposal must be based on the definition of feasibility in Coastal Act section 30108 and is subject to review and comment by the Executive Director of the Coastal Commission, and review and approval by the Energy Commission.~~

Landscaping**:** Where used to screen the facility, vegetation shall be selected and maintained to provide year-round screening (e.g., evergreen species). Preference shall be given to native species and/or species requiring little or no irrigation **(e.g.,seacliff buckwheat),** or at a minimum, non-invasive species. **To help native plant species succeed where efforts are made to establish them, non-native and aggressive ice plant should be removed to prevent it from out competing native dune vegetation due to its dense character and vigorous growth.** Soils shall be tested, amended as needed or replaced to ensure plant survival.

Other structural screening: Where berms, fencing, or other structural elements are selected as the primary method to screen the facility, the structures shall harmonize with the facility's setting on a public beach. If berms are used, they shall be vegetated and maintained with evergreen, native, and/or species requiring little or no irrigation. If fencing is used, it shall include a non-glare finish and be painted in a neutral color.

The Facility Visual Enhancement Plan shall include photographs showing existing conditions and simulated post-construction conditions from Key Observation Points (KOPs) around the facility (these may be the same KOPs that were used to develop the Staff Assessment). The plan shall also include anticipated costs for completing and maintaining the various visual enhancement measures and a detailed schedule for completing construction of these components.

Seawall Design Plan: Before starting construction, the project owner shall complete a plan of the seawall design for review and comment by the Executive Director of the Coastal Commission, the City of Manhattan Beach, and the City of El Segundo, and review and approval by the CPM. This plan shall include:

Final design: The seawall along the west side of the facility shall be textured and finished in a neutral color harmonious with its location adjacent to a public bike path and beach. If painted, graffiti-resistant paint shall be used.

Landscaping: Where used to enhance the seawall design, vegetation chosen shall be selected or maintained to provide year-round screening (e.g., evergreen species). Preference shall be given to native species and/or species requiring little or no irrigation.

This seawall design plan shall include photographs showing the existing conditions and simulated post-construction conditions from observation points along the bike path adjacent to the seawall, from the beach, and from other points where the seawall is highly visible. The plan shall also include anticipated costs for completing and maintaining the seawall and a schedule for construction.

Verification: At least 120 days prior to ground disturbance, the project owner shall submit the required Facility Visual Enhancement Plan and Seawall Design Plan to the Executive Director of the Coastal Commission and the Cities of Manhattan Beach and

El Segundo for comment, and to the CPM for review and approval. If the CPM notifies the project owner that revisions of the submittal are needed before the CPM will approve the submittal, the project owner shall prepare and submit to the Coastal Commission staff, the Cities, and CPM a revised submittal.

GENERAL COMMENTS

Not Directed Towards A Specific Technical Area

Comments:

Both Lia Protopapadakis of the Santa Monica Bay Restoration Commission and Sarah Abramson of the Heal the Bay organization commented that they supported the project owner's decision to redesign the project not to use the environmentally harmful once-through ocean water cooling process.

Peter Douglas, Director of the California Coastal Commission commented in an October 16, 2007 letter to the Energy Commission as follows: "This move away from once-through cooling removes what has been the single most contentious and environmentally damaging aspect of past project proposals. It also reduces the Coastal Commission's concerns about the type and scale of impacts associated with these proposed projects and about the ability of these projects to conform to Coastal Act provisions."

Response to Comments:

None required.

Comments:

A letter from Michelle Murphy and Bob Perkins received via e-mail on July 9, 2008 questioned whether the amendment process is the proper procedure to review a proposal to change the original project designed to an air cooled power plant with a different footprint, air pollution effect and generating equipment.

The same letter questioned whether the proposed project change from once-through ocean water cooling to an air cooled configuration would disqualify the project from being "coastal dependent."

Response:

Regarding the question of whether the amendment process is the proper procedure to consider the proposed changes to the project, the amendment process is the procedure prescribed in Public Resources Code Section 1769 to make changes to an existing project design and conditions of certification.

Regarding the "coastal dependent" question, the proposed change from once-through cooling using ocean water to an air-cooled system was advocated by the Coastal Commission in the application proceeding. The Coastal Commission, in urging an air-cooled configuration, sought to eliminate what it considered unacceptable biological impacts from continuing a once-through cooling system using ocean water. In determining the project's consistency with the Coastal Act, the Coastal Commission strongly recommended that the project eliminate once-through cooling to avoid

entrainment and impingement of biological resources. In making that recommendation, the Coastal Commission did not reject approval of the project as so changed. The Coastal Commission did not conclude that the change it advocated would serve to disqualify the project from remaining at the existing coastal site. The proposed amendment is fully consistent with the Coastal Commission's recommendation. Nothing from the Coastal Commission supports denial of the proposed change at the existing site.

Other issues raised in the letter from Ms. Murphy and Mr. Perkins were either not germane to the specific project changes requested by the project owner, or they were air quality-related and will be covered when Addendum II is published addressing all air quality-related comments and issues.

Comments:

Comments from Lisa Lapin submitted via e-mail on July 3, 2008, were primarily related to air quality issues, which will be addressed in Addendum II. However, she had a general comment regarding noticing of the Energy Commission staff workshop on June 25, 2008. She stated that she objects that the notice was not sent to all residents within a six-mile radius of ESPRP.

Response:

The workshop notice and the Staff Analysis were sent to notice all individuals and agencies on the post-certification mailing list as specified in Public Resources Code Section 1769. They were also published on the Energy Commission's website. There is no legal requirement to send them to all residents within a six-mile radius of the project.

APPENDIX

Copies of public, project owner, and agency, comment letters and e-mails

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July 14, 2008

VIA E-MAIL AND HAND DELIVERY

Mr. Steve Munro
Compliance Project Manager
California Energy Commission
1516 Ninth Street, MS#2000
Sacramento, CA 95814-5512

Re: El Segundo Power Redevelopment Project (00-AFC-14C)
Comments on CEC Staff Analysis of Project's Petition to Amend

Dear Mr. Munro,

El Segundo Power II LLC ("ESP II") provides the following comments to proposed modifications to Conditions of Certification ("COC") contained in the California Energy Commission's ("CEC") Staff Analysis Report ("SAR") on ESP II's Petition to Amend the Final Decision on El Segundo Power Redevelopment Project ("ESPR"), dated June 15, 2007. Where necessary, ESP II has included a "basis of change" to describe the rationale for a requested modification of a specific COC. In addition, comments to specific Staff analysis or summaries have been included where ESP II believes clarifications are necessary. These comments are submitted pursuant to Mr. O'Brien's directive in the June 12, 2008 Notice of Staff Workshop. ESP II believes that these changes and comments can be addressed through the planned Addendum to the SAR.

ESP II's comments and proposed modifications to COCs are set forth below by issue area. Proposed deleted text is identified in ~~strikethrough~~ format, while changes or edits to COC language are shown in **bold, underlined** text. In some cases (e.g., in Air Quality), the entire COC from the SAR is provided for reader ease when considering proposed modifications.

