COMMUNITY DEVELOPMENT CITY OF ANTIOCH CALIFORNIA *P.O. Box 5007, Antioch, CA 94531-5007*

DOCKET
08-AFC-3
DATE MAY 25 2010
RECD. MAY 27 2010

May 25, 2010

Mr. Mike Monasmith
California Energy Commission
1516 Ninth St., MS-15
Sacramento, CA 95814

Dear Mr. Monasmith:

Thank you for the opportunity to comment on the Staff Assessment (SA) for the Mirant Marsh Landing Generating Station (MLGS) Application for Certification (08-AFC-3). As the CEC is aware, the site where this project is proposed is in the City of Antioch's Sphere of Influence, and the City is now in the process of annexing the MLGS site, along with the surrounding area. We have a number of comments on the SA, most of which are minor in nature, as noted below:

1) Water Resources:
As indicated in previous correspondence to the CEC, the City of Antioch is capable of providing water for both process and potable water needs to the MLGS. The SA states that the primary source of water for the MLGS is projected to be from wells. This well water, which the SA indicates is brackish, will require onsite treatment in order to meet the water quality requirements of the MLGS. The SA further states that the onsite facilities to treat the well water would consist of a trailer with five pressure vessels, along with a trailer to hold the effluent from the water filtration process. The trailer handling the effluent would then need to be towed away to a licensed disposal site after approximately 24 hours of plant operation. Given the power profile of the MLGS, the SA estimates that this trailer would need to be towed to a disposal site approximately 71 times per year.

This entire well water treatment process from a City perspective seems cumbersome, with on site trailers that would need to be towed away as often as a daily basis. This arrangement seems all the more awkward given the fact that City treated water is readily available to serve the MLGS on site. Mirant has tested the City water, and has determined that the available City treated water meets their standards for operating the MLGS. The MLGS will be using City water as a potable water supply, irrespective of the use of wells for process water. As noted in earlier documentation to the CEC, the City has sufficient water supply and treatment capacity to provide the 50 acre feet per year of process water that the MLGS is projected to need.

Recently, CEC staff proposed a thoughtful and innovative solution to this water supply dilemma. This solution would involve Mirant utilizing City water for both potable and process uses. In order to offset the impact of MLGS water usage of the City's water supply, Mirant would provide the City with sufficient funding to correspondingly enhance the City's ongoing water conservation efforts. The City is very supportive of this approach proposed by the CEC, as it would avoid the awkward "trailer water treatment" scenario, while permitting the City to enhance its water conservation efforts, resulting in a rare "win, win". Given this, the City would prefer that the SA be modified to designate the City of Antioch as the primary source of process and potable water for the MLGS, with a mitigation measure added requiring Mirant to fund enhanced citywide water conservation efforts.

In the future, as the MLGS moves forward towards construction, it may be determined that it isn't feasible for the MLGS to utilize treated well water as process water. Under such a scenario, it is likely that the MLGS will realize construction cost savings by not having to drill the wells, install the pumps, construct water lines, purchase/lease the onsite process water treatment facilities etc. A portion of this future construction cost savings could be directed to further enhance the City's water conservation programs. This level of financial support has the potential to transform the City's water conservation program to a whole new level of effectiveness. In order to address this possibility, the City requests that any mitigation measure stipulating the applicant's support of

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TKG

Citywide water conservation efforts be written flexibly enough to allow the level of support to the City to be enhanced if it is determined that wells are ultimately not feasible as a source of process water for the MLGS.

2) Road Improvements:
The MLGS is proposed on an approximately 147 acre parcel that has significant frontage on Wilbur Avenue. Both the County and the City's General Plan show Wilbur Avenue as a four (4) lane arterial roadway. Currently, Wilbur Avenue is unimproved along the frontage of the parcel on which the MLGS is proposed, with no curb, gutter, sidewalk, or landscaping/irrigation. Based on the documentation in the SA, the MLGS will not generate significant traffic once the power plant is in operation. We surmise this is the reason that the CEC is not requiring Mirant in the SA to construct frontage improvements on Wilbur. As the CEC staff may be aware, there is currently a Parcel Map application being processed in the County to subdivide the property on which the MLGS is proposed into two separate parcels. We are working with Contra Costa County staff on the appropriate requirements for frontage improvements on Wilbur Avenue as a condition of approval of the Parcel Map application. As a result, we are not anticipating or requesting that that the CEC address the question of Wilbur Avenue frontage improvements as part of the CEC review and approval process.

