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DATE JUN 5 2006
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MEMORANDUM OF UNDERSTANDING BETWEEN THE CALIFORNIA ENERGY COMMISSION STAFF AND STAFF OF THE SAN FRANCISCO BAY REGIONAL WATER QUALITY CONTROL BOARD

The California Energy Commission ("Commission") is the lead agency for licensing of thermal power plants of 50 megawatts or greater in the State of California. In this licensing role it pre-empts the permitting authority of other state and local governments. (Pub. Resources Code, § 25500.) The Commission is currently conducting a proceeding to process the application for the San Francisco Energy Reliability Project ("SFERP"), a 145-megawatt thermal power plant proposed to be built at a "hazardous materials release site" in southeast San Francisco.

The San Francisco Bay Regional Water Quality Control Board ("Board") has been designated by the Cal-EPA Site Designation Committee as the "administering agency" for the SFERP hazardous materials release site, and is thus responsible for all aspects of site investigation and remedial action, and responsible for administering all state and local laws with regard to such remedial action of the SFERP site. (Health & Saf. Code, § 25264.)

To harmonize potentially conflicting jurisdictional responsibilities regarding the SFERP site, the staffs of the two respective agencies agree to collaborate in the manner described below:

1. The Commission staff shall timely provide the Board staff with all documents, analyses, testimony, and proposed licensing conditions produced by Commission staff in the Commission's SFERP proceeding, as well as all pertinent decisional documents produced by the Commission. Commission staff shall coordinate with Board staff on cleanup standards.

2. Board staff shall keep Commission staff informed regarding how any public health/worker safety performance standards in the Commission's licensing decision will be required to be implemented during any required remediation, and regarding whether remediation will be required to protect water quality and the San Francisco Bay environment from pollution that already exists at the power plant site.

3. Commission staff and Board staff shall hold periodic meetings to discuss matters of mutual interest regarding the SFERP project and associated site cleanup. These meetings may be by teleconference and should occur no less than once per month. The staffs of the Department of Toxic Substances Control and the San Francisco Public Health Department will be invited to participate in these staff collaborative discussions.

Executed on June 5, 2006

BRUCE H. WOLFE
Executive Officer
San Francisco Bay Regional Water
Quality Control Board

B. B. BLEVINS
Executive Director
California Energy Commission