

W 4a **W 5a & 5b**

ADDENDUM TO COMMISSION PACKET **FOR** **ENERGY, OCEAN RESOURCES and** **FEDERAL CONSISTENCY**

For Wednesday, August 6, 2008

- | | |
|----------------------|--|
| Item No. W 4a | E-06-013 (Revised findings) |
| W 5a & 5b | E-06-013 (Condition Compliance) |
- Poseidon Resources (Channelside) LLC
- Ex Parte Communications
 - Correspondence

**Item Nos. W 4a (Revised Findings)
W 5a & 5b (Condition Compliance)
E-06-013
Poseidon Resources (Channelside) LLC**

EX PARTE COMMUNICATIONS

Received as of
August 1, 2008

**FORM FOR DISCLOSURE OF
EX-PARTE COMMUNICATIONS**

Name or description of the project: Wednesday 4.a. Application No. E-06-013 (Poseidon Resources (Channelside), LLC, Carlsbad) & Wednesday 5. a&b. Condition Compliance for Permit No. E-06-013 (Poseidon Resources (Channelside), LLC, Carlsbad)

Time/Date of communication: 10 am, August 1, 2008

Location of communication: San Diego

Person(s) initiating communication: Gabriel Solmer, Bruce Reznik, Marco Gonzalez, Leslie Gaunt

Person(s) receiving communication: Pat Kruer

Type of communication: Meeting

Speakers urged denial of revised findings and opposed Special Conditions 8 and 10 for the desalination project on the basis of:

- The findings do not support the decision
- The conditions do not fully mitigate the greenhouse gas (GHG) emissions of the plant or the marine life mortality caused by the plant.

Date: August 1, 2008



Pat Kruer

AUG - 1 2008

FORM FOR DISCLOSURE OF EX PARTE COMMUNICATIONS

RECEIVED

AUG 01 2008

CALIFORNIA
COASTAL COMMISSION

Name or description of project , LCP, etc: Poseidon Resources Corporation
Carlsbad Desalination Facility
CDP E-06-013, Agenda Items W4a
W5a and W5b

Date and time of receipt of communication: August 1, 2008; 1:30 p.m.

Location of communication: Long Beach, CA

Type of communication (letter, facsimile, etc.): In-person meeting with Commissioner
Suja Lowenthal

Person(s) initiating communication: Peter MacLaggan, Poseidon Resources (BY
Susan McCabe, McCabe & Company PHONE)
Rick Zbur, Latham & Watkins

Detailed substantive description of content of communication:
 (Attach a copy of the complete text of any written material received.)

Poseidon representatives discussed issues related to the revised findings and their efforts to work with Staff to ensure that the findings are both consistent with the Commission's approval and "neutral" so that the Commission can consider both the staff's and Poseidon's views on the mitigation plans, and resolve those issues at the hearing. Poseidon representatives then discussed the issues set forth in two briefings booklets, copies of which Poseidon indicated have been provided to Commission staff and are included in the Commission's file, regarding the contents of their proposed Energy Minimization and Greenhouse Gas Reduction Plan and Marine Life Mitigation Plan and the key differences with the staff's proposals.

 Date



 Commissioner Suja Lowenthal

DISCLOSURE OF EX PARTE COMMUNICATIONS

Name or description of project: Poseidon Carlsbad Desalination Facility
CDP E-06-013, Agenda Items W4a,
W5a and W5b

Date and time of receipt of communication: July 25, 2008; 10 a.m.

Location of communication: Palo Alto, CA

Type of communication: In-person meeting

Persons initiating communication: Peter MacLaggan, Poseidon Resources
Susan McCabe, McCabe & Company
Rick Zbur, Latham & Watkins
Charlie Stringer, Renewable Group

Detailed substantive description of content of communication:

Poseidon said they are trying to work with staff to resolve open issues. Staff's proposed findings still contain provisions that Poseidon believes are inconsistent with the Commission's approval. They appear to restrict the Commission's authority to approve the mitigation plans proposed by Poseidon. Poseidon is requesting changes to make the findings "neutral" so that the Commission can consider both the staff's and Poseidon's views on the mitigation plans, and resolve those issues at the hearing.

The the staff recommendations for the Energy Minimization and Greenhouse Gas Reduction Plan exceeds the Commission's Coastal Act authority because it imposes a requirement on Poseidon to offset gross carbon emissions beyond its voluntary commitment. This is inconsistent with CEQA because the project a) will replace water to existing end users, b) the carbon related to pumping the replaced water is already in the "baseline" and c) their proposal would offset all net carbon emissions.

They also indicated that the staff proposal is unworkable because it a) restricts offset purchases to a small portion of the offset market, b) does not allow Poseidon to participate in governmental offset or carbon fee programs when they are developed, and c) does not have a contingency plan during periods of market instability, offset scarcity, or unusually high costs. They argued that staff's changes to Poseidon's plan made the plan unworkable and placed an excessive economic burden on the project.

For the Marine Life Mitigation Plan, they differed with staff in three areas. 1) The wetland acreage requirements proposed by staff are not consistent with past California Energy Commission or Coastal Commission methodology. 2) Poseidon has proposed a phased implementation approach, in which they would restore 37 acres during co-located operations, and up to another 5.5 acres if and when the project operates stand alone, and 3) that the 37 acres of restoration substantially over mitigates for co-located operations. Poseidon's plan allows the Commission to give them restoration credit for Lagoon dredging during Phase II mitigation, in the event Poseidon assumes responsibility for dredging the Agua Hedionda Lagoon.

