

# Memorandum

**Date :** April 4, 2001

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**File:** s:\projects\otaymesa/statusrpt/sr9.doc

**To :** Robert A. Laurie, Presiding Member  
Robert Pernell, Associate Member

**From :** **California Energy Commission** - Eileen Allen  
1516 Ninth Street Siting Project Manager  
Sacramento, CA 95814-5512

**Subject :** **OTAY MESA GENERATING PROJECT**  
**--April 4, 2001**

## **Staff's Comments on the Presiding Member's Proposed Decision (PMPD)**

Energy Commission staff has reviewed the PMPD for the Otay Mesa Generating Project. On an overall basis we think the PMPD is a good document, in that it accurately reflects staff's major conclusions and proposed conditions of certification. Our specific comments consist of clarifications and relatively minor suggested revisions. We found a few typographical errors, but they are only noted if the error affected the meaning of the sentence.

cc: Otay Mesa Generating Project Proof of Service List  
Stella Caldwell, San Diego County Department of Planning and Land Use  
George Ream, San Diego County Public Works Department  
Arthur Carbonell, San Diego Air Pollution Control District  
Gjon Hazard, U.S. Fish and Wildlife Service

**Energy Commission Staff Comments  
On the Presiding Member's Proposed Decision for the  
Otay Mesa Generating Project  
99-AFC-5**

**INTRODUCTION**

Page 4, Para.2:

Insert a parenthetical phrase or a footnote indicating that Cabrillo owns the Encina power plant and that DENA owns the South Bay plant.

**FACILITY DESIGN**

Page 63, STRUC-1:

Delete the fifth bullet. This paragraph should not be bulleted.

Page 66, MECH-1:

Delete the third bullet. This paragraph should not be bulleted.

**POWER PLANT EFFICIENCY**

P.72:

Insert a sentence in the text or in Footnote 16 indicating that the Rosarito power plant is located near Ensenada, Mexico and that it is owned by the Mexican electric utility, Comision Federal de Electricidad (CFE).

Page 76, line 2:

Change "ADEA" to "ASEA"

Page 76, line 9:

Add the following language to the beginning of the sentence that now begins, "Applicant will install..."  
"To condense the steam turbine's exhaust steam,"

**AIR QUALITY**

Page 3, bottom of page:

The sentence should be revised to reflect that the use of BACT is a program requirement and does not address impacts or mitigation of significant impacts. "The project will use best available control technology (BACT), as required by the SDCAPCD.

Page 3, last sentence at the bottom of page:

The sentence should be revised to reflect that the use of SCONox is intended to achieve 1 ppm now, but within 20 years the project will have to achieve 1 ppm NOx whether or not SCR or SCONox are used (see PMPD Air Quality Finding No. 9).

Page 111:

Please note that PM2.5 is not one of the six criteria pollutants yet. VOC, NOx and SOx are not criteria pollutants and they do not have NAAQS or CAAQS established for them. They are of concern and regulated as precursor pollutants, but are not called out in the standards.

Page 114:

Section 3. Ambient Air Quality, 1<sup>st</sup> sentence. "...the Air District" should read "the Staff relied ..."

Page 119, Air District Rule 69:

Does "EG" stand for "electricity generation"?

Page 121, Air District Rule 69:

It is not Rule 69 that prohibits economic fuel oil burns, but the permit conditions that came out of the Initial Study/Mitigated Negative Declaration issued by the PUC on the sale of the IOU plants. The 1<sup>st</sup> sentence should be changed to read that the "District Permits to Operate prohibit..." See 11/21/00 RT 120.... "MR. MOORE: The cap applies to all the emissions from the facility. What Mike Lake was saying was that they can only burn oil through force majeure after January 1st because of permit condition that was a result of the CEQA analysis done for the sale of the SDG&E plants."

Page 122, 1<sup>st</sup> paragraph.

The District also requires the use of an oxidation catalyst if the SCONox system is to be replaced with SCR.

Page 122, 2<sup>nd</sup> paragraph.

The XONON and SCONox systems also control VOC emissions.

Page 126, CEQA Mitigation Plan for PM10:

Staff wants to clarify that it pursued a mix of mitigation for the project's PM10 emissions liability. Staff believes that they mitigated the project's PM10 emission to the extent feasible. These included:

- NOx and VOC emissions reduction credits required by the District rules that were in excess of 100 tons of NOx or NOx equivalent per year.
- The PM10 and VOC emissions reductions realized, but not formally banked, through the MERC program of the clean diesel for diesel marine engine replacements and the natural gas for diesel truck engine replacements.
- The PM10, and SO<sub>2</sub>, VOC and possibly NOx, reductions realized through the \$1.2 million mitigation fee applied to either the Lower Emission School Bus Program, the Carl Moyer program, or some other District PM10 reduction program.

