SECTION 4.0

Environmental Justice

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4.1 Introduction

California law defines environmental justice (EJ) as "the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation and enforcement of environmental laws, regulations and policies" (Government Code Section 65040.12). The City and County of San Francisco (CCSF) supports the goals of environmental justice and is committed to promoting social justice and equality in the context of environmental policymaking and its administrative and regulatory programs. The San Francisco Electric Reliability Project (SFERP) is an important project to facilitate the closure of existing in-City generation while maintaining electric reliability.

4.2 The City's Current Policy on Environmental Justice and New Generating Facilities in Southeast San Francisco

In May 2001, the San Francisco Board of Supervisors adopted Ordinance No. 124-01 establishing City policy for the development of electrical generating units at the Potrero Power Plant in Southeast San Francisco. In that ordinance, the Board of Supervisors found that:

(A) The Energy Resources Conservation and Development Commission (California Energy Commission [CEC]) has recognized Southeast San Francisco as a minority community entitled to environmental justice.

(B) All of the major electrical generating units in San Francisco are located in Southeast San Francisco, which includes the Bayview, Hunters Point, Potrero Hill, and Dogpatch neighborhoods.

(C) Southeast San Francisco has a disproportionate number of industrial and polluting facilities.

(D) Southeast San Francisco has an extraordinarily high rate of childhood asthma and other serious respiratory diseases.

(E) Fossil fuel generation is associated with pollutants that damage public health.

(F) Oil-fueled generation, such as that produced by the Potrero Power Plant Units 4, 5, and 6 known as "Peakers," is potentially more harmful than natural gas-fueled generation.

(G) Alternative fuel sources are more protective of the environment and human health than fossil fuel generation.

(H) The City signed an agreement with PG&E calling for the permanent shutdown of the Hunters Point Power Plant, as determined by the appropriate state and federal

regulatory authorities, as soon as the facility is no longer needed to sustain electrical reliability.

(I) The California Independent System Operator has identified transmission upgrades that would assist with providing reliable electricity to San Francisco.

(J) The City has agreed with PG&E to advocate the expeditious development of capacity (generation and/or transmission), which minimizes adverse community and environmental impacts to replace the Hunters Point Power Plant.

This series of findings sets forth unambiguously the City's view that Southeast San Francisco is a community of color with relatively high rates of serious respiratory diseases; and that the Southeast San Francisco has been disproportionately impacted by industrial facilities including electric power generation.

Ordinance 124-01 goes on to set forth a series of requirements for any new fossil-fueled power generation at the Potrero Hill Power Plant in Southeast San Francisco. The requirements are designed to minimize adverse impacts from additional power plant development in the region. The requirements stress (1) reduction of potential and actual emissions of criteria, toxic and hazardous air pollutants; (2) closure of Hunters Point Power Plant; (3) limiting or eliminating the operation of the peaking units at the Potrero Power Plant; (4) cleanup and eventual shut down of Potrero Power Plant Unit 3; and (5) mitigation of the adverse social, economic, cultural, environmental, and public health impacts from the new generation on the impacted communities in Southeast San Francisco. Ordinance 124-01 provides that any agreement by City officials or departments for or related to new electric generation in San Francisco shall require approval of the Board of Supervisors. Ordinance 124-01 also provides for the development of an Energy Resource Plan to implement all practical transmission, conservation, efficiency and renewable alternatives to fossil fueled generation in the City. Although the SFERP is no longer proposed to be sited at the Potrero Hill Power Plant, Ordinance 124-01 still provides general policy guidance about the City's objectives for the development of generation in Southeast San Francisco.

4.3 The SFERP Supports the Objectives of Ordinance 124-01

Section 3.0, Purpose and Need, describes how the SFERP supports closure of existing dirty generation within Southeast San Francisco, as a component of a portfolio of resources that includes transmission, energy efficiency improvements, renewable resources, and clean distributed generation. As that section explains, a primary purpose of the City in developing the SFERP is to provide for closure of existing old dirty generation in the City while maintaining electrical reliability. Closure of existing dirty generation within Southeast San Francisco will eliminate a significant source of pollution that affects the local communities.

Nonetheless, the City recognizes that the SFERP, while significantly cleaner than existing generation, could have adverse air quality and public health impacts that must be minimized. Accordingly, the City has designed into the SFERP a variety of features to ensure that the SFERP supports the objectives set forth in Ordinance 124-01 and meets the requirements of the California Environmental Quality Act, as follows:

(1) Reduction of potential and actual emissions of criteria, toxic and hazardous air pollutants.