July 29, 2008

Date



Commissioner Steve Blank

FORM FOR DISCLOSURE OF EX PARTE COMMUNICATIONS

Name or description of project , LCP, etc: Poseidon Resources Corporation
Carlsbad Desalination Facility
CDP E-06-013, Agenda Item Th17a

Date and time of receipt of communication: June 6, 2008; 4:00 p.m.

Location of communication: Rancho Palos Verdes, CA

Type of communication (letter, facsimile, etc.): Face-to-face meeting; Commissioner
Larry Clark was present

Person(s) initiating communication: Susan McCabe, McCabe & Company
Rick Zbur, Latham & Watkins LLP
Peter MacLaggan, Poseidon

Detailed substantive description of content of communication:

(Attach a copy of the complete text of any written material received.)

Applicant's representatives discussed Applicant's concerns with Staff's Recommended Revised Findings for the project's Coastal Development Permit, and the requested revisions to those findings submitted to the Commission on May 29, 2008 by Applicant, the City of Carlsbad, and several of Applicant's public water district partners. Applicant also discussed the rationale for the requested revisions to the findings set forth in its May 29, 2008 letter, including:

- The fact that dredging of the Agua Hedionda Lagoon is consistent with the Marine Resource policies of Coastal Act Section 30233, and that a finding to the contrary (as proposed by Staff) would conflict both with the Commission's 17 prior approvals permitting dredging of the Lagoon, and the fact that Special Condition 12 does not permit Lagoon dredging under the project's Coastal Development Permit; and
- The fact that the administrative record contains substantial evidence supporting the Commission's conclusion that the project complies with Coastal Act Section 30260's three-part test and is subject to the Coastal "override," and that the requested revisions to the findings clarify that nothing in the Coastal Act prevents the Commission from finding that the project is consistent with all applicable Coastal Act policies and that it complies with Coastal Act Section 30260.

6-12-08
Date


Commissioner Larry Clark

**Item Nos. W 4a (Revised Findings)
W 5a & 5b (Condition Compliance)
E-06-013
Poseidon Resources (Channelside) LLC**

CORRESPONDENCE

Received as of
August 1, 2008

ELECTED OFFICIALS

CAPITOL OFFICE:
STATE CAPITOL,
SACRAMENTO, CA 95814
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FAX (619) 645-3144

California State Senate

SENATOR
CHRISTINE KEHOE

THIRTY-NINTH SENATE DISTRICT

RECEIVED

AUG 04 2008

CALIFORNIA
COASTAL COMMISSION



- STANDING COMMITTEES:**
- ENERGY, UTILITIES AND COMMUNICATIONS CHAIR
 - BANKING, FINANCE AND INSURANCE
 - BUDGET AND FISCAL REVIEW
 - LOCAL GOVERNMENT
 - NATURAL RESOURCES AND WATER
 - TRANSPORTATION AND HOUSING
- JOINT COMMITTEES:**
- ARTS
 - EMERGENCY SERVICES AND HOMELAND SECURITY
 - FAIRS, ALLOCATION AND CLASSIFICATION
 - FISHERIES AND AQUACULTURE
 - LEGISLATIVE BUDGET COMMITTEE
- MEMBER:**
- LEGISLATIVE LESBIAN, GAY, BISEXUAL AND TRANSGENDER CAUCUS
 - LEGISLATIVE WOMEN'S CAUCUS

This letter has been sent to all members of the Coastal Commission and all Coastal Commission staff members.

July 31, 2008

Patrick Kruer, Chairperson
California Coastal Commission
c/o The Monarch Group
7727 Herschel Avenue
La Jolla, CA 92037

Peter Douglas, Executive Director
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219
Fax: 415-904-5400

Re: Carlsbad Desalination Project: Coastal Development Permit Application No. E-06-013 - SUPPORT

Dear Chairperson Kruer, Executive Director Douglas and Members of the Coastal Commission:

On November 15, 2007, I testified before the California Coastal Commission and urged your approval of the Carlsbad Desalination Project. At the hearing, Poseidon Resources presented its voluntary commitment to account for and bring to zero the incremental indirect greenhouse gas emissions from their proposed Carlsbad Desalination Project. Their commitment assures that this objective is achieved over the 30-year life of the project.

The Coastal Commission approved the project's Coastal Development Permit and with Poseidon's consent included the Climate Action Plan (now referred to as the Energy Minimization and Greenhouse Gas Reduction Plan) as a permit condition.

Poseidon's greenhouse gas plan is predicated on the fact that it will replace 56,000 acre-feet per year of water that would otherwise be imported from the State Water Project to the Project's customers in the San Diego region.

I am committed to assisting the state in diversifying its water resources including identifying reliable water supply solutions especially during this period of extended drought. This is especially

important to meet the potable water needs of the San Diego region. The Carlsbad Desalination Project offers a local solution to our long term water supply needs, along with an enhanced conservation effort and other local efforts to build local water supplies and reduce the region's dependence on imported water.

It has been five years since the Carlsbad Desalination Project began the permitting process. During this time, Poseidon Resources has refined and revised its plans to address the specific questions and issues raised by the Coastal Commission and other state and local regulatory and land use entities.

On August 6th, the Commission has the opportunity to complete its regulatory review process and approve the Coastal Development Permit for the Carlsbad Desalination Project. I urge your support for the approval of the Coastal Development Permit including Poseidon's voluntary commitment to account for and reduce to zero the incremental indirect greenhouse gas emissions from the Carlsbad Desalination Project.