AIR QUALITY:

ESP II requests Staff to consider the following comments to Staff's Air Quality analysis within the Laws, Ordinances, Regulations, and Standards ("LORS") Compliance section and the Operation section, and proposed modifications to Air Quality COCs in the SAR.

Oregon Washington
California Utah Idaho Colorado Minnesota

Staff Analysis - LORS

ESP II requests Staff to clarify, in its analysis, the point at which the South Coast Air Quality Management District's ("SCQAMD") air permitting process for the El Segundo Power Redevelopment project has reached. The SCAQMD issued a Notice of Intent to Issue a Title V Facility Permit and attached the Draft Facility Permit to Operate, both of which were distributed on March 19, 2008. These documents serve as the equivalent of a Preliminary Determination of Compliance ("PDOC"). The SCAQMD does not intend to issue a Final Determination of Compliance ("FDOC"); rather, the SCAQMD will issue a revised Facility Permit following the CEC's Decision on the Petition to Amend. This revised Facility Permit will include a section authorizing construction of the Project. For clarification, please replace references to "PDOC" with Draft Revised Facility Permit when referring to the SCAQMD's analysis and permit.

Staff Analysis - Operation

ESP II wishes to clarify Staff's comments regarding reported increases in volatile organic compound ("VOC") start up (17.30 lbs/hr) and shutdown (9.74 lbs/hr) emission estimates for the Siemens turbine and the claim that these emissions are significantly greater than the turbine start up and shutdown VOC emission estimate of 2.56 lbs/hr represented in the analysis of the prior project configuration. Startup emission estimates are just that – engineering estimates – and not guaranteed by equipment vendors. The previous estimate was derived from an estimated 7.68 lbs/start for a 3-hour startup. (See, e.g., SCAQMD PDOC dated May 25, 2001, page 15.) For calculation convenience, this estimate was represented as 2.56 lbs/hr even though the bulk of these emissions would have occurred during the initial 30-60 minutes of the startup. The current startup emissions estimate for VOC is 13.0 lbs/start for a 12-minute start up. (See, e.g., ESP II Application to the SCAQMD, dated June 21, 2007, Appendix H.) The difference between these two estimates reflects increased experience by the turbine vendors in estimating VOC emissions during startups since, at the time the prior estimates were made in 2000, there was no source test data available for VOC emissions during turbine startups. More current estimates, such as those for the Blythe II project, are in the range of 9-20 lbs per start. (See, e.g., the Final Staff Assessment for the Blythe II project, dated April 29, 2005, page. 4.1-17.) The estimated emissions for the project are consistent with current estimates for other, similar projects, when it is recognized that most of the VOC emissions associated with a turbine startup occur during the early part of the start.

It is also not clear in the SAR that the startup emission rates are just that, rates. The new design and equipment, however, will have a significantly faster startup than the old units and thus this project will actually probably improve total emissions during startups. Thus, the perspective that the new design will result in significantly greater total emissions during startups and shutdowns than compared to the originally permitted project is not accurate. Instead, this project change application simply includes better rate estimates regarding emission rates for this class of turbines and an actual decrease in startup time.

Condition AQ-C6

Basis for Requested Change: To minimize NOx emissions, this COC requires the tugboats and self-propelled motorized transporters (SPMT) for all barge delivery operations to be equipped with EPA Tier II Diesel engines or better. While Tier II Diesel engines for the engine size needed for the SPMTs (300 hp - 600 hp) have been available since 2001, Tier II Diesel engines for tugboats (greater than 750 hp) have only be available since 2006. To determine the availability of tugboats equipped with Tier II Diesel engines, Sierra Research recently contacted the following firms that operate tugboats out of the Ports of Los Angeles/Long Beach:

- Crowley Marine Services
- Pacific Tugboat Service
- Foss Maritime Company
- American Marine Corporation
- Sause Brothers Ocean Towing

According to these discussions, the above companies operate a total of twenty-one tugboats out of the Ports of Los Angeles/Long Beach. Of these tugboats, a total of seven are equipped with Tier II Diesel engines. The rating of these seven tugboats ranges from 1,700 to 4,800 horsepower. Because the proposed barge delivery option for the ESPR project is expected to use larger size tugboats (over 7,000 hp each), there is some question as to the availability of the proper size tugboats equipped with Tier II Diesel engines. Therefore, we request the following change to this Condition.

Requested Change: We request the following change to this Condition:

The owner/operator shall employ tugboats and self-propelled motorized transporters (SPMT) for all barge delivery operations that are equipped with EPA Tier II diesel engines or better**, unless certified by the onsite environmental compliance manager that tugboats equipped with Tier II diesel engines are not available. For purposes of this condition, "not available" means that proper size tugboats equipped with Tier II diesel engines are not in existence at the Ports of Los Angeles/Long Beach for use by the project owner at or near the time of the barge deliveries to the project site**.

Condition AQ-C7

Basis for Requested Change: To minimize VOC emissions, this COC requires the oxidation catalyst to be installed/operated at the earliest point practical during the initial commissioning phase of each gas turbine. If the oxidation catalyst is installed too early in the commissioning period when the exhaust system has not yet been completely cleaned, it is possible that the oxidation catalyst could be contaminated and/or plugged. If this occurs, the vendor warranty could be voided, the oxidation catalyst could be damaged, and/or the operational life of the catalyst could be shortened. Consequently, to avoid this from occurring we request the following change to this COC.

Requested Change: We request the following change to this Condition:

...The installation must seek to maximize the reduction of VOC emissions and must not compromise safety in any way**, void the catalyst warranty, damage the oxidation catalyst, or diminish the operational life of the oxidation catalyst**.

Condition AQ-SC8

Basis for Requested Change: This COC requires confirmation of various aspects of SCAQMD Rule 1309.1 priority reserve requirements. To demonstrate compliance with Rule 1309.1, Section d(12), the Condition requires either a letter from the SCAQMD executive officer that the project qualifies for priority reserve credits as part of the first 2,700 MW of new generating capacity in the District or a letter from the SCAQMD Governing Board approving the issuance of priority reserve credits if the project does not qualify as part of the first 2,700 MW of new generating capacity. There is a similar

requirement under the compliance demonstration for Rule 1309.1, Section d(14) with a requirement for a letter from the SCAQMD Governing Board approving a waiver from the Rule 1309.1 requirement for the project to enter into agreements to provide power to Southern California. Because it is very difficult to obtain such letters from the SCAQMD Executive Office and/or Governing Board, we request two changes to these requirements.

First, ~~Change—W~~with regards to demonstrating that the project qualifies for Rule 1309.1 priority reserve credits as part of the first 2,700 MW of generating capacity, we request that this be done by simply providing the CPM with a copy of the final SCAQMD permit to construct for the project. Since the SCAQMD will not issue the final SCAQMD permit to construct until all emission offsets are provided for the project (including priority reserve credits), a copy of the final permit to construct will demonstrate compliance with applicable Rule 1309.1 requirements.

Second, ~~Change—W~~with regards to Rule 1309.1 SCAQMD Governing Board actions specific to this project, we request that the compliance demonstration be done by providing the CPM with a copy of the minutes from the SCAQMD Governing Board meeting(s) that deal with the Rule 1309.1 approvals or waivers specific to the project.

