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July 28, 2006

Bill Pfanner, Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

RE: LS Power South Bay Project (06-AFC-3)

Dear Mr. Pfanner:

Enclosed for your consideration is the Coastal Commission staff's assessment of the adequacy of the Application For Certification (AFC) for the proposed South Bay Replacement Project. We appreciate your willingness to incorporate our findings into the California Energy Commission (CEC) staff recommendation on data adequacy to the CEC.

The purpose of this letter is to clearly enunciate our opinion that the Application For Certification (AFC), while helpful, does not contain adequate data with which to conduct a thorough analysis of the proposed project and its potential effects on coastal resources as required by Coastal Act §30413. Due to AFC shortcomings in the areas of alternatives analysis, land use, marine and terrestrial biological resources, water resources, and soil and water quality, all of which are outlined in Attachment "A", we recommend that the CEC make a finding that the AFC is not data adequate, until such time as the missing information is supplied by the applicant.

Although the AFC does not yet meet the level of data adequacy, the AFC and other portions of this proceeding's evidentiary body represent an excellent beginning to the certification process. We look forward to working closely with the applicant, the CEC, and others to evaluate the proposed project's conformity with the Coastal Act. Please call me at (415) 904-5502 if you have any questions about this letter or our comments contained in Attachment A.

Sincerely,

Cassidy Teufel

Cassidy Teufel
Coastal Programs Analyst

Encl. Attachment A – Data Adequacy Evaluation

# Coastal Commission Staff Specific Comments on Data Adequacy for the Proposed South Bay Replacement Project Application for Certification

## General Comments

*SDG&E Substation Demolition*
California Coastal Commission (Commission) staff requests that the South Bay Replacement Project Application for Certification (AFC) include an explanation of why the proposed demolition of the existing SDG&E substation has not been included within the scope of this document's discussion. Considering the obvious link between the removal of the South Bay Power Plant and its associated substation, Commission staff finds that inclusion of the proposed substation demolition activities in the AFC would be warranted and appropriate.

## Alternatives Analysis

*Power Plant Site Alternatives*
Commission staff finds the information and analysis provided in section 9.5.4 to be insufficient to substantiate and support the conclusions that are included in this section. A more quantitative assessment is needed to support the AFC's findings. We request that the Power Plant Site Alternatives section be expanded with more quantitative analyses of the proposed alternative sites, including detailed alternative site location information, more comprehensive site descriptions and feasibility analyses, detailed assessments of potential biological impacts that include quantitative comparisons of the likelihood that each of these impacts will occur at each site and an evaluation of potential strategies that could be used to mitigate or minimize the adverse impacts associated with each alternative site.

*Proposed Site 1 Analysis*
Commission staff believes that the analysis provided under section 9.5.4.1, Proposed Project Site (Site 1) includes an inadequate recognition of the potential for sensitive species to be found within the SBRP site, due to the proximity of several national wildlife refuge sites and federally designated environmentally sensitive habitats.

## Land Use

*Analysis of Relevant Coastal Act Policies*
Commission staff requests that the AFC's land use policy consistency analysis include a description of how the proposed project conforms to Section 30260 of the Coastal Act as it pertains to coastal dependant industry and the location or expansion of industrial development.

*Chula Vista Bayfront Local Coastal Program*
Commission staff requests that the AFC's land use policy consistency analysis include a description of the proposed project's compliance with the land use policies of the current Chula Vista Bayfront Local Coastal Program. In addition, Commission staff requests that this section of the AFC include a more detailed and comprehensive analysis of the proposed Chula Vista Bayfront Master Plan (CVBMP). This assessment should address the potential zoning, land use and development changes proposed for the South Bay Replacement Project (SBRP) site, the South Bay Power Plant site and the surrounding bayfront and how these potential changes will affect the SBRP. Commission staff also requests that the AFC include a revised and updated timeline for the CVBMP review process and identify potential conflicts that this process may raise with the SBRP AFC process.