Although under Bay Area Air Quality Management District (BAAQMD) air quality rules the City is only required to offset oxides of nitrogen ($NO_{X)}$ emissions from the SFERP on a 1.15 to 1 basis, the City will offset emissions of both NO_X at a 1.19 to 1 basis. The City has obtained an option to procure local emission reduction credits (ERCs) to fulfill this commitment. In this manner, the City will assure that it is not exchanging impacts from the SFERP to the local San Francisco communities for benefits from ERCs that were created in distant communities in the BAAQMD. Consistent with BAAQMD rules, the City will install best available control technology (BACT) on the SFERP to reduce plant emissions to the greatest extent possible. Emissions from the SFERP will be monitored using BAAQMD-approved continuous emission monitors for NOx and carbon monoxide (CO). In addition, although the modeling shows that the SFERP is not expected to contribute significantly to cumulative regional or localized impacts of any air pollutant, including NO_2 and PM_{10}, there will be PM_{10} impacts from the SFERP in both Potrero and Bayview/Hunters Point. In addition, although the impacts of toxic air contaminants from the project are below the levels considered to be significant by the regulatory agencies, the City recognizes that the highest acute health hazard index from the project will be in Bayview/Hunters Point. To address these concerns, the City is developing, with community input, a PM_{10} mitigation/community benefits package as described below. The City will target the mitigation to the areas affected by the impacts from the project.

(2) Elimination of the Need for Existing in-City Generation.

As is explained in Section 3, Purpose and Need, the SF Action Plan approved by the Board of the California Independent System Operator (CAISO) sets forth the requirements to eliminate the need for all existing in-City generation. The Hunters Point Power Plant should be closed prior to the in-service date of the SFERP, with the construction of the 230-kV Jefferson-Martin transmission line and a series of additional transmission projects that are currently underway. Once the requirements for closure of Hunters Point Power Plant are in place, the Reliability-Must-Run (RMR) agreement for Potrero Unit 3 can be terminated with the installation of the SFERP and a fourth City-owned combustion turbine at the San Francisco International Airport. With the requirements for elimination of the RMR Agreement for Potrero Unit 3 in place, the RMR Agreement for Potrero Units 4, 5 and 6 can be eliminated with four further transmission projects that should be completed by the end of 2007. The removal of the RMR Agreement from units at the Potrero Power Plant would eliminate an important source of revenue to Mirant from continued operation of the units and would allow the owner (Mirant Potrero, LLC) to shut down the plant.

(3) Mitigation of the adverse social, economic, cultural, environmental and public health impacts from the new generation on the impacted communities in Southeast San Francisco.

The City is committed to mitigating the impacts from the SFERP on the Southeast San Francisco communities. In addition to minimizing the emissions from the SFERP, as

described above, the City is in the process of developing a mitigation community benefits plan for particulate matter smaller than 10 microns (PM_{10}).

During 2003, the City consulted extensively about the SFERP with community members and hosted several public meetings to introduce and discuss the project. Input from these meetings and from Supervisor Maxwell, who represents the Potrero, Hunters Point, and Dogpatch neighborhoods, provided the basis for certain features of the SFERP designed to reduce impacts on the community:

(a) The City is siting one of the four combustion turbines available for development away from Southeast San Francisco at the San Francisco International Airport.

(b) The City will use recycled water for cooling at the SFERP. Hence, the City will significantly reduce the use of potable water at the plant and avoid any impacts from use of Bay waters.

(c) The City is working with the affected communities to develop a PM_{10} mitigation and community benefits package to offset remaining impacts from the SFERP. Additional details about the process to develop this package are presented below.

Thus, the SFERP generally meets the objectives set forth in Ordinance 124-01. Moreover, before the SFERP is constructed, the project will be presented to the Board of Supervisors for approval of financing and contractual arrangements. At that time, the Board of Supervisors will have the opportunity to determine whether the features of the SFERP, including the PM_{10} mitigation/community benefits program, adequately satisfy the objectives for development of generation set forth in Ordinance 124-01.

The City is aware that typically the California Energy Commission requires an assessment of Environmental Justice pursuant to President Clinton's Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (1994). Although it has not formulated a formal environmental justice policy, the CEC has established an approach in preparing an Environmental Justice Analysis. Appendix 8.8A undertakes such an analysis in a manner that is generally consistent with the CEC's approach solely for the purpose of meeting the CEC's data adequacy requirements.