Requested Change: We request the following change to this condition:

Demonstrate Compliance with Rule 1309.1 Section d(12) by either:

1. Providing a copy of the final SCAQMD permit to construct for the project.
Or
2. Providing minutes from the SCAQMD Governing Board meeting approving priority reserve credits for the project in excess of the credits allocated for the first 2,700 MW of generating capacity.

Demonstrate Compliance with Rule 1309.1 Section d(14) by either:

1. ...{no change proposed}
Or
2. Providing minutes from the SCAQMD Governing Board meeting waiving the project from the Rule 1309.1 requirement to enter into a contract to provide power to Southern California.

Conditions AQ-3 and AQ-4

Basis for Requested Change: For consistency purposes, we request that the two new units be referred to as Units 5 and 7. These are the units numbers agreed to by the SCAQMD in its May 16, 2008 letter (see Attachment 1).

Requested Change: We request that these two COCs refer to Units 5 and 7 rather than Units 8 and 9.

Condition AQ-6

Basis for Requested Change: This COC is based on the SCAQMD Draft Revised Facility Permit initial compliance test requirement (SCAQMD Condition D29-7). For consistency purposes between the CEC Condition of Certification and the SCAQMD permit condition, we request a few changes to this Condition.

Requested Change: We request the following changes to this Condition:

- Refer to the units as Units 5 and 7 rather than Units 8 and 9.
- The SOx test method should be Method 307-91 rather than Method 301-91.
- Change ROG to VOC for consistency purposes (this was agreed by the SCAQMD in its May 16, 2008 letter – see Attachment 1).
- Add the following Condition that is in the SCAQMD Draft Revised Facility Permit (Permit Condition D29-7):

  For natural gas fired turbines only, VOC compliance shall be demonstrated as follows: a) Stack gas samples are extracted into Summa canisters maintaining a final canister pressure between 400-500 mm Hg absolute; b) Pressurization of canisters is done with zero gas analyzed/certified to contain less than 0.5 ppmv total hydrocarbon as carbon; and c) Analysis of canisters are per EPA method TO-12 (with pre-concentration) and temperature of canisters when extracting samples for analysis is not below 70 deg. F. The use of this alternative method for VOC compliance determination does not mean that it is more accurate than AQMD Method 25.3, nor does it mean that it may be used in lieu of AQMD

Method 25.3 without prior approval except for the determination of compliance with the VOC BACT level of 2.0 ppmv calculated as carbon for natural gas fired turbines.

- Add the following Condition that is in the SCAQMD Draft Revised Facility Permit (Permit Condition D29-7):

  For the purpose of this Condition, alternative test methods may be allowed for each of the above pollutants upon concurrence of AQMD and EPA.

Condition AQ-7

Basis for Requested Change: This COC is based on the SCAQMD Draft Revised Facility Permit on-going compliance test requirement (SCAQMD Permit Condition D29.9). For consistency purposes between the CEC Condition of Certification and the SCAQMD permit condition, we request a few changes to this Condition.

Requested Change: We request the following changes to this condition:

- Refer to the units as Units 5 and 7 rather than Units 8 and 9.
- The SOx test method should be Method 307-91 rather than Method 301-91.
- Add the following condition that is in the SCAQMD Draft Revised Facility Permit (Condition D29-9):

  For natural gas fired turbines only, VOC compliance shall be demonstrated as follows: a) Stack gas samples are extracted into Summa canisters maintaining a final canister pressure between 400-500 mm Hg absolute; b) Pressurization of canisters is done with zero gas analyzed/certified to contain less than 0.5 ppmv total hydrocarbon as carbon, and c) Analysis of canisters are per EPA method TO-12 (with pre-concentration) and temperature of canisters when extracting samples for analysis is not below 70 deg. F. The use of this alternative method for VOC compliance determination does not mean that it is more accurate than AQMD Method 25.3, nor does it mean that it may be used in lieu of AQMD Method 25.3 without prior approval except for the determination of compliance with the VOC BACT level of 2.0 ppmv calculated as carbon for natural gas fired turbines.

Since the SCAQMD Permit Condition D29.9 does not specify a deadline for submitting the final test report, we request that the deadline be changed from 45 to 60 days following the compliance test date to be consistent with the general compliance test reporting requirements under SCAQMD Permit Condition K40.4.

Condition AQ-9

Basis for Requested Change: This COC is based on the emission limits in the SCAQMD Draft Revised Facility Permit (see SCAQMD Permit Conditions A99.7, A99.8, and A99.9). The requested changes are to make the CEC Condition of Certification consistent with the SCAQMD permit.

Requested Change: We request the following changes to this Condition:

- Remove the reference to **a** duct burner.
- Include an exemption from the NOx, CO, and VOC hourly emission limits during combustor tuning activities. Combustor tuning is required periodically and includes all testing, adjusting, tuning, and calibration activities recommended by the turbine manufacturer to ensure safe, reliable, and in-specification operation of the gas turbine. In the SCAQMD's May 16, 2008 letter (see Attachment 1), the SCAQMD agreed to consider including an exemption from the NOx, CO, and VOC limits during combustor tuning activities based on a definition of these activities from the gas turbine vendor. This supporting information from the gas turbine vendor is included in the form of an email from Siemens (see Attachment 2). As discussed in this email, combustor tuning is expected to occur every 12,500 equivalent baseload operating hours. The tuning is expected to take from 12 to 24 hours per event. Since the SCR and oxidation catalyst will be operational during these combustor tuning events, the NOx, CO, and VOC emissions are expected to be below routine gas turbine startup/shutdown emission levels.
- Change the PM_{10} emission rate from 9.49 lbs/hr to 9.50 lbs/hr to match the hourly PM_{10} emission rate shown in the engineering evaluation that accompanied the SCAQMD Draft Revised Facility Permit (see Table 8 of the SCAQMD engineering evaluation) and to match the Siemens emission summary letter for the

project (see June 21, 2007 permit application package submitted to the SCAQMD and CEC, Appendix C).

Condition AQ-11

Basis for Requested Change: This COC is based on the monthly emission limits in the SCAQMD Draft Revised Facility Permit (see SCAQMD Permit Condition A63.2). The requested changes are to make the CEC Condition of Certification consistent with the SCAQMD permit.

Requested Change: We request the following changes to this Condition:

- Refer to the units as Units 5 and 7 rather than Units 8 and 9.
- The monthly emission limits shown are for an individual gas turbine rather than the combined emissions for both gas turbines. This is shown in Table 17 of the SCAQMD's engineering evaluation for the Draft Revised Facility Permit. As shown in this table of the SCAQMD engineering evaluation, the combined monthly mass emission rates for the two gas turbines are twice the levels shown in the monthly emission limits included in SCAQMD Permit Condition A63.2. Consequently, we request the following change to this Condition:

  For the purposes of this Condition, the limit(s) shall be based on the ~~total combined~~ emissions from **each individual** combined cycle gas turbine No. ~~8~~ **5** and ~~9~~ **7**.

