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EDMUND G. BROWN JR., *Governor*

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:	)	**Docket No. 86-AFC-1C**
ARGUS COGENERATION EXPANSION PROJECT	)	**Order No. 15-0610-4**
ACE COGENERATION COMPANY, LP	)	**ORDER APPROVING a Petition to Decommission the Argus Cogeneration Expansion Project**

On November 25, 2014, the ACE Cogeneration Company, LP (ACC), the owner of the Argus Cogeneration Expansion (ACE) Project, filed a petition with the California Energy Commission (Energy Commission) requesting to decommission the ACE project. Decommissioning of ACE involves selling easily removed tools and equipment of no interest to the new buyer of the site, Sabco, Inc (Sabco), dismantling/demolishing the power plant and any other facilities not retained by Sabco, recycling components and materials to the extent possible, hauling off and disposing of the remaining waste, remediating portions of the site if necessary, and cleaning-up the site. Following the decommissioning, any equipment and facilities shared with Searles Valley Minerals, Inc. (SVM) and not to be used by Sabco, such as the coal unloading facility and storage barn, will be turned over to SVM according to separate agreements. The ACE site includes the administration building, water tanks, cooling tower, petroleum coke handling and storage facility, and ash landfill. These will be transferred to Sabco for future industrial use.

STAFF RECOMMENDATION

Energy Commission staff (staff) reviewed the petition, finds that it complies with the requirements of Title 20, section 1769 (a) of the California Code of Regulations, and recommends approval of ACC's petition to decommission the ACE project. Staff has proposed new Conditions of Certification **AQ-SC4**, **AQ-SC5**, **AQ-SC6, HAZ-1, HAZ-2, HAZ-3, HAZ-4, WASTE-11, WORKER SAFETY-1, WORKER SAFETY-2,** and **WORKER SAFETY-3.** Staff also proposed revisions to existing conditions of certification **CUL-2** and **CUL-3**. These new and revised conditions of certification will assure compliance with Laws, Ordinances, Regulations and Standards (LORS) and reduce potential environmental impacts to a less than significant level.

ENERGY COMMISSION FINDINGS

Based on staff's analysis, the Energy Commission concludes that the proposed decommissioning will not result in any significant impacts to public health and safety, or to the environment. The Energy Commission finds that:

- The petition meets all the filing criteria of Title 20, section 1769 (a), of the California Code of Regulations, concerning post-certification project modifications;
- The decommissioning will not change the findings in the Energy Commission's Final Decision, pursuant to Title 20, section 1755, of the California Code of Regulations;
- The project will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources Code, section 25525;
- The decommissioning will be beneficial to the public and the project owner, because ACE is a coal burning plant that will be closed and emissions in the area will decrease dramatically; and
- There has been a substantial change in circumstances since the Energy Commission certification, justifying the decommissioning, in that California is trying to reach the greenhouse gas levels of 1990 by the year 2020 and decommissioning a coal-burning plant will help attain that goal.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts staff's recommendations and approves the following changes to the Commission Decision for the ACE project. New language is shown as **bold and underlined**, and deleted language is shown in ~~strikethrough~~.

CONDITIONS OF CERTIFICATION

AQ-SC4 The project owner shall ensure that all applicable portable equipment used by the demolition contractor shall be registered through the ARB Portable Equipment Registration Program (PERP).

Verification: The project owner will maintain on site records of equipment that is brought on-site. The project owner will furnish these records to the CPM upon request.

AQ-SC5: The project owner shall ensure that equipment used during decommissioning is maintained in proper operating condition to avoid visible emissions darker than Ringlemann #1 for periods greater than 3 minutes in any hour.

Verification: The project owner or their contractor shall maintain records of equipment maintenance activities. These records shall be maintained on-site and furnished to the CPM upon request.

AQ-SC6: The project owner shall ensure a decommissioning Dust Control Plan is prepared and submitted to the MDAQMD for information and to the CPM for approval.

Verification: The project owner or their contractor shall submit the Dust Control Plan to the MDAQMD for information and the CPM for approval, at least 30 days prior to the commencement of demolition activities.