4.4 PM_{10}/Community Benefits Program

In addition to offsetting the NO_x and POC emissions from the SFERP as described earlier, the City is committing to offset the estimated 18.2 tons per year of PM_{10} emissions from the project. This commitment is consistent with recent CEC permitting cases that provide for the mitigation of the impacts of PM_{10} emissions and other community public health concerns. (See CEC decisions for the Pico Power Project, the Metcalf Energy Center, the Tracy Peaker, and Tesla Power Project.) To develop a PM_{10} mitigation/community benefits program that both addresses the project impacts and the environmental and public health concerns of the affected Potrero and Bayview-Hunters Points communities, the City has held two public workshops and a number of meetings with interested members of the community. Project staff has also attended a number of community and other meetings, including meetings of the Power Plant Task Force, the Dogpatch Community Association, the Environmental Subcommittee of the Bayview Project Area Committee, and the Policy Committee of the

City's Commission on Environment. Public comment on potential mitigation measures was also received via mail and email submissions. These activities afforded members of the public an opportunity to provide input into the availability, feasibility and relative merit of options for mitigation. The meetings and workshops were attended by a diverse group of participants representing the residential and commercial sectors of the Dogpatch, Potrero, and Bayview-Hunters Point neighborhoods, as well as local environmental groups, governmental agencies interested in the SFERP, and the general public.

Through these activities, and additional work and analysis by City staff and consultants, a list of 47 possible actions was identified that could either mitigate PM_{10} emissions from the SFERP or otherwise enhance the quality of life in the affected communities. Project staff evaluated each of the 47 possible actions to determine their feasibility and potential to reduce PM_{10} emissions. This list was further screened to eliminate actions that would duplicate the implementation of pending regulation changes, such as the Air Resources Board's proposed regulation of truck refrigeration units. The remaining short list of possible actions that could be considered for a PM_{10} mitigation program for SFERP are listed below:

- Street sweeping of traffic lanes on high traffic streets
- Replacing wood fireplaces
- Sodding or paving high traffic areas
- Vehicle scrappage

With some further analysis and public workshops, the project staff will finalize a recommendation for a PM_{10} mitigation/community benefits package and present their recommendation to the San Francisco Public Utilities Commission and the Policy Committee of the San Francisco Environmental Commission for their input and comment. The City will present a final proposal to the CEC in June 2005.

Through funding from sources unrelated to the SFERP, the City has fielded additional programs to improve the quality of life in Southeast San Francisco, and has and will continue to give consideration to some of the 43 remaining actions identified in the community workshops as potential community benefit projects. Moreover, in the context of evaluating PM_{10} mitigations, San Francisco Department of Public Heath (SFDPH) staff suggested greater consideration of transportation demand reduction strategies. Such strategies can include improvements to the pedestrians and bicyclists—transit linkages. SFDPH staff support such strategies as they have multiple simultaneous public health and environmental benefits, in addition to benefits on air quality. Consideration and evaluation of these strategies was unfortunately not possible for purposes of a PM_{10} mitigation program associated with the SFERP because of the limited cost-benefit evaluation data available on demand reduction strategies. Further investigation of these strategies and investigation of available cost-benefit data would have merit in the context of ongoing City efforts to improve air quality in Southeast San Francisco.

4.5 Air Monitoring

Another City project that is unrelated but relevant to the SFERP involves air monitoring. The City is working with air agencies to collect and evaluate air monitoring data in an attempt to determine the overall air quality in the southeast communities of San Francisco.

The data will help the City continue to develop programs and activities to reduce air pollution in the Southeast area.

Specifically, the City is working in a collaborative partnership with the BAAQMD and the California Air Resources Board to temporarily operate a local air quality monitoring station in the Hunters Point community. The monitoring station, located at Whitney Young Circle at Hudson and Progress streets in San Francisco, is collecting data on criteria and toxic air pollutants for a period of 12 months. Data are being evaluated and compared with the pollutant measurements for the same period obtained by BAAQMD at its permanent monitoring stations in the Bay Area, especially the one located on Arkansas Street in the Potrero neighborhood of San Francisco. This comparison will help to determine if there are any significant local variations in the ambient air quality between the monitoring locations. The air monitoring information will also provide a basis to assess the need for additional programs to improve air quality in Southeast San Francisco. A comparison of preliminary data collected at the Bayview Hunters Point Community Air Monitoring Project (BayCAMP) during the first 6 months of operation, July through December 2004, with historical data collected at the BAAQMD Arkansas Street monitoring station is presented in Table 8.1-25. The comparison indicates that the air concentrations of criteria pollutants in the vicinity of BayCAMP are comparable to those in the vicinity of the Arkansas Street monitoring stations.