Page 127, **Commission Discussion**, bottom paragraph:

It is not Rule 69 that prohibits economic fuel oil burns, but the permit conditions that came out of the Initial Study/Mitigated Negative Declaration issued by the PUC on the sale of the IOU plants. See 11/21/00 RT 120.... MR. MOORE: "The cap applies to all the emissions from the facility. What Mike Lake was saying was that they can only burn oil through force majeure after January 1st because of permit condition that was a result of the CEQA analysis done for the sale of the SDG&E plants."

Page 128, **Commission Discussion**, middle paragraph:

The project operation does not cause any violations of the 24-hour PM10 standards, but rather contributes to existing violations. The 1<sup>st</sup> and 2<sup>nd</sup> sentences should read “..... to provide a PM10 mitigation package to mitigate to the extent feasible contributions to, and violations of the state 24-hour and annual PM10 standards, respectively. Thus significant adverse impacts are mitigated to the extent feasible and no evidence of .....”

Page 129, middle paragraph:

While staff appreciates the efforts of the committee to encourage the applicant to cooperate with local community organizations and intervenors, and/or offer mitigation package enhancements, the encouragement is not enforceable or embodied in a Finding and Recommendation.

Page 129, Findings and Conclusion No. 1:

Please note that PM2.5 is not one of the six criteria pollutants yet. VOC, NOx and SOX are not criteria pollutants and do not have NAAQS or CAAQS established for them. They are of concern and regulated as precursor pollutants, but are not called out in the standards.

Page 129, Findings and Conclusion No. 12:

The project operation does not cause any violations of the state 24-hour PM10 standards, but rather contributes to existing violations. The 1<sup>st</sup> sentence should read “To mitigate to the extent feasible the project’s violation of the state annual PM10 standard and contribution to existing state 24-hour PM10 violations, the project owner.... “

Page 130, Findings and Conclusions No. 16:

Staff believes that the finding regarding air impacts from either construction or operation should be that they are mitigated to the extent feasible rather than there are "no direct or indirect impacts."

Revisions to Conditions of Certification

**AQ-5** At least 90 days prior to the start of on-site delivery of equipment, the project owner shall submit to the District the final selection and design details of the gas turbines and associated equipment to be installed, including all proposed post-combustion control systems (SCONOx or SCR). Such information may be submitted to the District under Trade Secret and confidential provisions pursuant to District Rules 175 and 176.

**Verification:** The project owner shall provide copies of design details of the gas turbines and associated equipment to be installed, including all proposed post-combustion control systems (SCONOx or SCR) to the CPM and the District at least 90 days prior to the delivery of equipment .

**AQ-38** The emissions of volatile organic compounds (VOC) from each turbine, calculated as methane, shall not exceed 2.0 parts per million by volume on a dry basis (ppmvd) corrected to 15% oxygen. Compliance with the CO

emission limits and the District approved CO/VOC surrogate relationship shall be deemed compliance with the VOC emission limits.

**Verification:** The project owner shall maintain records of the mass emissions and concentrations of each gas turbine when operating. These records shall be maintained on site for a minimum of five years and shall be available for inspection by representatives of the District, California Air Resources Board (CARB) and the Commission. The information gathered in this condition shall be included in the quarterly reports required in Condition AQ-62.

**AQ-55** Prior to the initial firing of this equipment, the project owner shall surrender to the District the Class A Emission Reduction Credits (ERCs) or Mobile Emission Reduction Credits (MERCs) specified in the table below. The amount should be equivalent to 120 tons per year of NOx to offset the maximum permitted NOx emissions from this facility.

**Project Emission Reduction Credits**

Offset source		NOx	VOC
ERCs	US Foam		30.2
	US Foam	1.3	
	National Offset	4.4	
	Alcoa	1.2	
		1	
	Napp Systems		17.05
	Solar Turbines		25
	Designz Unlimited		10.3
	American Fashion	0.7	
City of San Diego	2.71		
MERCs	San Diego Harbor Excursion: diesel to diesel	29.96	
	Western Maritime: diesel to diesel conversion	8.37	
	WMI: diesel to natural gas engines	35.25	
<b>ERCs: NOx and VOC</b>		83.90	82.55

**Verification:** The project owner shall provide copies of the ERC or MERC certificates shown in the table to the District and the CPM 30 days prior to the combustion of fuel in the gas turbines.

**SOILS AND WATER RESOURCES**

Page 226, Item 3, Findings and Conclusions:  
Revise as follows:

“Applicant has provided a draft Erosion Control and Stormwater Management Plan that will serve as the **basis for the final** Stormwater Pollution Prevention ~~P~~lan as required under the General Construction Stormwater Permit issued by the **Regional State Water Quality Resources Control Board.**”

## **CULTURAL RESOURCES**

1) footnote 76 page 230 should read:

Potential impacts are considered only for those cultural resources that are deemed significant or important under criteria established by federal and state laws and regulations. If a cultural resource is determined to be eligible for or listed on the National Register of Historic Places (NRHP) or the California Register of Historical Resources (CRHR), then the resource is deemed significant. (National Historic Preservation Act, 16 U.S.C. 470; 36 CFR 800 et seq.; CEQA Guidelines, Title 14, CCR Section 15064.5; Title 14, CCR 4850 et seq.)

