Environmental Health Coalition

COALICION de SALUD AMBIENTAL

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DATE FEB 23 2007
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February 23, 2007

Mr. Kevin R. Johnson, Vice President
LS Power Generation, LLC
1735 Technology Drive, Suite 820
San Jose, CA 95050
E-mail: kjohnson@lspower.com

RE: SOUTH BAY REPLACEMENT PROJECT (06-AFC-3)
DATA REQUESTS 1-29

Dear Mr. Johnson:

Pursuant to Title 20, California Code of Regulations, section 1716, Environmental Health Coalition (EHC) submits the following Data Requests. This information is necessary to: (1) more fully understand the project; (2) assess whether the project will result in significant environmental impacts; (3) assess whether the facilities will be operated in a manner protective of public health; and (4) assess potential alternatives and mitigation measures. These requests are necessarily incomplete because we have not yet received the CD of air modeling material submitted in support of LS Power's recent data responses. EHC has filed a request for an extension of time in which to submit data requests, and EHC intends to supplement these data requests if the request for an extension is granted and this additional information is received. We also believe that this proceeding should be suspended or redirected to options more acceptable to local governmental authorities and the public.

If you are unable to provide the information requested, need additional time, or object to providing the requested information, please send a written notification to the Committee and to me within 10 days of receipt of this notice. The notification must contain the reasons for the inability to provide the information or the grounds for any objections. (Cal. Code Regs., tit. 20, § 1716, subd. (f).)

Thank you for your attention to these requests.

Sincerely,

Laura Hunter

Laura Hunter, Director
Clean Bay Campaign

DATA REQUESTS

South Bay Replacement Project (06-AFC-3)

PROCEEDINGS

Background

The proposed project cannot be built without a lease from the Port District. The Port District is expected to consider whether or not they are interested in entering into a Lease Option for this project. Port Commissioners have publicly stated that they will follow the City of Chula Vista's position. On Tuesday, February 20, the City Council voted unanimously that they did not want a power plant on the Bayfront, old or new.

Data Requests

1. If the Port votes against the concept of a lease option for the proposed project on the Bayfront, how will LS Power proceed with this project?
2. Where will they propose to locate it?
3. What changes will they make to it?
4. Will those changes lessen the impacts to the community?

REMOVING THE RMR

Background

There are several scenarios under which RMR status could be removed from the South Bay Power Plant, all of which meet the requirement to add 650 MW of new capacity. Examples include peaker plants and the propsoed renewable and gas-fired options. However, it is clear that to be built a project needs either a contract with San Diego Gas and Electric Company ("SDGE") or treatment by SDGE as a rate based asset. According to SDGE, the SBRP repower project provides little value to the SDGE distribution system because peaker plants are more desirable and less expensive than a new base load plant.

Data Request

5. Can the project be built without a long-term contract with SDGE?

CEC PREFERRED LOADING ORDER

Background

The CEC has adopted a preferred loading order ranking available energy sources in the following order of priority: (1) energy conservation, (2) efficiency, (3) renewable, (4) gas-fired generation, and (5) transmission.

Data Requests

6. How will this project support the loading order?
7. What additional actions is LSpower willing to take to further those energy items higher on the priotity

ENVIRONMENTAL HAZARDS

Background

The Chula Vista shoreline is in the back bay area of a very shallow bay. Shallow areas such as this shoreline will be affected first and most significantly by projected changes in sea level associated with global climate change.

Data Requests

8. Describe what impact sea level rise will have on this project and property over the next 50 years.
9. The CEC staff suggested that berms would be constructed to protect the plant. Is this true?
10. What secondary environmental impacts on adjacent properties, especially the wildlife resources, could result from construction of a berm or seawall?
11. If the defense against the sea level rise is seawalls or other containment strategies, where will the dewatering wastes be discharged? In light of the prohibition against discharging permanent dewatering wastes into San Diego Bay, please assess the cost and feasibility of any alternative disposal methods, including treating this waste water and discharging it to the sewer system.

Background

The project is located in an active earthquake zone on filled marsh lands.

Data Request

12. How will the project be protected against liquefaction in the event of an earthquake?

AIR QUALITY AND EMISSIONS

Background

Emission of greenhouse gases (GHG) through combustion of fossil fuels is threatening the global climate. Cleaner alternatives exist and viable options of hybrid and cleaner alternatives for energy generation are possible. For example, EHC just released a Green Energy Options Report ("GEO Report"), prepared by Local Power, that discusses cleaner alternatives.

Data Requests

13. Please analyze the greenhouse emissions of alternatives such as those outlined in the GEO Report and compare those emissions with those of the proposed project.
14. Please analyze how alternatives to this project could reduce GHG to the lowest levels or eliminate them completely.

Background

Welding and dismantling of the power plant will result in hexavalent chromium emissions.

Data Requests

15. What are the levels of hexavalent chromium that will be emitted and for how long?
16. What measures will be taken to protect local residents and workers?

Background

LSPower has made the statement that "The RMR contract cannot compel the SBPP and/or the SBPP to operate in violation of Permit Conditions" in their letter to the APCD and CEC of February 13, 2007. However, using the example of Palomar recently, variances (at least seven in one year) were given to the operators of Palomar regarding their air emissions. At the South Bay Power Plant a number of years ago the Governor issued an Executive Order that would have allowed the SBPP and other plants to violate their NPDES permits in order to operate. Given that there are

mechanisms to override the permit conditions, even if initially protective, then this claim cannot be made. In another Palomar example, additional technology was added recently that increased the emissions but the CEC did not require additional assessment. It is important to remember that power plant emissions are highly localized so what may not have a regional significant impact, can have a localized impact. Also, permit conditions can, and often do, change. This would be expected over the 50 year expected life of this project.