Conditions AQ-16, AQ-17, and AQ-30

Basis for Requested Change: These COCs include emission limit exemptions during the gas turbine commissioning phase and during routine gas turbine startups/shutdowns. With regards to the commissioning phase, for clarification purposes the commissioning period should be limited to 415 operating hours rather than simply 415 hours. This change to clarify the meaning of the commissioning period was included in the SCAQMD's May 16, 2008 letter (see Attachment 1), the SCAQMD agreed to include the above change to the SCAQMD Draft Revised Facility Permit provided that a definition

for operating hour was submitted to the SCAQMD. Included as Attachment 3 is a copy of the memorandum sent to the SCAQMD with the definition of this term.

As discussed in the comment on Condition AQ-9, we request that combustor tuning be included with the activities exempt from the NOx, CO, and VOC hourly average emission limits.

Requested Change: We request the following changes to these Conditions:

- For the commissioning period, we request the following change regarding operating hours:

  ...The commissioning period shall not exceed 415 **operating** hours.

- For activities exempt from the NOx, CO, and VOC hourly emission limits, we request the following change:

  ...emission limit(s) shall not apply during turbine commissioning, **combustor tuning**, shutdown, and startup periods.

- For record keeping requirements, we request the following change:

  ...Written records of commissioning, **combustor tuning**, shutdowns, and startups shall be maintained and made available upon request from AQMD.

Condition AQ-26

Basis for Requested Change: This COC includes the ammonia slip calculation procedure required under the SCAQMD Draft Revised Facility Permit (SCAQMD Permit Condition A195.11). The requested change was made to make this COC consistent with the SCAQMD permit condition. In addition, there is a requested change to correct an apparent typographical error in this COC.

Requested Change: We request the following changes:

- The ammonia slip limit should be referenced to 15% O_2 rather than 3% O_2.
- For the District ammonia slip calculation, we request the following change:

District Requirement

NH_3 (ppmv) = [a-b*(c*1.2)/1E6]*1E6/b

Where:
a = NH_3 injection rate (lb/hr)/17 (lb/lbmol)
b = dry exhaust flow rate (scf/hr)/385.5 (scf/lbmol)
c = change in measured NOx across the SCR (ppmvd at 15% O_2)

The operator shall use the above described method or another alternative method approved by the Executive Officer. The above described ammonia slip calculation procedure shall not be used for compliance determination or emission information determination without…

Condition AQ-36

Basis for Requested Change: This COC permit reflects SCAQMD Draft Revised Facility Permit Condition E179.6. Since this SCAQMD condition refers to a requirement to monitor pressure drop across the SCR (see SCAQMD Permit Condition D12-13), the requested change includes the proper cross reference in the CEC COCs.

Requested Change: We request the following change:

For the purpose of ~~the following~~ ~~c~~**C**ondition **of Certification AQ-4**, continuous record shall be defined…

Condition AQ-37

Basis for Requested Change: This COC reflects SCAQMD Draft Revised Facility Permit Condition E193.3. In the SCAQMD's May 16, 2008 letter (see Attachment 1), the

SCAQMD agreed to add **provisions for an extension to** the three-year ~~extension~~ **limit** allowed under SCAQMD Rule 1309.1. Consequently, the requested change is to make the CEC Condition of Certification consistent with the SCAQMD Draft Revised Facility Permit.

Requested Change: We request the following change:

Each turbine shall be fully and legally operational within three (3) years of the issuance of the Permit to Construct. **The Governing Board may grant additional time extensions based upon a demonstration by the applicant that the extension is necessary due to circumstances beyond the reasonable control of the applicant.**

***BIOLOGICAL RESOURCES*:**

ESP II requests the following change to COC BIO-9. ESP II's proposed change to BIO-9, formatted in **bold, underlined** text, affects only the first paragraph of the Condition. Thus, for brevity, ESP II has not provided the entire Condition below.

Condition BIO-9 (first paragraph only):

The project owner shall submit to the CPM for review and approval a copy of the final Biological Resources Mitigation Implementation and Monitoring Plan (BRMIMP) and, once approved, shall implement the measures identified in the plan. **The BRMIMP shall be applicable to beach delivery activities only. The project owner will prepare and submit a BRMIMP if the project owner chooses to undertake beach delivery of equipment.**

***HAZARDOUS MATERIALS MANAGEMENT*:**

ESP II requested in the Petition to Amend the deletion of HAZ-4 from the Hazardous Material Management COCs, because the R2C2 technology eliminates the use of hydrazine as an oxygen scavenger. ESP II requests Staff to consider the following proposed modification to the Hazardous Materials Management section of the SAR.

Condition HAZ-4

~~**HAZ-4** The project owner shall undertake a feasibility study for the substitution of the 35% hydrazine with a less hazardous chemical. Should the study conclude that substitution is infeasible or the project owner elects to continue the use of the 35% hydrazine, then the project owner shall develop and prepare a safety management plan focusing on the storage and handling of the hydrazine and the associated protective equipment requirements, handling techniques, personnel training, spill response procedures, detectors and alarms, as a minimum.~~

~~**Verification:** At least 45 days prior to start-up of Units 5, 6, and 7, the project owner shall furnish a final copy of either the feasibility study or the hydrazine storage and handling management plan, as appropriate, to the CPM, CESFD and CMBFD. All initial drafts shall be reviewed and commented upon by the CPM and CESFD. All final copies shall be approved by the CPM.~~

***LAND USE*:**

ESP II requests edits to Land Use COCs, LAND-10 and LAND-13 as set forth below. Please note, ESP II proposes a minor change to the first paragraph of LAND-10. Thus, for conciseness, we have not included the entire COC; rather, we provide only the first paragraph.

Condition LAND-10 (first paragraph only):

Bikeway Closure or Width Reduction

> The project owner shall not prohibit public access and use of the Los Angeles County maintained Class 1 bicycle trail known as the "Marvin Braude Bikeway" (bikeway) **during beach delivery activities** except as stipulated below.

Condition LAND-13

California State Lands Commission Lease

> Prior to the start of the project's pre-construction activity on the beach, the project owner shall provide the CPM a copy of their executed lease **or equivalent land use document** with the California State Lands Commission permitting barge anchorage, and the storage and transfer of oversized power plant equipment (e.g., steam turbine generators, heat recovery steam generators, air-cooled condensers) to the project site.
>
> **Verification:** At least 15 days prior to the start of pre-construction activity on the beach, the project owner is to provide the CPM a copy of their executed lease **or equivalent land use document** with the California State Lands Commission.

VISUAL RESOURCES:

At the June 25, 2008 CEC Staff Workshop, ESP II and Staff agreed the entirety of the first paragraph of COC LAND-1 had been inadvertently deleted. To that end, ESP II provides below only the first paragraph of the condition as agreed upon at the Staff Workshop. ESP II has no comments to the remainder of the Condition as set forth in the Staff Report.

Condition VIS-1 (first paragraph only):

> Facility Visual Enhancement Plan. Before starting construction, the project owner shall complete a comprehensive visual enhancement plan that includes ~~architectural screening,~~ landscaping, painting, lighting, and other measures that result in an overall enhancement of views of the facility from areas accessible to the public. The plan shall be made available for review and comment by the Executive Director of the Coastal Commission and for review and approval by the Energy Commission. The plan shall include:...