Sincerely,

(Signature on File _____
CHRISTINE KEHOE
Senator, 39th District

cc: Vice Chairperson Bonnie Neely
Commissioner Ben Hueso
Commissioner Steven Blank
Commissioner Steven Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
Commissioner Larry Clark
Commissioner William Burke
Commissioner Dave Potter
Commissioner James Wickett
Commissioner April Vargas
Commissioner Dan Secord
Commissioner Adi Liberman
Commissioner Sharon Wright
Commissioner Steven Kinsey
Commissioner Brooks Firestone
Commissioner Suja Lowenthal
Commissioner Deborah Schoenbaum
Commissioner Michael Chrisman
Commissioner Karen Scarborough
Commissioner Paul Thayer

Governor Arnold Schwarzenegger
Speaker Karen Bass
Senate President Pro Tem Don Perata
Speaker Emeritus Fabian Nunez
Senator Denise Ducheny
Senator Dennis Hollingsworth
Senator Mark Wyland
Assemblymember Joel Anderson
Assemblymember Martin Garrick
Assemblymember Shirley Horton
Assemblymember Kevin Jeffries
Assemblymember George Plescia
Assemblymember Mary Salas
Assemblymember Lori Saldana
Tom Luster



LIEUTENANT GOVERNOR JOHN GARAMENDI

July 31, 2008

Patrick Krueger, Chairman
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Re: Poseidon Desalinization Project

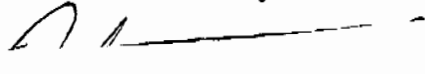
Dear Chairman Krueger:

There appears to be confusion over the issue of achieving a carbon neutral desalinization project. I want you to know my views on this issue.

I believe that the greenhouse gas emission resulting from the project should be mitigated. In determining the amount of mitigation, the calculation should be based on the assumption that the water delivered to the contracting water agencies *replaces* water that the water agencies currently and in the future would receive from Metropolitan Water District (MWD). The amount of mitigation is therefore the net not the gross power consumed.

The argument that the desalinization's plant water is new water is based upon the assumption that the replaced water would be used elsewhere in the MWD service area. Even if this were true, it is not the desalinization's plant to mitigate that new use. It is the responsibility of the entity that receives that water. Furthermore, the most likely scenario is that the replaced water will stay in the river as ordered by the federal courts.

Sincere


Signature on File


JOHN GARAMENDI
Lieutenant Governor

cc: Paul Thayer, State Lands Commission

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Assembly California Legislature



MARY SALAS
ASSEMBLYMEMBER, SEVENTY-NINTH DISTRICT

COMMITTEES

CHAIR
VETERANS AFFAIRS
MEMBER
HEALTH
JOBS, ECONOMIC DEVELOPMENT, AND
THE ECONOMY
WATER, PARKS AND WILDLIFE
SELECT COMMITTEE ON BIOTECHNOLOGY

RECEIVED

AUG 01 2008

CALIFORNIA
COASTAL COMMISSION

This letter has been sent to Coastal Commission staff and Commissioners.

July 29, 2008

California Coastal Commission
Attention: Chairman Pat Kruer
45 Fremont Street, Suite 2000
San Francisco, Ca 94105

Dear Chairman Kruer:

As an elected official since 1996, I have worked tirelessly to improve the quality of life throughout my communities. On behalf of my constituents in Assembly District 79 and the thousands of customers of the Sweetwater Authority water district, I want to reiterate my support for the Carlsbad Desalination Project.

There is no doubt this project will help us meet the needs of our region by providing a drought-proof supply of water that is locally-produced and locally-controlled. With a state of emergency now in effect in numerous counties throughout the state, it is vital for San Diego to lessen its dependence on imported water and the Carlsbad Desalination Project will help us to do so.

It is clear the Commission shares this opinion based on your approval of the project's Coastal Development Permit last year. I hope you will now allow a project that we all agree is overdue to advance towards construction.

I support the permit conditions the Commission attached to the project last year. Poseidon's Energy Minimization and Green House Gas Reduction Plan offers precedent-setting commitments, and the Marine Life Mitigation Plan is complete and comprehensive. Both plans meet the project's obligations under the Coastal Act. I ask that you approve these two plans as they are proposed and refrain from any additional mitigation requirements that are unjustified or threaten the financial viability of the project.

Thank you for your consideration of my comments. Time is of the essence and we cannot afford to forestall the construction of this landmark project. Please finalize approval of the Carlsbad Desalination Project at your August 2008 meeting.

Sincerely,

Signature on File

MARY SALAS
Assemblymember, 79th District



CC:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso

Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
Commissioner Larry Clark
Commissioner William Burke
Commissioner Dave Potter
Commissioner James Wickett
Commissioner April Vargas
Commissioner Dan Secord
Commissioner Adi Liberman
Commissioner Sharon Wright
Commissioner Steve Kinsey
Commissioner Brooks Firestone
Commissioner Suja Lowenthal
Commissioner Deborah Schoenbaum
Commissioner Mike Chrisman
Commissioner Karen Scarborough
Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Fabian Nunez
Senate President Pro Tem Don
Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Ms. Debbie Martin

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Assembly
California Legislature

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E-MAIL
assemblymember.plescias@assembly.ca.gov



WEBSITE
<http://www.assembly.ca.gov/plescias>

GEORGE A. PLESCIA RECEIVED
ASSEMBLYMEMBER, SEVENTY-FIFTH DISTRICT

AUG 01 2008
CALIFORNIA
COASTAL COMMISSION

July 28, 2008

Chairman Pat Kruer
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RE: Carlsbad Desalination Project: Coastal Commission Development Permit
Application No. E-06-013

Dear Commissioner Kruer:

I urge your support for approval for the Carlsbad Desalination Project's Coastal Development Permit. I join the members of the state delegation to the San Diego region in supporting this important project. The Carlsbad Desalination Project will not only benefit my constituents in the 75th Assembly District but all of San Diego County.