CUL-2 ~~KMCC~~ **The project owner** shall designate a qualified cultural resources specialist to be on site to monitor site preparation construction **and ground-disturbing decommissioning** activities in the vicinity of archaeological sites SBr-3846, **3847** and 3848 and to be on-call during site preparation and construction activities in other project areas.

Verification: ~~KMCC~~ **The project owner** shall provide **CPM** with the name and telephone number of their cultural resources specialist at least 30 days prior to the start of any ground disturbance or construction activities.

CUL-3 If paleontological or cultural resources are discovered during construction **or ground-disturbing decommissioning activities**, work in the immediate area of the resource shall be halted and the designated paleontologist or cultural resources specialist, as appropriate, shall be consulted to evaluate the significance of the resources. Within one working day ~~KMCC~~ **the project owner** shall notify the **CPM** of any resource discovery and associated work stoppage. The designated paleontologist/cultural resources specialist and representatives of ~~KMCC~~ **the project owner** and the **CPM** shall confer within one working day of the notification to discuss possible mitigation measures. Pending resolution of this matter, construction activity in the resource area shall remain stopped.

Verification: ~~KMCC~~ **The project owner** shall notify the **CPM** within one working day of the resource discovery and the work stoppage. ~~KMCC~~ **The project owner** shall include a report on any such work stoppage or find in the Periodic Compliance Reports.

HAZ-1 The project owner shall provide a revised Hazardous Materials Business Plan (HMBP) for the hazardous materials that would be used during demolition, to the San Bernardino County Fire Department and the CPM for review. After receiving comments from the San Bernardino County Fire Department and the CPM, the project owner shall include in the final documents all recommendations that ensure LORS compliance. Copies of the revised final HMBP shall then be provided to the San Bernardino County Fire Department for information and to the CPM for approval.

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Verification: **At least thirty (30) days prior to starting demolition of the site, the project owner shall provide a copy of the revised final Hazardous Materials Business Plan. The project owner shall also provide a letter to the CPM stating that the plan was submitted to the San Bernardino County Fire Department for review.**

HAZ-2 **During the closeout of the Hazardous Materials Business Plan, the project owner shall maintain the existing security plan for the hazardous materials that remain on site until the transfer of ownership is complete.**

Verification: **The project owner shall provide a letter to the CPM stating that the existing security standards will be maintained for the hazardous materials that remain on site until transfer of ownership is completed.**

HAZ-3 **Upon completion of the Hazardous Materials Business Plan closeout, the project owner shall follow all of the closeout procedures outlined by the SBCFD's CUPA.**

Verification: **The project owner shall provide a letter to the CPM stating the requirements that the SBCFD CUPA imposed for the remaining hazardous materials left on site to complete the close out of the existing Hazardous Materials Business Plan and that those requirements have been met.**

HAZ-4 **The project owner shall provide a copy of the Explosives Permit to the San Bernardino County Fire Department and the CPM for review. The project owner shall also coordinate with the SBCFD the dates of demolition activities with explosives so that the proper fire protection is provided on site.**

Verification: **At least thirty (30) days prior to allowing explosives on the site, the project owner shall provide a copy of the Explosives Permit obtained from the San Bernardino County Sherriff's Department to the San Bernardino County Fire Department and CPM for review. At least (14) days prior to starting demolition activities with explosives, the project owner shall also submit a letter to the CPM showing the coordination with the SBCFD for the dates required for fire protection services.**

WASTE-11 **The project owner shall prepare a Construction Waste Management Plan for demolition wastes generated during decommissioning of the facility and shall submit the plan to the San Bernardino County Department of Public Works, Solid Waste Management Division (SWMD) and CPM for review. The plan shall contain, at a minimum, the following:**

- **a description of all demolition waste streams, including projections of frequency, amounts generated, and hazard classifications; and**
- **management methods to be used for each waste stream, including temporary on-site storage, housekeeping and best**

management practices to be employed, treatment methods and companies providing treatment services, waste testing methods to assure correct classification, methods of transportation, disposal requirements and sites, and recycling and waste minimization/source reduction plans.

During demolition, the project owner shall require contracted waste and/or refuse haulers to document each waste load transferred from the demolition site to a disposal site and/or recycling center. The contractor shall specifically identify permitted solid waste facilities or recycling centers. The project owner shall also provide copies of documentation demonstrating the demolition wastes have been disposed of in accordance with the Construction Waste Management Plan.