Data Request

17. What enforceable guarantees will LS Power offer to ensure that no variances, Executive Orders, or other expansion or allowance of additional emissions will ever occur?

Background

A lower NAAQS for $PM_{2.5}$ has recently been established by the US EPA. Also the monitored levels of PM in the area already exceed existing CAAQS and the new NAAQS.

Data Requests

18. How do total 24-hour $PM_{2.5}$ air quality impacts (background levels in West Chula Vista combined with the SBRP's incremental impacts)-compare to the new NAAQS?
19. How will the proposed SBRP affect local compliance with the existing CAAQS and new NAAQS (compliance is mandated by 2015)?

Background

A new major source of air emissions would have to offset emissions 1.2 to 1. LSPower is proposing a 1:1 offset.

Data Requests

20. How does LSPower justify this failure to reduce emissions through the offset program?
21. Would LSPower commit to an air permit condition that would require offsets that would result in a significant reduction in pollution impacts on the downwind community?

Background

The SBRP's particulate matter and potentially other air quality impacts appear to be significant, although appropriate air quality modeling data has not yet been provided.

Data Requests

22. What measures will LS Power propose to mitigate particulate matter impacts so that the SBRP does not contribute particulate matter impacts to an area that is already in violation of CAAQS and NAAQS?

23. PM offsets provided by the existing plant's closure are not sufficient as PM measurements at the nearest monitoring station currently violate standards. Please explain how the project will achieve a *reduction* in air quality impacts, not just maintenance of current conditions.

Background

The community would like to know what areas will be impacted by air pollution emissions from the plant.

Data Request

24. Please provide a map of the geographic area with an overlay of isopleths that clearly delineate the area that is estimated to be impacted by the SBRP's air pollution emissions. It should also show the location of sensitive receptors such as schools, elder care and day care facilities.

Background

It is not clear from the applicant's data response that cumulative impacts of criteria air pollutants, toxic air contaminants, and hazardous materials were adequately analyzed. Based on our understanding of other pollution sources in the area, a cumulative impact analysis should, at a minimum, include BFGoodrich and mining operations in the area.

Data Request

25. Please clarify how SDAPCD's cumulative impacts evaluation criteria adequately accounts for potential toxic air contaminant impacts from past, present, and reasonably foreseeable probable future projects, including but not limited to the sources outlined above.

ALTERNATIVES

Background

In the recently released GEO Report, Local Power analyzed three hybrid options that could be developed to replace various percentages of the RMR capacity currently designated for the South Bay Power Plant. The GEO Report discusses the feasibility and cost-effectiveness of replacing the South Bay Power Plant with competitive clean energy solutions by 2010. The report demonstrates the economic and environmental benefits of meeting the region's future energy needs with *diverse* and *decentralized* energy resources and offers a plan that reduces dependency on imported energy supplies. Instead of continuing reliance on a large natural gas-fired plant, the GEO Report outlines choices that would constitute a diversified portfolio that includes:

- aggressive energy efficiency and demand reduction,
- solar and other renewable generation sources,
- improvement in the efficiency of the existing transmission grid, and
- strategically located and greatly scaled down natural gas-fired generation with the option to recycle waste heat for commercial and industrial use

The report documents that there are clean energy options for meeting our energy needs in the alternative to the large, polluting, gas-fired power plant currently proposed.

Data Request

26. Please evaluate these technologies as part of the AFC's alternatives analysis.

Background

Many of the alternative sites to the LNG site analyzed in the AFC were rejected due to issues such as the need for infrastructure and lack of water for a water cooled plant. **However, now those issues are not necessarily limiting factors.**

Data Request

27. Please re-analyze the sites and any other sites for the current project and other smaller projects using air-cooled technology and/or renewable energy.

Background

Unfired power plants have lower emissions at peak hours and overall. This is especially important as duct-firing increases emissions when air quality is worst, in communities who are hardest hit.

Data Request

28. Please analyze an unfired power plant alternative in various sizes and at various potentially feasible locations.

COOPERATION AGREEMENT

Background

The Cooperation Agreement requires a certain amount of funding to be spent on permitting a new project. It is our understanding that this amount of money was part of the sale of the existing power plant.

Data Request

29. In the business transaction between Duke and LSPower, how much funding was included to do the CEC AFC process? How much as has been spent to date?

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of: The Application for Certification for the LSP SOUTH BAY, LLC SOUTH BAY REPLACEMENT PROJECT	Docket No. 06-AFC-3

PROOF OF SERVICE

I, Laura Hunter, declare that on February 23, 2007, I deposited copies of the attached Data Requests in the United States mail at Escondido, California, with first class postage thereon fully prepaid and addressed to the following:

California Energy Commission
Attn: Docket No. 06-AFC-3
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

Kevin Johnson
LS Power Generation, LLC
1735 Technology Drive, Suite 820
San Jose, CA 95110

Consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210, electronic copies of the attached Data Requests also were sent to all those identified in the following list:

[see attached list]

I declare under penalty of perjury that the foregoing is true and correct.

Laura Hunter

Via email:

docket@energy.state.ca.us
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