## Marine Biological Resources

*Green Sea Turtles*
Commission staff finds the AFC's conclusions relating to the proposed project's effects on endangered marine turtles either unsubstantiated or premature. In particular, the AFC lacks both scientific evidence and factual support for the conclusion made on page 8.2-32 that the "elimination of the artificial warm water plume in the Bay may give the green sea turtle opportunities to leave the Bay for breeding areas in Baja California or Mexico." Commission staff requests that unless this statement can be scientifically verified, it should be removed from the document. Furthermore, considering the level of federal protection afforded green sea turtles, the continuing decline of all species of marine turtles worldwide, and the recognized scientific value of the San Diego Bay population of green turtles, the Commission staff requests that the AFC include a comprehensive discussion of potential strategies to mitigate or reduce the potential adverse impacts that the elimination of the South Bay Power Plant's thermal discharge plume may have on San Diego Bay's green sea turtles. The Coastal Commission staff finds the nearly complete dismissal of this potentially significant source of adverse impacts to a federally endangered species to be unacceptable.

*Underwater Noise*
The propagation of loud or sustained noise in the underwater environment has the potential to adversely impact marine organisms including fish, marine mammals and sea turtles. In describing the proposed demolition of the current South Bay Power Plant's intake and effluent channels, the AFC states that some demolition activities will occur in and near marine areas. Commission staff requests that the AFC describe the specific type of demolition activities proposed for the marine environment and include an estimate of the underwater sound levels associated with these activities. Also, based on the presence and abundance of protected green sea turtles near the effluent channel, Commission staff requests that the AFC include a monitoring plan or strategy to minimize the possibility of adverse impacts on these turtles due to demolition related noise.

## Terrestrial Biological Resources

With respect to terrestrial resources, the AFC makes a number of unsupported conclusions that require further information and explanation:

*Wetlands Delineation*
The AFC finds that although it contains significant populations of wetland indicator plant species "the containment area is an industrial facility constructed in upland soil, does not have an [ordinary high water mark], and most likely does not fall under the jurisdiction of the USACE " (AFC, 8.2-16). The AFC includes no formal wetland delineation to support this claim however. Thus, Commission staff is unable to determine whether or not the AFC conclusions are correct. In addition, section 8.2.3.5.7 of the AFC, Water Resources, Drainages and Potential Wetlands, lacks a recognition of the fact that the USACE and the California Coastal Commission support distinct wetland classification systems and therefore does not provide an assessment of areas that meet may qualify as wetlands based on California Coastal Commission criteria. Accordingly, Commission staff requests that the AFC be amended to include a wetland delineation based on Coastal Commission wetland criteria.

*Special-Status Species*
Section 8.2.3.7 of the AFC describes additional analyses that could be carried out to evaluate potential adverse impacts from proposed demolition and construction activities on special-status species of birds. Considering the project site's proximity to the Chula Vista Wildlife Reserve, the San Diego South Bay Unit National Wildlife Refuge and the J Street Marsh, Commission staff requests that these additional analyses be carried out and included in the AFC. Additionally, Commission staff requests that the AFC provide a description of the measures that could be implemented to avoid and/or reduce potential impacts to special-status species (e.g., timing construction activities to occur outside of breeding/nesting periods, etc.).

*Environmentally Sensitive Habitat Areas*
As currently proposed, the SBRP is sited directly adjacent to the San Diego South Bay Unit National Wildlife Refuge, an area formally designated as environmentally sensitive habitat area. Based on this fact, Commission staff requests that the AFC include some discussion of how the proposed development has been sited and designed to prevent impacts that would significantly degrade this environmentally sensitive habitat area. Commission staff also requests that the AFC include a similar analysis for the demolition activities required to remove the existing South Bay Power Plant and how these activities have been designed to prevent adverse impacts on the environmentally sensitive habitat areas of J Street Marsh and the Chula Vista Wildlife Reserve.

## Water Resources

*Best Management Practices (BMPs)*
Section 8.14.7 of the AFC, Water Resources Mitigation, states that the project will utilize BMPs to minimize soil erosion and sediment transport during demolition and construction activities. Commission staff requests that this section elaborate more on the specific techniques and technologies that will be used to minimize erosion and sediment transport, the specific locations at the project site where these techniques will be used. Additionally, Commission staff requests that the AFC include a description of the specific BMPs that will be implemented once the proposed plant is in operation.

## Soil and Water Quality

The AFC contains insufficient information to determine what effects the proposed project may have on soil and water quality.

*Grading Plan*
Commission staff requests that the AFC identify how and where grading and proposed work will affect contaminated soil and water resources. In particular, Commission staff requests a more detailed grading plan as well as a description of the specific erosion control measures that the applicant intends to implement in order to protect surrounding water bodies. Commission staff also requests that the AFC include locations and descriptions of contaminated soil and water resources as well as the results of the soil and water testing that was conducted to identify these contaminated sites.