Verification: The project owner shall submit the Construction Waste Management Plan to the SWMD and the CPM for approval no less than 30 days prior to the initiation of demolition activities at the site. The project owner shall identify permitted solid waste facilities or recycling centers that receive plant waste and maintain copies of weigh tickets and manifests showing the type and volume of waste disposed and submit documentation to SWMD and the CPM demonstrating the demolition wastes have been disposed of in accordance with the Construction Waste Management Plan.

WORKER SAFETY-1 The project owner shall submit to the Compliance Project Manager (CPM) a copy of the project Construction/Demolition Safety and Health Program containing the following:

1. **a Construction/Demolition Personal Protective Equipment Program;**
2. **a Construction/Demolition Exposure Monitoring Program;**
3. **a Construction/Demolition Injury and Illness Prevention Program;**
4. **a Construction/Demolition Emergency Action Plan;**
5. **a Construction/Demolition Fire Prevention Plan; and**
6. **a Construction/Demolition Explosives Safety Plan.**

The Personal Protective Equipment Program, the Exposure Monitoring Program, and the Injury and Illness Prevention Program shall be submitted to the CPM for review and approval concerning compliance of the program with all applicable safety orders. The Construction/ Demolition Emergency Action Plan, the Construction/Demolition Fire Prevention Plan, and the Construction/Demolition Explosives Plan shall be submitted to the Fire Department for review and comment prior to submittal to the CPM for approval.

Verification: At least thirty (30) days prior to the start of demolition, the project owner shall submit to the CPM for review and approval a copy of the project Demolition Safety and Health Program. The project owner shall provide a copy of

a letter to the CPM from the Fire Department stating the fire department's comments on the Demolition Fire Prevention Plan and Emergency Action Plan.

WORKER SAFETY-2 The project owner shall provide a site Construction/Demolition Safety Supervisor who, by way of training and/or experience, are knowledgeable of tank demolition, power plant deconstruction activities, and relevant laws, ordinances, regulations, and standards; are capable of identifying workplace hazards relating to the demolition and/or construction activities; and has authority to take appropriate action to assure compliance and mitigate hazards. The Construction/Demolition Safety Supervisor shall:

1. **have overall authority for coordination and implementation of all occupational safety and health practices, policies, and programs;**
2. **assure that the safety program for the project complies with Cal/OSHA and federal regulations related to power plant projects;**
3. **assure that all demolition workers and supervisors receive adequate safety training;**
4. **complete accident and safety-related incident investigations and emergency response reports for injuries and inform the CPM of safety-related incidents; and**
5. **assure that all the plans identified in Conditions of Certification WORKER SAFETY-1 are implemented.**

Verification: At least thirty (30) days prior to the start of demolition, the project owner shall submit to the CPM the name and contact information for the Construction/Demolition Safety Supervisor. The contact information of any replacement Construction/Demolition Safety Supervisor shall be submitted to the CPM within one business day.
The Construction/Demolition Safety Supervisor shall submit a monthly safety inspection report to the CPM to include a:

1. **record of all employees trained for that month (all records shall be kept on site for the duration of the project);**
2. **summary report of safety management actions and safety-related incidents that occurred during the month;**
3. **report of any continuing or unresolved situations and incidents that may pose danger to life or health; and**
4. **report of accidents and injuries that occurred during the month.**

WORKER SAFETY-3 The project owner shall ensure that a portable automatic external defibrillator (AED) is located on site during demolition and removal of the ACE power plant and shall implement a program to ensure that workers are properly trained in its use and that the equipment is properly maintained and functioning at all times. During

demolition, the following persons shall be trained in its use and shall be on site whenever the workers that they supervise are on site: the Construction/Demolition Project Manager or delegate, the Construction/ Demolition Safety Supervisor or delegate, and all shift foremen.

Verification: At least thirty (30) days prior to the start of demolition, the project owner shall submit to the CPM a letter stating that a portable automatic external defibrillator (AED) will exist on site and a copy of the training and maintenance program for review and approval.

IT IS SO ORDERED.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the California Energy Commission held on **June 10, 2015**.

AYE:
NAY:
ABSENT:
ABSTAIN:

Harriet Kallemeyn,
Secretariat

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