SOIL & WATER RESOURCES:

The following modifications to Staff's proposed COCs related to Water Quality are offered in an effort to provide clarifications associated with the El Segundo Standard Urban Stormwater

Mitigation Plan ("SUSMP"). ESP II's proposed revisions mainly consist of clarifications of existing requirements. As with other sections, this section is formatted with strikethrough of deleted text and **bold, underline** for suggested new text.

Condition WATER QUALITY-7:

> **The project owner shall develop and submit to the City of El Segundo for comment and to the CPM for review and approval a project-specific post-construction SUSMP in accordance with the Los Angeles Regional Water Quality Control Board (LARWQCB) National Pollutant Discharge Elimination System (NPDES) Permit No. CAS0004001, and the City of El Segundo Ordinance No. 1348 and Chapter 7 of Title 5 of the El Segundo Municipal Code: *Standard Urban Stormwater Mitigation Plan (SUSMP) Implementation.***
>
> The project owner shall comply with the requirements of the **State Water Resources Control Board's** NPDES Permit for Discharges of Storm Water Associated with Construction Activity **(General Construction Permit) Water Quality Order 99-08-WDQ.** The project owner shall **revise** ~~develop~~ and implement a Storm Water Pollution Prevention Plan (Construction SWPPP) for the construction of the ESPR site, laydown areas, including El Segundo Beach, and all linear facilities **in a phased approach**.
>
> The **revised** Construction SWPPP shall be **provided to the** ~~reviewed and approved by the~~ City **of El Segundo for review** ~~for~~ ~~and be in~~ **and comment** and shall ~~compliance~~ **incorporate and be consistent with the project's** SUSMP **developed in accordance with the LARWQCB NPDES Permit No. CAS0004001, and the City of El Segundo Ordinance No. 1348 and Chapter 7 Of Title 5 of the El Segundo Municipal Code: *Standard Urban Stormwater Mitigation Plan (SUSMP) Implementation.***
>
> **Verification**: **30 days** prior to ~~site mobilization, demolition, and/or construction related~~ ground disturbing activities associated with the **underground utilities, tank farm, berm, entrance road,** beach delivery, ~~and~~ linear facilities, **below grade demolition, or construction of new unit**s, ~~T~~**t**he project owner shall submit to the CPM a copy of **the revised** Construction SWPPP that includes the requirements ~~of the City's SUSMP prior to tank farm and entrance road site mobilization, demolition, and/or construction~~ **of the State of California General Permit for Stormwater Discharges Associated with Construction Activity (General Construction Permit) related to the above-**

referenced ground disturbing activity, and retain a copy on-site. The project owner shall submit copies to the CPM of all correspondence between the project owner and the City of El Segundo**, the LARWQCB, or the State Water Resources Control Board** ~~about the City's SUSMP and~~ **regarding** the Construction SWPPP within 10 days of its receipt or submittal. This information shall include copies of the Notice of Intent and Notice of Termination for the project.

The project owner shall submit to the City of El Segundo for comments and to the CPM for review and approval a project-specific operations SUSMP developed in accordance with the LARWQCB NPDES Permit No. CAS0004001, and the City of El Segundo Ordinance No. 1348 and Chapter 7 of Title 5 of the El Segundo Municipal Code: *Standard Urban Stormwater Mitigation Plan (SUSMP) Implementation.*

Condition WATER QUALITY-8

The project owner shall develop and maintain a Drainage, Erosion, and Sediment Control Plan (DESCP) **for soil-disturbing activities.** ~~mobilization or demolition activities,~~ ~~t~~ **The DESCP will be submitted in phases to address various phases of pre-construction and construction ground disturbance. T**he project owner shall obtain CPM approval of the ~~for a~~ site-specific DESCP that addresses each of the following activities:

- **Grading or excavation activities associated with underground utilities;**
- **45th Street berm and tank access road construction;**
- **Use and/or demolition of the tank farm;**
- **Plant entrance road modifications**
- **Beach delivery related activities; or**
- **Construction of the new units**

The DESCP shall be consistent with the grading and drainage plan as required by condition of certification CIVIL-1 and may incorporate by reference any ~~Storm Water Pollution Prevention Plan (~~SWPPP~~)~~ developed in conjunction with state or municipal NPDES permits. The DESCP shall contain elements A through I below:

A. Vicinity Map – A map(s) at a minimum scale 1"=100' shall be provided indicating the location of ~~all~~ project elements with depictions of all significant geographic features including swales, storm drains, and sensitive areas.

B. Site Delineation – ~~All areas~~ **Areas** subject to soil disturbance ~~for the ESPRP project (project site, lay down area, all linear facilities, landscaping areas, and any other project elements)~~ shall be delineated showing boundary lines of ~~all~~ construction areas and the location of ~~all~~ existing and proposed structures, pipelines, roads, and drainage facilities.

C. Watercourses and Critical Areas – The DESCP shall show the location of all nearby watercourses including swales, storm drains, and drainage ditches. ~~Indicate the proximity of those features to the ESPRP project construction, lay down, and landscape areas and all transmission and pipeline construction corridors~~.

D. Drainage Map – The DESCP shall provide a topographic site map(s) at a minimum scale 1"=100' showing all existing, interim and proposed drainage systems and drainage area boundaries. On the map, spot elevations and contours shall be extended off-site for a minimum distance of 100 feet.

E. Drainage Narrative – The DESCP shall include a narrative of the drainage measures to be taken to protect the site and downstream facilities. The narrative should include the summary pages from the hydrologic analysis prepared by a professional engineer/erosion control specialist. The narrative shall state the watershed size(s) in acres used in the calculation of drainage control measures and text included that justifies their selection. The hydrologic analysis should be used to support the selection of BMPs and structural controls to divert off-site and on-site drainage around or through the ESPR~~P~~ project construction and laydown areas.

F. Clearing and Grading Plans – The DESCP shall provide a delineation of ~~all~~ areas to be cleared of vegetation and areas to be preserved. The plan shall provide elevations, slopes, locations, and extent of ~~all~~ proposed grading as shown by contours, cross sections or other means. The locations of any disposal areas, fills, or other special features will also be shown. Illustrate existing and proposed topography tying in proposed contours with existing topography.

G. Clearing and Grading Narrative – The DESCP shall include a table with the quantities of material excavated or filled for ~~the site and all~~ project elements. ~~the ESPRP project (project site, lay down areas, transmission corridors, and pipeline corridors) to~~. **The Narrative shall** include those materials removed from the site due to grading, excavation, below grade demolition, and construction, whether such excavations or fill is temporary or permanent, and the amount of such material to be imported or exported~~. The table shall distinguish whether such excavations or fill is temporary or permanent and the amount of material to be imported or exported.~~

H. Best Management Practices – The DESCP shall identify on a Water Pollution Control Drawing(s) (WPCD) the location of the site specific BMPs to be employed during each phase of construction (initial grading/demolition, excavation and construction, and final grading/stabilization) **and may incorporate by reference any SWPPP developed in conjunction with state or municipal NPDES permits**. Treatment control BMPs used during construction should enable testing of stormwater runoff prior to discharge to the stormwater system. BMPs shall include measures designed to prevent wind and water erosion in areas with existing soil contamination.