As you are aware, San Diego County and its 3 million residents, lack a reliable, drought-proof water supply. While the San Diego County Water Authority has made great strides in promoting water conservation and recycling programs, we still currently import 85% of our water from outside sources.

During our current state drought conditions, the Carlsbad Desalination Project is more vital than ever for San Diego County. Water sources are not only important for our residents, but for the agricultural industry in our region. Our farming community has already been hit hard with a mandatory 30% cut in their water supply.

As you and your colleagues meet in Oceanside in August, I again urge the approval of the Carlsbad Desalination Project's Coastal Development Permit. Thank you for your consideration in this important matter.

Sincerely,

Signature on File

Signature on File

GEORGE A. PLESCIA
Assemblyman, 75th District

California Coastal Commission

July 28, 2008

Page Two

cc:

Vice Chairwoman Bonnie Neely

Commissioner Ben Hueso

Commissioner Steve Blank

Commissioner Steve Kram

Commissioner Khatchik Achadjian

Commissioner Sara Wan

Commissioner Mary Shallenberger

Commissioner Mike Reilly

Commissioner Larry Clark

Commissioner William Burke

Commissioner Dave Potter

Commissioner James Wickett

Commissioner April Vargas

Commissioner Dan Secord

Commissioner Adi Liberman

Commissioner Sharon Wright

Commissioner Steve Kinsey

Commissioner Brooks Firestone

Commissioner Suja Lowenthal

Commissioner Deborah Schoenbaum

Commissioner Mike Chrisman

Commissioner Karen Scarborough

Commissioner Paul Thayer

Governor Arnold Schwarzenegger

Assembly Speaker Karen Bass

Senate President Pro Tem Don Perata

Senator Mark Wyland

Senator Dennis Hollingsworth

Senator Denise Ducheny

Senator Christine Kehoe

Assemblymember Kevin Jeffries

Assemblymember Martin Garrick

Assemblymember Joel Anderson

Assemblymember Lori Saldana

Assemblymember Mary Salas

Assemblymember Shirley Horton

COMMITTEES
CHAIR, BUDGET AND FISCAL REVIEW
VICE CHAIR, AGRICULTURE
CHAIR, JOINT LEGISLATIVE BUDGET
JOINT LEGISLATIVE AUDIT

California State Senate

SENATOR
DENISE MORENO DUCHENY
FORTIETH SENATE DISTRICT

SELECT COMMITTEES
CHAIR, CALIFORNIA-MEXICO
COOPERATION
CHAIR, COLORADO RIVER
CHAIR, OVERSIGHT OF THE
UC ENERGY LABS
BOARDS:
CALIFORNIA WORKFORCE
INVESTMENT
STATE PUBLIC WORKS

July 28, 2008

Pat Kruer, Chair
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, Ca 94105



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JUL 31 2008

CALIFORNIA
COASTAL COMMISSION

Please note that this letter has been sent to all Coastal Commission members and staff.

Dear Chairman Kruer:

As the State Senator for South Bay residents who are customers of Sweetwater Authority, I am writing to express my support for the Poseidon Resources' proposed Carlsbad Desalination Plant, which is on the agenda at your August meeting in Oceanside. As you know, Sweetwater Authority entered into a long-term water purchase agreement with Poseidon last year.

This past year, the water situation in California has worsened. The statewide drought now in effect has severely curtailed water deliveries to San Diego County, affecting our economy, and quality of life. Unfortunately, the situation is not expected to improve anytime soon and we need to look for alternative sources of water to meet the demands of our population.

In addition to conservation and recycling measures, the Carlsbad Desalination Plant is one solution our region needs to implement immediately. The project currently meets all environmental requirements under the California Coastal Act and the project proponents have made every effort to mitigate any foreseeable impacts through their Marine Life Mitigation Plan, Energy Minimization, and Greenhouse Gas Reduction Plan.

We depend upon your leadership and initiative to help our region implement this long-term solution to our dependence on a dwindling imported water supply. This is a good project and desperately needed. The Carlsbad desalination plant is an excellent example of what can be accomplished when the private sector and government cooperatively strive for innovative solutions to our regional issues.

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FAX (760) 398-6470



Chairman Kruer

7/28/08

Page 2 of 2

I support the Carlsbad Desalination Plant, and respectfully request that the California Coastal Commission approve the permit conditions for this project.

Sincerely,



Signature on File



DENISE MORENO DUCHENY
State Senator, 40th District

DMD/jmh

CC:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
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Commissioner Karen Scarborough
Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Fabian Nunez
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin

Assembly
California Legislature



JOEL ANDERSON
ASSEMBLYMEMBER, SEVENTY-SEVENTH DISTRICT

July 24, 2008

RECEIVED
JUL 28 2008
CALIFORNIA
COASTAL COMMISSION

California Coastal Commission
Attention: Chairman Pat Kruer
45 Fremont Street, Suite 2000
San Francisco, Ca 94105

RE: Approval of Carlsbad Desalination Project. *This letter has been sent to all members of the Coastal Commission and all staff members*

Dear Chairman Kruer,

As the representative for Assembly District 77, I have more than 420,000 constituents throughout San Diego's East County. On behalf of my neighbors, I have heartily endorsed and support the Carlsbad Desalination Project.