3) Land Use:
a) Upon annexation the MLGS will be required to participate in the City wide streetlight landscape maintenance district. There is also a similar maintenance program for the County. The City is coordinating with the County in addressing this issue as part of the Parcel Map process just mentioned in this letter. While a mitigation measure is not necessary, the CEC may want to document this fact in the SA.
b) It would be helpful in the SA if in the discussion on annexation to the City, it was also mentioned that annexation to the Delta Diablo Sanitation District (DDSD) is also required, and is part of the City's annexation application currently before LAFCO.

4) Public Health:
a) While the Greenhouse Gas section of the AFC contains a detailed analysis of how the MLGS will favorably influence the "retirement" of older, less efficient power plants up and down the State, it does not specifically provide an analysis of the more local issue, namely the eventual retirement of Contra Costa 6 and 7, which are located on the same site as the MLGS. It is our understanding that there is not a legal requirement that Contra Costa Units 6 & 7 cease operation once the MLGS comes on line, although the Biology Section of the AFC under the heading "Noteworthy Public Benefits" states that the MLGS will replace the existing units.

In any case, it is likely that there is a strong positive correlation between the MLGS becoming operational, and the less efficient Contra Costa Units 6 and 7 being "retired". The retirement of these older, less efficient power plants should have a substantial net positive effect from a public health and air quality perspective. Given this, it would be useful for decision makers if the SA included data showing what the net effect would be on public health (and related issues such as air quality), in the likely scenario where the MLGS becomes operational and Contra Costa Units 6 and 7 are retired. The SA could include appropriate disclaimers making in clear that Contra Costa Units 6 and 7 are not required to come offline with the initiation of operation of the MLGS, and simply note that the MLGS increases the likelihood of their "retirement" in the near term.

5) Visual Impacts:
The section on visual impacts is very thorough although there are a couple of issues we would like to see addressed/clarified:

a) The SA recommends a number of mitigation measures that involve providing landscaping around the "facility boundaries" in order to visually screen the project. It's unclear in reading the report what constitutes the facility boundaries. From a City perspective, we feel it is most important to enhance the visual character of the overall site on which the MLGS is located. While screening the immediate boundaries of the 27 acre site on which the MLGS is proposed is useful, the reality is that this 27 acre site is located over 1000 feet from Wilbur Avenue, which is the location from which the general public would be viewing the property. We feel that the efforts in landscaping the immediate boundaries of the MLGS would be better spent enhancing the Wilbur frontage of the 147 acre parcel on which the MLGS is proposed.
b) The most significant visual "blight" in the area is the existing 400 ft. plus tall stack that is a component of the exiting Contra Costa power plants. As previously discussed under the Public Health section of this comment

letter, the City understands that the proposed MLGS is not tied to the existing Contra Costa Power facilities located on the same site as the MLGS. The purpose of this comment is to be on record that the City hopes that the removal of the 400 ft. stack is a first step in the eventual decommissioning of the Contra Costa Power facilities.

6) Socioeconomics:

a) The project site, as correctly noted, is in the Antioch Unified School District. The report indicates that the school impact fee for the proposed $550 million MLGS construction project is only $6,120. While we understand that the MLGS will generate significant property tax for schools, this school impact fee seems vanishingly small for a project of this scale, and works out to be just .001% of the total project cost. It would be helpful for the SA to clarify how this school impact fee was calculated.

b) The report indicates that the County's share of property tax would be roughly $6 million/yr. and refers to a report titled URS 2009b. It would be helpful to see how this was calculated, and if the report discussed the fact that upon annexation the City of Antioch would share in the property tax based on the formulas agreed to by the City and the County in the Tax Transfer Agreement negotiated as part of the annexation process.

Thank you again for the opportunity to comment on the Staff Assessment, and we look forward to continuing to work closely with CEC staff on the MLGS application. Please feel free to contact me if you have any questions concerning the preceding comments, phone 925-779-7036, or e mail vcarniglia@ci.antioch.ca.us.

Sincerely,

Victor Carniglia
Consultant for the City of Antioch

cc Jim Jakel, City Manager
Lynn Nerland, City Attorney
Mindy Gentry, Associate Planner
City Council

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APPLICATION FOR CERTIFICATION FOR THE MARSH LANDING *GENERATING STATION*

Docket No. 08-AFC-3

PROOF OF SERVICE
(Revised 4/19/2010)

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DECLARATION OF SERVICE

I, Teraja` Golston, declare that on May 27, 2010, I mailed hard copies of the attached Marsh Landing (08-AFC-3) – City of Antioch Comment Letter Regarding Staff Assessment. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [http://www.energy.ca.gov/sitingcases/marshlanding/index.html].

(*Check all that Apply*)

For service to all other parties:

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AND

For filing with the Energy Commission:

_____ sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (*preferred method*);

OR

_____depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 08-AFC-3
1516 Ninth Street, MS-4
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I declare under penalty of perjury that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Original Signature in Dockets
Teraja` Golston