I. Best Management Practices Narrative – The DESCP shall show the location (as identified on the WPCD), timing, and maintenance schedule of all erosion and sediment control BMPs to be used prior to ~~initial~~ grading/demolition, during project excavation and construction, and final grading/stabilization (accomplished by the submittal of DESCP revisions). Text with supporting calculation shall be included for each project specific BMP. Separate BMP implementation schedules shall be provided for each project element. **Incorporation by reference any SWPPP developed in conjunction with state or municipal NPDES permits is allowed.**

Verification: No later than ~~90~~ 30 days prior to ~~site mobilization or demolition~~ start of **grading or excavation activities for underground utilities, beach delivery, use of the tank farm, plant entrance road modifications, 45th Street berm, or tank access road construction and no later than 60 days prior to start of grading or excavation activities for construction of the new units,** the project owner shall submit a copy of the DESCP ~~for the initial grading/demolition phase of construction~~ to the City of El Segundo (City) for review and comment and to the CPM for review and approval.

The project owner shall submit copies to the CPM of all correspondence between the project owner and the City regarding the DESCP within 10 days of its receipt or submittal. The CPM shall consider any comments received from the City on the DESCP before issuing approval.

The DESCP shall be revised and a revision submitted to the CPM for project excavation/construction and final grading/stabilization prior to the soil disturbing activities associated with these stages of construction. The DESCP shall be consistent with the grading and drainage plan as required by condition of certification CIVIL-1 and relevant portions of the DESCP shall clearly show approval by the Chief Building Official. The DESCP shall be consistent with the Stormwater Pollution Prevention Plan (SWPPP) developed **in accordance with the General Construction Permit (Water Quality Order 99-08-DWQ)** ~~in conjunction with the City's municipal NPDES Permit No. CAS0004001~~ and **the project's** Standard Urban Stormwater Mitigation Plan **developed in accordance with the LARWQCB NPDES Permit No. CAS0004001, and the City of El Segundo Ordinance No. 1348 and Chapter 7 of Title 5 of the El Segundo Municipal Code: *Standard Urban Stormwater Mitigation Plan (SUSMP) Implementation.***

~~.~~ In the monthly compliance report, the project owner shall provide a narrative describing the effectiveness of the drainage, erosion and sediment control measures; the results of monitoring and maintenance activities, including any BMP inspection reports; and the dates of any dewatering activities.

Condition WATER QUALITY-9

The project owner shall comply with the requirements of the Individual and/or General NPDES Permit for Discharges of Storm Water Associated with Industrial Activity. The project owner shall develop and implement a Storm Water Pollution Prevention Plan (Industrial SWPPP) for the operation of the ESPR~~P~~. The Industrial SWPPP shall be provided to ~~reviewed and approved by~~ the City of El Segundo (City) for review **and comment.** ~~and comment on and be in for compliance with the City of El Segundo's (City) Standard Urban Stormwater Mitigation Plan (SUSMP) per the requirements of the Los Angeles Regional Water Quality Control Board (LARWQCB) NPDES Permit No. CAS0004001.~~ **The Industrial SWPPP shall incorporate, and be consistent with, the**

<u>project's SUSMP developed in accordance with the LARWQCB NPDES Permit No. CAS0004001, and the City of El Segundo Ordinance No. 1348 and Chapter 7 of Title 5 of the El Segundo Municipal Code: *Standard Urban Stormwater Mitigation Plan (SUSMP) Implementation.*</u>

Verification: The project owner shall submit to the CPM a copy of the Industrial SWPPP that includes the requirements of the City's SUSMP prior to commercial operation and retain a copy on-site. The project owner shall submit to the CPM copies of all correspondence between the project owner and the City about the City's SUSMP and the Individual and/or General NPDES Permit for the Discharge of Storm Water Associated with Industrial Activity within 10 days of its receipt or submittal. The Industrial SWPPP shall include a copy of the Notice of Intent for the project.

CONCLUSION

ESP II appreciates the opportunity to comment on Staff's Analysis Report on the Petition to Amend ESPR. ESP II believes that the incorporation of the changes to Conditions of Certification as noted herein will further enhance ESPR and provide greater clarity in specific issue areas when moving into the construction and operation phases of the project.

If you have any questions or further comments, please contact George Piantka at (760) 710-2156 or John McKinsey at (916) 447-0700.

Very truly yours,

for John A. McKinsey

JAM:kjh
cc: George Piantka, El Segundo Power II

STATE OF CALIFORNIA—THE RESOURCES AGENCY ARNOLD SCHWARZENEGGER, *GOVERNOR*

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD (415) 904-5200
FAX (415) 904-5400

October 16, 2007

B.B. Blevins, Executive Director
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

RE: Coastal Commission review of projects subject to the Energy Commission's Application For Certification

VIA FACSIMILE: (916) 654-4420

Dear Mr. Blevins:

As you know, staff of the Coastal Commission and Energy Commission have worked together over the past several years on a number of proposed power plant projects. Both the Warren-Alquist Act and the Coastal Act provide that the Coastal Commission play a key role in the Energy Commission's Application For Certification (AFC) process for projects proposed along California's coast.[1] The main purpose of the Coastal Commission's involvement is to ensure those projects conform to Coastal Act policies meant to protect coastal resources. Additionally, staff of the two Commissions worked to strengthen their relationship during these AFC reviews by developing in 2005 a Memorandum of Agreement that further specified how these reviews were to be implemented.

We have recently determined, however, that Coastal Commission staff's substantial workload and limited resources prevent us from participating in the AFC reviews currently before the Energy Commission, including the Humboldt Bay Repowering Project (06-AFC-7), the Encina Replacement Project (07-AFC-6), and the South Bay Replacement Project (04-AFC-3). We will also be unable to participate in the Energy Commission's review of a proposed amendment to the El Segundo Power Redevelopment Project (00-AFC-14c). As a result, we will not be developing the reports required for these proposals pursuant to Coastal Act Section 30413(d).

We note that all the projects listed above are proposing to end the environmentally destructive use of seawater for once-through cooling and instead employ dry cooling technology, which the Coastal Commission has strongly supported during past power plant reviews. This move away from once-through cooling removes what has been the single most contentious and environmentally damaging aspect of past project proposals. It also reduces the Coastal Commission's concerns about the type and scale of impacts associated with these proposed projects and about the ability of these projects to conform to Coastal Act provisions.

[1] The roles of the Energy Commission and Coastal Commission in these AFC proceedings are described respectively in Warren-Alquist Act Section 25500 *et seq.* and Coastal Act Section 30413(d).

Although each of these proposed projects have the potential to cause other types of adverse effects to coastal resources, we trust that the Energy Commission staff will continue to thoroughly review these projects as it has done in past AFC proceedings and we hope they can incorporate some aspects of Coastal Act conformity into their review.