As the former President of the Padre Dam Municipal Water District and a current member of the Water, Parks and Wildlife Committee, I have taken a great interest in the proposed desalination facility. My district has been substantially affected by the current statewide drought and annual wildfire threats. I believe that this project is crucial for the long-term stability of San Diego's water supply which is overly-reliant on imported water. We need a locally-produced source that will sustain us through the coming dry years and ensure we can meet the challenges of wildfire seasons and shrinking reservoirs. I am sure that the Commission understands our unique situation in San Diego, which is why you approved the project's Coastal Development Permit last year.

The project proponents, Poseidon Resources, have done an excellent job of utilizing the latest technology to make this project energy-wise and ocean-friendly. They have meticulously detailed these efforts and submitted plans which fulfill the terms of the permit conditions you attached to the project when you approved it in November.

These plans demonstrate not only their compliance with the Coastal Act, but the energy minimization and green house reduction plan meets the spirit of AB 32, which has not been implemented and was not intended to apply to indirect carbon emitters. I am duly impressed by Poseidon's commitment to the environment and I believe it will certainly be a gold standard for all future infrastructure projects.

In closing, I respectfully request that you approve Poseidon's plans at your August public hearing and give us your final, unconditional approval of the Carlsbad Desalination Project

Sincerely,

Signature on File

Joel Anderson
Assemblyman

CC:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
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Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Karen Bass
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin

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FAX (619) 462-0078

Assemblymember.Shirley.Horton@assembly.ca.gov

July 23, 2008

California Coastal Commission
Attention: Chairman Pat Kruer
45 Fremont Street, Suite 2000
San Francisco, Ca 94105

Dear Chairman Kruer:

I am writing to you today in support of the Carlsbad Desalination Project which is on your August agenda in Oceanside. Many of my constituents in the South Bay will receive water from this project through their water district, Sweetwater Authority.

The Commission approved this project in November, albeit with certain conditions on the permit itself. Poseidon Resources has addressed these conditions through two plans they recently prepared, the Marine Life Mitigation Plan and the Energy Minimization and Greenhouse Gas Reduction Plan. These plans are thorough, and in the case of the Energy Minimization and Greenhouse Gas Reduction Plan, the commitment is extraordinary. The project's mitigation plans clearly meet the goal of the Coastal Commission to preserve, enhance and restore coastal wetlands as defined in the Coastal Act. It also meets the guidelines of AB32, the Global Warming Solutions Act, and it will be the first large-scale infrastructure project in California to achieve a net zero carbon footprint.

This remarkable public-private enterprise will provide water for up to 300,000 San Diegans annually, helping our County to replace the losses we are currently experiencing in our water deliveries due to pump shutdowns in the Bay Delta. We know there is very little we can do to improve drought conditions throughout the state, but we can emphasize conservation, recycling and desalination to bolster our local supplies and reduce our dependence on imported water.

I strongly believe that the Carlsbad Desalination Project is good for San Diego and good for our environment. I ask that you give your full and comprehensive approval of this project at the meeting in August.

Thank you,

Signature on File

SHIRLEY HORTON
Assemblywoman, 78th District

Assembly California Legislature



SHIRLEY HORTON
ASSEMBLYMEMBER, SEVENTY-EIGHTH DISTRICT

COMMITTEES
VICE CHAIR
HIGHER EDUCATION
MEMBER
BUSINESS AND PROFESSIONS
TRANSPORTATION

RECEIVED

JUL 25 2008

CALIFORNIA
COASTAL COMMISSION

SACRAMENTO OFFICE

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DISTRICT OFFICES

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FAX (951) 676-1030

WWW.SEN.CA.GOV/HOLLINGSWORTH

California State Senate

SENATOR DENNIS HOLLINGSWORTH
THIRTY-SIXTH SENATE DISTRICT



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NATURAL RESOURCES
AND WATER

MEMBER

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JUL 24 2008

CALIFORNIA
COASTAL COMMISSION

July 22, 2008

California Coastal Commission
Attention: Chairman Pat Kruer
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Dear Chairman Kruer:

I am writing to urge you to approve the two plans submitted by Poseidon Resources to fulfill permit conditions set by the Commission in November for final approval of their Carlsbad Desalination Project.

The Marine Life Mitigation Plan details the plan and subsequent monitoring requirements to create, enhance and/or restore aquatic and wetland habitat, fulfilling Poseidon's mitigation obligations. The Energy Minimization and Greenhouse Gas Reduction Plan demonstrates how the project will minimize energy use and offset greenhouse gas emissions. These two plans amply illustrate Poseidon's careful regard for our marine environment and coastal habitat.

I need not tell you that we are approaching crisis level throughout the state with regard to water supply and delivery, and the Governor has already declared a state of emergency in numerous counties. We cannot afford any further delays in approving this desalination project which will provide nearly 10% of the region's water needs and lessen our dependence on imported supplies.

I ask that you exercise your leadership in helping to move this landmark project forward by approving these plans at your August hearing.

Sincerely,

Signature on File

A handwritten signature in black ink, appearing to be "Dennis Hollingsworth".

Dennis Hollingsworth
Senator, 36th District

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0074
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FAX (916) 319-2174

DISTRICT OFFICE
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CARLSBAD, CA 92008
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FAX (760) 929-7999

Assembly California Legislature



MARTIN GARRICK
ASSEMBLYMEMBER, SEVENTY-FOURTH DISTRICT

COMMITTEES
VICE CHAIR
EDUCATION
MEMBER
INSURANCE
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JUL 25 2008

CALIFORNIA
COASTAL COMMISSION

July 21, 2008

California Coastal Commission
Attention: Commissioner Mike Chrisman & Commissioners
45 Fremont Street, Suite 2000
San Francisco, Ca 94105

Dear Commissioner Chrisman:

I write this letter on behalf of the proposed Carlsbad Desalination Project which is located in my Assembly District and will directly benefit my constituents.