2) page 230, Methodology

In the first sentence please change "area of potential effect" to "Area of Potential Effect".

3) page 231, paragraph 3 (last paragraph of Methodology)

Please add "over" before "40 studies". Please change second sentence to read as follows: "Within one-mile of the APE for the OMGP, there are 257 recorded prehistoric or historic sites and 52 isolates. The project APE contains only 35 recorded prehistoric or historic sites and one isolate".

4) page 235, last sentence of first paragraph

Please remove the sentence that reads, "Two cultural sites identified within this alignment were determined to be insignificant." This information is redundant with the table and is confusing since this information is not contained in the other sections except as the table.

5) page 237, Mitigation, third sentence of first paragraph

Please replace the word "creates" with "increases".

6) page 240, Cul-1 Verification, third paragraph

Please remove "or field director" and change the last word in the sentence to "individual".

7) page 241, Cul-3, Protocol item c

Please remove the last sentence that reads, "The cultural resources team shall include one member professionally qualified in historical or industrial archeology."

8) page 243, Cul-4, Verification

In the last sentence "r sum" should be "resume".

9) page 246, Cul-10

The paragraph titled "Protocol" should be titled "Verification".

## **LAND USE**

Page 261, 1<sup>st</sup> full paragraph: As stated in Staff's additional testimony and errata (dated November 9, 2000), the single residence which was located on Otay Mesa Road (about 3,500 feet southwest of the plant site) has been demolished. Therefore, no residential land uses exist within one mile of the plant site. However, a group of three residences

located about 6,200 feet from the site are within ¼ of a mile of natural gas pipeline Route 2A. Also, no lands designated Impact Sensitive are within one mile of the plant site; however, the wastewater pipeline would cross land designated Impact Sensitive. Please revise as follows:

“Land use within a 1-mile radius around the plant site and ¼ mile of the proposed linear facilities include...” and “Land use designations within a 1-mile radius around the plant site and ¼ mile of the linear facilities include...”

Page 261, paragraph 2, revise as follows:

“...2) a 1.6-mile pipeline that would run for the most part within the Miguel-Tijuana transmission line right-of-way (Route 2B).

Page 262, paragraph 1, revise as follows:

“Access to the site will be made through two roads: 1) a 0.15-mile road (Route 5) connecting the northwest corner of the power plant site with Alta Road and following the route of a planned local road depicted on the East Otay Mesa Specific Plan Circulation Plan; and 2) a 0.2-mile road (Route 5A) connecting the southwest corner of the power plant site to Alta Road and following the same route as the potable water supply line and portions of the natural gas pipeline (Route 2A).”

Page 265, Finding 2, revise as follows:

“The project will exceed the allowable height limit in the Mixed Industrial zoning district; however, the County indicated if it were the permitting agency, the County would grant a height exception to the project subject to certain conditions, which have been incorporated in Condition of Certification **LAND-1** and **LAND-2**.”

Page 265, Finding 7, revise as follows:

“Use of the site to construct and operate the project will not have a significant adverse effect on agricultural production in San Diego County...”

## **TRAFFIC AND TRANSPORTATION**

P.274, Paragraph 2, Sentence 2, revise as follows:

“The applicant signed a Memorandum of Understanding (MOU) summarizing the traffic mitigation plan, and San Diego County, the City of San Diego, and Caltrans District 11 accepted this mitigation plan”.

## **VISUAL RESOURCES**

- 1) Page 286, Paragraph 2, Line 2, Potential Impacts:  
Insert the word “seven” before “KOPs”.  
Insert the word “identified” after “KOPs”.
- 2) Page 286, Paragraph 2, Lines 2, 3, and 4:  
Delete the sentence beginning with “See Table 5.13-4 below,....  
Delete the sentence beginning with “Staff concurred...”
- 3) Page 286, Table 5.13-4:

Delete the table, since the entries in the column on the far right are inconsistent with staff's conclusions.

- 4) Page 291, VIS-3  
Move the last two bullet items to the left so that they are aligned with the VIS-3 Protocol on Page 290.
- 5) Page 292, VIS-5  
Move the last bullet item to the left so that it is aligned with the VIS-5 Protocol on Page 292.

## **NOISE**

Page 294, first paragraph: Add the following language to the end of the final sentence:  
“and will not significantly increase ambient noise levels.”

Page 296, last paragraph, second sentence: Replace this sentence with the following:  
“In this case, the most stringent criterion is an increase of five dBA or more above the existing ambient noise level.”

Page 298, first paragraph, last sentence:  
Move this sentence to the following section (“b. Operation”), as it pertains to plant operation.

Page 298, first complete paragraph (under “b. Operation”), line 4: Change “40 dBA” to “34 dBA”.

Page 299, paragraph number 5:  
Change “consistent with applicable law limiting” to “consistent with avoiding significant adverse impacts by limiting”.