While we will not be able to participate in your review of these current AFC proceedings, we look forward to re-starting our review obligations as soon as our resources allow. We will keep you informed as our workload and resources change. Thank you for your understanding of our decision, and please let me know if you have any questions about this issue.

Sincerely,

Peter McDouglas
Executive Director

Cc: Resources Agency – Secretary Mike Chrisman
Coastal Commissioners

[Submitted July 9, 2008]

Comments of Michelle Murphy and Bob Perkins, Intervenors in the matter of El Segundo Power's "Amendment" to Create an Entirely New Power Plant: Responding to ESPRP Staff Analysis

RE: El Segundo Power Redevelopment Project (00-AFC-14C)

An amendment is not the proper procedure with which to review a new and almost wholly original proposal to build an air cooled power plant with a different footprint, air pollution effect and indeed product (backup quick-starting power instead of continuously operating first line power).

The new power plant contemplates an entirely new configuration which uses air-cooling instead of ocean water cooling. The Energy Commission has not considered for a moment the issue of why such a power plant, which is not coastal dependent in any way, should be placed on the coast and on the windward side of ten million people who are currently breathing the worst air in this state and this country. The original application, required ocean cooling, so it was considered and approved as such. This amendment removes any need to build the plant here, yet the Commission, so far, has not addressed whether, under the Coastal Act and other LORS, it qualifies for approval at all. Instead, because the application began as coastal dependent in 2000 it is now being treated as still being coastal dependent when it is manifestly not so.

This plant may sit on this shoreline creating deadly pollutants for the next 40 or 50 years as the previous plant did. It behooves the Energy Commission to make a determination that this is the right place for this plant. Attention should be paid and findings should be made. There may be sufficient reasons to subject Los Angeles and Riverside County's citizens to the dangers of the toxins this plant will create, but the Energy Commission is derelict and in violation of the law if it fails to weigh the risks and burdens of this plant's siting versus placing it is some less populated area. It should be the Energy Commission's task to determine that this is the best site for all reasons. Pretending this is an inconsequential amendment and therefore willfully ignoring important facts does a disservice to the people of the state of California.

This petition is being called a simple repowering but the two generators it replaces have been shut down and not legally allowed to operate since 2003. If there had been no electricity generated at this site for 10 or 20 years would it still be a repowering? For how long can petitioners stall and then rely on their stalling to continue to authorize their "repowering" petition thereby avoiding the closer scrutiny and different environmental standards applicable to a new power plant??

The only hearing on this amendment was not well attended by the public unlike the scores of hearings on the water cooled plant. There was no newspaper coverage of the hearing either before or after it was held. The Hearing Officer announced the order of the

proceedings which was petitioner first (who had time to brag about totally irrelevant matters, including how they help with a day care center in Tijuana, Energy Commission staff next, and the public last. When it came time for the public the hearing officer stated that the staff had to catch a plane and there would be no time for the public to talk or ask questions. After protests he gave three neighbors of the plant a few minutes each to make statements. This is not due process.

Yesterday, June 7, 2008, the Los Angles Times in a story about smog and exercise reported that: "...the public needs a little better education about the seriousness of the potential effects..." of toxic air pollution...especially during the smog season from May 1 to October 31. Even if this plant runs the only 60% of the time it is slatted to be permitted for, it seems likely it will be running during those peak months. The Energy Commission has not investigated the effects of the worst-case scenario (start up at a fumigation time period) on the serious exercisers that throng the beach in the summer. For this issue, like all issues surrounding this plant, the proper process is hearings and findings, not a truncated workshop.

bay restoration commission

STEWARDS OF SANTA MONICA BAY

santa monica bay restoration commission ✐ 320 west 4th street, ste 200; los angeles, california 90013
213/576-6615 phone ✐ 213/576-6646 fax ✐ santamonicabay.org

July 14, 2008

California Energy Commission
C/O Steve Munro, Compliance Project Manager
1516 Ninth Street, MS# 2000
Sacramento, CA 95814-5512
Via EMAIL: smunro@energy.state.ca.us

RE: Proposed Modifications to the El Segundo Power Redevelopment Project Staff Analysis: 00-AFC-14C

Dear California Energy Commissioners:

The staff of the Santa Monica Bay Restoration Commission (SMBRC) thanks you for the opportunity to comment on the staff analysis of proposed modifications to the El Segundo Power Redevelopment Project. The SMBRC is a locally-based state entity charged with restoring the Santa Monica Bay, a National Estuary under the USEPA's National Estuary Program. The mission of SMBRC is to improve the health and vitality of the Santa Monica Bay, its habitats, living marine resources, and watersheds. SMBRC operates as a partnership among numerous federal, state, and local entities and builds consensus for addressing pressing environmental issues facing the Santa Monica Bay and its watersheds.

The use of once-through cooling is one such issue and we are pleased that El Segundo Power II, LLC (ESP II) is proposing to end the use of once-through cooling technology at the El Segundo power plant. We are also pleased to see the staff analysis insist on certain conditions to certification, such as ensuring passage across the beach delivery area for emergency service vehicles (LAND-14), requiring the use of reclaimed water for needs that don't require potable water (WATER RES-4), and including a ballast water management plan (WATER QUALITY-10); however we have some outstanding concerns about the staff analysis as detailed below.

Removal of Condition BIO-1.
BIO-1 currently requires ESP II to provide the SMBRC with $5 million for restoration projects as one condition for the ESP-II redevelopment project. To date, the SMBRC has received $1 million, all of which has been encumbered and over 75% of which has been spent on crucial habitat assessment and enhancement work. While the staff analysis contains a proposed deletion of the BIO-I condition, we want to be sure that the analysis is clarified to note that, while the $4 million currently due and owing to the SMBRC would not be paid under the proposed changes to ESP-II, the $1 million already paid by ESP II will not be reimbursed.

bay restoration commission

STEWARDS OF SANTA MONICA BAY

santa monica bay restoration commission ✐ 320 west 4th street, ste 200; los angeles, california 90013
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Condition VIS-1.
The following quote makes it clear that the Energy Commission intends ESP II to use seacliff buckwheat in the project's landscaping: "The seacliff buckwheat meets these criteria [native species and/or species requiring little or no irrigation] and should be included in the landscaping plan. To help native plant species succeed where efforts are made to establish them, the non-native and aggressive iceplant should be removed to prevent it from out-competing native dune vegetation due to its dense character and vigorous growth" (Biological Resources, pg 4.2-4). We are therefore surprised to see that this is not reiterated in condition **VIS-1**. We recommend condition **VIS-1** include the above quoted lines.

The SMBRC has extensive experience in beach bluff restoration. Our Beach Bluff Restoration Project Master Plan (2004) has guided native planting throughout the South Bay area. We have worked in close partnership with the SEA Lab, the LA Conservation Corps, City of Redondo Beach and LA County Beaches and Harbors to implement successful bluff restoration projects and would be happy to be partner with ESP II for more restoration work.

Other Concerns.
The proposed modifications include relocating the northern end of the seawall further west. The staff analysis recognizes this will have an impact on joggers and bicyclists on the bike path (Noise and Vibration, pg 4.6-2), but does not discuss what this impact will be or how ESP II plans to minimize this impact. Nor does it give conditions for certification to ensure this impact is minimized. We would like to see the staff analysis address this oversight.