It goes without saying that there is an urgent need for a dependable, renewable and affordable source of water in San Diego County. We are literally at the end of the water delivery pipeline and our region has been severely burdened by the statewide drought as a result of the cutbacks to our imported water supplies. Considering that we must import nearly 90% of our water, we are in a precarious situation that is predicted to get worse over time.

That is why we cannot delay approval of the Carlsbad Desalination Project any longer.

As guardians of our beautiful coastline, I know that you and your staff have done your due diligence on this project. I believe the permit conditions you requested in accordance with your approval last November will further enhance the environmental benefits of this project. The Marine Life Mitigation Plan and Energy Minimization and Greenhouse Gas Reduction Plan that Poseidon have created are unprecedented and fully in compliance with Coastal Act requirements.

They have fulfilled their responsibilities and now it is time for the Commission to finalize the approval of the project you issued last November, over nine months ago. You have thoroughly vetted this project and I request that you approve the permit conditions at your meeting in Oceanside next month.

Thank you,

 Signature on File

The Honorable Martin Garrick
Assembly District 74

CC:

Chairman Pat Kruer
Vice Chairwoman Connie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reily
Commissioner Larry Clark
Commissioner William Burke
Commissioner Dave Potter
Commissioner April Vargas
Commissioner Adi Liberman
Commissioner Sharon Wright
Commissioner Steve Kinsey
Commissioner Brooks Firestone
Commissioner Suja Lowenthal
Commissioner Deborah Schoenbaum
Commissioner Karen Scarborough
Commissioner Paul Thayer

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(949) 489-8354 FAX

California State Senate

SENATOR
MARK WYLAND

THIRTY-EIGHTH SENATE DISTRICT



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CALIFORNIA
COASTAL COMMISSION

July 21, 2008

Chairman Pat Kruer
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RE: Carlsbad Desalination Project

Dear Chairman Kruer:

This letter is on behalf of the Carlsbad Desalination Project, which will be located within my district and will directly benefit my constituents and thousands of other San Diegans living throughout the County.

The Commission's approval of the project last year is confirmation you understand the significance of securing a local, reliable water supply, especially when San Diego is facing enormous consequences as a result of statewide drought conditions and reductions in imported water.

When the Commission meets in Oceanside in August, I not only urge you to finalize the approval you granted the project last year, I caution you to reject attempts to over mitigate the project's perceived impacts. It has been ten years since this project was first introduced and it has withstood enormous scrutiny. The project has passed every environmental test and sound science has concluded the desalination project can be built and operated without harming the environment.

Poseidon Resources has spent a great deal of time developing a Marine Life Mitigation Plan and Energy Reduction and Green House Gas Plan. Both these plans as proposed go above and beyond the project's requirements under the Coastal Act. Any attempts to fatten the mitigation in these plans should be roundly rejected out of fear of rendering the project financially infeasible. Such a conclusion to a ten year process involving a must-do project would not be acceptable to me or my constituents.

I ask you to do all that is in your power to move this project towards final approval and construction.

Sincerely,

Signature on File Signature on File

Mark Wyland
Senator, 38th District

AGENCIES



Air Pollution Control Board

Greg Cox	District 1
Dianne Jacob	District 2
Pam Slater-Price	District 3
Ron Roberts	District 4
Bill Horn	District 5

July 30, 2008

Peter MacLaggan
Senior Vice President
Poseidon Water, LLC
501 West Broadway, Suite 1260
San Diego, CA 92101

Dear Mr. MacLaggan:

I was pleased to meet with you and your staff to discuss the Carlsbad Desalination (Project). This letter is intended to document the role of the San Diego Air Pollution District (APCD) in reviewing Poseidon's Energy Minimization and Greenhouse Gas Reduction Plan (Plan) and any subsequent greenhouse gas (GHG) compliance reports once the desalination plant is in operation.

The APCD is supportive of Poseidon's Resources' commitment to offset the greenhouse gas emissions from plant operations. This offset effort is the first of many to begin meeting the major challenge of reducing direct and indirect GHG emissions statewide.

At this time, APCD lacks the necessary expertise or authority to evaluate, verify, or approve carbon offsets. Although the APCD expects to play such a role in the future, the implementation of AB 32 is still in the earliest stages of development. Indeed, the California Air Resources Board (CARB) is just beginning to develop requirements for mandated and voluntary GHG reduction projects, to build verification and accounting methodologies for such projects, establish training/certification programs for third-party verifiers, and assign areas of regulatory oversight.

Accordingly, APCD's current role with regard to the Plan submitted to the Commission and future annual greenhouse gas compliance reports must be limited to a review and comment on portions of these documents within our areas of expertise. APCD cannot at this time assume responsibility for approving or disapproving the Plan. The APCD believes adherence to AB 32 and its requirements is critical to the success of the California greenhouse gas reduction program even where indirect sources are concerned. In this regard, Poseidon has clearly indicated that a certified and authorized third-party verifier will be determined prior to plant operations or initiation of the first carbon offset project, as appropriate.



Peter MacLaggan

-2-

July 30, 2008

In closing, I look forward to Poseidon Resources and the APCD moving forward under an appropriate framework that addresses our current and future capabilities.