Finally, we would like to know what ESP II is intending to do with the existing sea-water intake pipe and tunnel. Will this infrastructure be permanently closed? Will it be shut off in a way that would allow it to be used in the future? Or would it be left as is?

The proposed modifications improve the project greatly and we generally support the proposal. Thank you for the opportunity to comment on the staff analysis. We hope the Energy Commission will take our comments into consideration. We look forward to reading the Addendum when it becomes available.

Sincerely,

Lia Protopapadakis
Marine Policy Specialist

From: Christopher Meyer
To: Steve Munro
CC: Jack Caswell
Date: 7/25/2008 9:12 AM
Subject: Fwd: Clarification on El Segundo Project money to SMBRC

Steve,

Let me know if you have any questions. I'll be back in the office on Monday.

Christopher

>>> "Scott Valor" <scottvalor@hotmail.com> 7/14/2008 11:40 AM >>>
Hi Christopher--

Hope all is well. You and I have discussed the fact that while staff cannot support NRG's payment of the additional $4 million in light of their changed plans for dry cooling, that staff also agrees that the $1 million already paid out will not be required to be returned so long as it has been encumbered (100%) or spent (about 80% at this point).

However, the staff report simply crosses out the entire provision regarding the $5 million, without the above clarification. Is it possible for staff to make this clarification in one form or another?

We could submit a written comment by the end of the day, but I don't think it's necessary. Please call me to clarify if you get a chance.

310-922-2376

--Scott Valor, on behalf of the Santa Monica Bay Restoration Commission

Heal the Bay

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July 14, 2008

Steve Munro, Compliance Project Manager
California Energy Commission
1516 Ninth Street, MS# 2000
Sacramento, CA 95814-5512
Via Email: smunro@energy.state.ca.us

Re: Comments on the "Staff Analysis of Proposed Modifications to the Project Description and Conditions of Certification for the El Segundo Power Redevelopment Project (00-AFC-14C)

Dear Chair Pfannenstiel and Commissioners:

We respectfully submit the following comments on the Staff Analysis of Proposed Modifications to the Project Description and Conditions of Certification for the El Segundo Power Redevelopment Project (00-AFC-14C). Heal the Bay is supportive of El Segundo's proposed project amendment to eliminate the use of the antiquated and destructive technology of once through cooling in favor of dry cooling technology at Units 1 and 2.

Multiple federal and state agencies, including the U.S. Environmental Protection Agency ("U.S. EPA"), CEC, OPC, and State Lands Commission ("SLC"), have recognized that once-through cooling ("OTC") causes significant, ongoing devastation to our valuable marine resources.[1] In June 2005, the CEC released a comprehensive staff report identifying OTC as a contributing factor to the degradation of California's fisheries, estuaries, bays and coastal waters.[2]

We are long overdue for the state to embrace a policy on OTC that reflects Californians' demand for providing the utmost protection for our valuable marine and coastal resources, and for investing in a sustainable, environmentally sound future energy supply. The State is currently developing a final draft of a statewide policy to eliminate the use of once-through-cooling. In the meantime, Heal the Bay is supportive of stations like El Segundo which have decided to move forward independently to a more environmentally sustainable energy supply. We encourage you to continue to show leadership on this issue in the State of California, supporting individual plant transitions to dry cooling as well as a strong State-wide policy.

Thank you for your consideration of our comments.

Sincerely,

Sarah Abramson
Director of Coastal Resources
Heal the Bay

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[1] Clean Water Act section 316(b); California Energy Commission, *Issues and Environmental Impacts Associated with Once-Through Cooling at California's Coastal Power Plants*: Staff Report, 2005; Resolution of the California Ocean Protection Council Regarding the Use of Once-Through Cooling Technologies in Coastal Waters (adopted April 20, 2006); Resolution By The California State Lands Commission Regarding Once-Through Cooling In California Power Plants (adopted April 17, 2006) ("SLC Resolution").

[2] California Energy Commission, *Issues and Environmental Impacts Associated with Once-Through Cooling at California's Coastal Power Plants*, Staff Report. June 2005.

From: Joyce Lebowitz <ljleisure@yahoo.com>
To: <smunro@energy.state.ca.us>
CC: <ljleisure@yahoo.com>, <murphyperkins@gmail.com>
Date: 7/3/2008 12:29 AM
Subject: amended comments for docket 00-AFC-14C (ESPRP)
Attachments: PRESS RELEASE (final draft).docx

Dear Mr. Munro,

I sent my comments for docket 00-AFC-14C regarding ESPRP Staff Analysis a few minutes ago. I am sending now sending an amended version of those comments. Please consider the comments contained within this attachment instead. I am sending the amended version within this e-mail as well in case you can not open the attachment for any reason.

Thank you.

Sincerely,

Lisa Lappin
El Segundo resident

Amended version of docket comments to replace comments sent by Lisa Lappin

I, Lisa Lappin, am writing these comments to be included in docket number 00-AFC-14C regarding the ESPRP Staff Analysis. I live within a mile of the El Segundo Power Redevelopment Project that is being considered by CEC for final approval following a workshop on June 25, 2008. I am writing to state for the record that I think it is absolutely inappropriate for CEC to issue final approval of this project while the priority reserve emission credits remain in question. On April 1, 2008 the National Resources Defense Council together with three other environmental groups issued their notice of intent to sue the South Coast Air Quality Management District in court for allegedly selling priority reserve emission credits that cannot be verified. As long as there remains any possibility that the emission credits that NRG will relying upon to begin operation are invalid, how can CEC legally grant final approval to the applicanťs project? I hereby object to CEC granting final approval until this lawsuit is resolved in court.

Why is the CEC planning to issue a permit to a plant with ESPRP PM10/PM2.5 emissions that have the potential to contribute to an on-going violation of the ambient air quality standards? I object to CEC issuing final approval while the PM10/PM2.5 emission standards are in violation of the ambient air quality standards as shown in Table 7-9 of the staff analysis. Doesńt technology exist that could be added to the plant in order to mitigate this problem and bring the emissions within CA standards?

According to the staff analysis, during start up and shut down there will be VOC emissions increase of 528% from the plan approved in 2005. Since VOC has proven to be detrimental to health, residents living within a mile radius have the right to know when the turbines will be shutting down and starting up since this is the time when they will rain down the greatest amount of chemicals. We have the right to be informed when the emission output is at its greatest. The times could be posted daily on an NRG website with responsibility for checking the projected times falling upon concerned residents who could use this information to refrain from strenuous outdoor activity at peak times of operation. They could also keep their children from exerting themselves outdoors during these times and during times of fumigation.

Finally, I also object to the fact that the CEC did not notify all residents within the critical six-mile radius of the plant regarding the June 25, 2008 workshop. For that matter, they did not even notify all the residents living within one mile of the proposed site. Notification was not posted in the El Segundo Herald and interested parties were left out of the workshop process. Another workshop should be scheduled with the public adequately notified in advance.