Sincerely,

 Signature on File 

ROBERT KARD
Director-Air Pollution Control Officer

RK:ew

cc: Chandra Wallar, DCAO, Land Use and Environment Group, Mailstop A6
Erika Black, CAO Staff Officer, Land Use and Environment Group, Mailstop A6
Rosa Abreu, Assistant Director, Air Pollution Control District, Mailstop O176
Andy Hamilton, Air Quality Specialist, Air Pollution Control District, Mailstop O176
Sara Townsend, Coastal Program Analyst II, California Coastal Commission,
stownsend@coastal.ca.gov

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



July 29, 2008

Patrick Kruer, Chairman
California Coastal Commission
North Central Coast District
45 Fremont, Suite 2000
San Francisco, CA 94105-2219

John Chiang, Chairman
California State Lands Commission
100 Howe Ave Suite 100 South
Sacramento, CA 95825-8202

Re: Carlsbad Seawater Desalination Project CDP Application No. E-06-013
Energy Minimization and Greenhouse Gas Reduction Plan

Dear Chairman Kruer and Chairman Chiang:

After sending you both my July 18, 2008 letter regarding Poseidon's Carlsbad Desalination Project's *Energy Minimization and Greenhouse Gas Reduction Plan* (Plan), as revised July 3, 2008, I had an opportunity to meet with representatives of Poseidon Resources. The meeting, which occurred on July 23, 2008, was informative and left me with clarifications and a better understanding of the Plan. Consequently, by this letter, I wish to retract the comments in my July 18, 2008 letter.

First, it is notable that the Poseidon Project demonstrates that desalination of ocean and brackish water is becoming an important component of the state's strategy to meet its water needs. Indeed, the Energy Commission has long studied ocean and brackish water desalination and invested in research to improve technologies and address issues associated with desalination. The Poseidon Project is consistent with our efforts to improve the efficiency and environmental effects of desalination and lower its costs to customers. Towards those ends, the project and the plan for mitigation are laudable.

At the July 23, 2008 meeting, representatives of Poseidon Resources and I discussed the desalination project, the City of Carlsbad's environmental impacts report (EIR), and the comments in my July 18, 2008 letter. Subsequently, Poseidon Resources sent me additional information and a letter on July 25, 2008, further amplifying what we had discussed. Based on clarifying information and further consideration of the environmental review done on the project, I am persuaded that Poseidon's commitment

Chairman Patrick Kruer
Chairman John Chiang
July 29, 2008
Page 2

to offset 100 percent of its “net” or incremental increase in greenhouse gas emissions above baseline conditions is reasonable under the California Environmental Quality Act (CEQA). Indeed, the approach is consistent with how the Energy Commission, itself, analyzes the significance of impacts under CEQA, for example, in its power plant licensing cases.

More specifically, I understand the “baseline” under CEQA is typically the existing conditions as of the start of environmental analysis of the project. Accordingly, Poseidon’s Plan to mitigate the carbon emissions from the increase in electricity required to deliver the project’s water to customers, as compared with the “baseline” of current electricity required to serve those customers with State Water Project water, is supportable by the Energy Commission. Any implication in the Energy Commission’s comments that Poseidon should further mitigate impacts yet to be ascertained from the diversion of State Water Project water for use elsewhere is not intended. Poseidon’s Plan to mitigate the project’s indirect impacts, as discussed, appropriately focuses on what is reasonably foreseeable, which is what I understand CEQA requires in an environmental analysis.


Finally, Poseidon’s point about both the City’s and the Coastal Commission’s environmental analyses concluding the project would not cause growth inducing impacts is salient. In deference to the City’s EIR and the Coastal Commission’s substantiated conclusions, I accept the point. Please consider the comments in my July 18, 2008 letter regarding the project’s growth-inducing impacts as having been withdrawn. Understandably, such comments fuel unnecessary speculation of impacts, which departs from the reasonably foreseeable impacts that Poseidon proposes to mitigate. Moreover, the Plan for mitigation represents an approach acceptable to the permitting agencies. The Energy Commission, with no evidence to contradict the Plan, takes no issue with it.


The representatives I met with also informed me that Poseidon has applied to become a member of the Climate Action Registry and is committed to following the accounting protocols for reporting emissions and reductions. Compliance with the accounting protocols enhances the credibility of Poseidon’s Plan. I see Poseidon’s membership with the Registry as an important step, not only in implementing the Plan, but also in supporting the role of the Registry in furthering the accountability of emissions reductions used to meet the state’s goals under AB 32.


Chairman Patrick Kruer
Chairman John Chiang
July 29, 2008
Page 3

We appreciate the efforts of Poseidon Resources to address our concerns and those of your staff to consider the points we have raised regarding this important project. If you have any questions, please contact me at (916) 654-4996.

Sincerely,


Signature on File


Signature on File


MELISSA JONES
Executive Director

cc: Paul D. Thayer, Executive Officer, SLC
Peter M. Douglas, Executive Director, CCC
Mike Chrisman, Secretary for Resources
Jackalyne Pfannenstiel, Chairman, California Energy Commission
Pat Perez, Assistant Director, California Energy Commission
Lorraine White, Senior Water-Energy Lead, California Energy Commission
Cynthia Bryant, Governor's Office of Planning and Research
Walter Winrow, President and COO, Poseidon Resources
Peter MacLaggan, Senior Vice President, Poseidon Resources

CALIFORNIA ENERGY COMMISSION

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JUL 23 2008

CALIFORNIA
COASTAL COMMISSION

July 18, 2008

Patrick Kruer, Chairman
California Coastal Commission
North Central Coast District
45 Fremont, Suite 2000
San Francisco, CA 94105-22 19

John Chiang, Chairman
California State Lands Commission
100 Howe Ave Suite 100 South
Sacramento, CA 95825-8202

Re: Carlsbad Seawater Desalination Project CDP Application No. E-06-013
Energy Minimization and Greenhouse Gas Reduction Plan

Dear Chairman Kruer and Chairman Chiang:

The California Energy Commission, at the request of your staff, is pleased to provide comments on Poseidon's Carlsbad Desalination Project's *Energy Minimization and Greenhouse Gas Reduction Plan (Plan)*, revised July 3, 2008.

The Energy Commission commends the California Coastal Commission (CCC) and State Lands Commission (SLC) for their leadership and foresight in requiring the plan as part of the permit and lease agreement, and supports such actions for future applications. Seeking improved energy efficiency in the state's water system is consistent with Energy Commission policy recommendations and the strategies contained in the Air Resources Board's *Climate Change Draft Scoping Plan*.¹ The Energy Commission also supports the developer's commitment to offsetting their indirect Greenhouse Gas (GHG) emissions footprint from electricity generated to serve their project.

¹ Air Resources Board, *Climate Change Draft Scoping Plan: a framework for change*, June 2008 Discussion Draft, Pursuant to AB 32, The California Global Warming Solutions Act of 2006, W-3, pg. 28-29.

As you know, Southern California is dependent upon a significant portion of its supplies of imported water from northern California and the Colorado River. Growing economic and population pressures stress not only local supplies, but also imported supplies. The Poseidon Project would provide important supplies to accommodate these increasing demands, but at a significant energy cost. Seawater desalination is one of the most energy intensive sources of new water available to California. At 274.4 gigawatt-hours per year for the baseline design, the Poseidon Project will effectively negate almost 70 percent of San Diego Gas & Electric's stated energy savings for 2005 of 391 gigawatt-hours.² The Energy Commission acknowledges the developer's commitment to efficiency measures and use of renewable resources where possible for the project, but recognizes that even with these efforts, the project will have a significant energy footprint, along with the associated indirect GHG footprint. Development of a meaningful and enforceable plan to minimize energy demand and reduce GHG emissions is paramount in light of the state's commitment to reduced GHG emissions.

The July 3, 2008 revised plan is greatly improved over the November 2007 draft plan. The Energy Commission appreciates the efforts of the developer to address our staff's earlier informal comments on the draft plan. As stated on page 2 of Poseidon's July 3 letter to Chairman Kruer, this plan may represent a "precedent setting voluntary commitment." However, the Energy Commission believes this proposed plan contains several fundamental errors and, by offering the following comments, wishes that repeating these errors will be avoided in any similar plans required for future projects.

First, the developer's "zero emissions" or "GHG neutrality" is based on offsetting a calculated "net" emissions level. This net emissions level is derived by estimating the gross indirect emissions associated with electricity used by the desalination project, and subtracting the "avoided emission" associated with wetland restoration, water reclamation and replacing customers' State Water Project (SWP) water. Terrestrial carbon sequestration rates are highly uncertain over time and use of the default accumulation factor annually over the life of the project appears to over-estimate reductions. We also feel that assuming all of the reduced energy demands at the Carlsbad Water Reclamation Facility result from the desalination plant may overstate the benefits of the project. Adequate documentation and verification of the link between the water quality of the influent to the reclamation facility and the desalination facility should accompany the billing and performance data to avoid over-estimating the project effects.

² California Energy Commission, 2007 Integrated Energy Policy Report, CEC-100-2007-008-CMF, p. 78.

There is no evidence that replacing SWP water with desalinated project water will actually reduce the amount of SWP water imported to Southern California, and thus may not result in any avoided GHG emission reductions. Producing desalted water for the San Diego region to address its water needs may have no effect on the amount of water imported by Metropolitan Water District of Southern California (MWD) to meet the needs of Southern California as a whole. Although MWD's program may limit the amount of water now delivered to those entities to which the Poseidon Project would supply water, it is unlikely to affect or offset overall imported supplies for the life of the project due to continued demand growth in the Southern California region. Thus, the developer's assumption of reduced GHG emissions from reductions in current water supplies would need better supporting documentation in light of population growth and the reduction in Colorado River allocations.

As a result, the developer should avoid subtracting any "avoided emissions" in their plan, unless these reductions meet the criteria of Assembly Bill 32 for real and verifiable reductions and that these reductions can actually be shown to be caused by the project. Otherwise the project should be required to use its actual gross emissions for the minimization program. Moreover, the developer should register with the California Climate Action Registry and follow their regularly updated protocols and methodologies to ensure consistent auditing and calculations of GHGs with other projects across the state.

Secondly, although the developer should be commended for proposing to address indirect emissions associated with their project, the developer does not address growth inducing impacts of the new supply, nor any associated increase in indirect GHG emissions that may result. According to the American Water Works Association, the average home uses 350 gallons of water a day. Providing these new supplies to the San Diego region could accommodate an additional 143,000 homes, and facilitate additional local development. The potential for these direct and indirect emission to occur as a result of the project should at least be acknowledged in the plan.

Lastly, the developer discusses the potential to partner with others to develop renewable electric generation projects that they could count toward their GHG reductions on page 28. The Energy Commission encourages the developer to pursue all reasonable renewable development with its partners and at its own facility. Care, however, needs to be taken to ensure that these reductions are not double counted (i.e., claimed by Poseidon while also being counted by others towards other reduction or credits programs). The developer should not be allowed to count any GHG reductions associated with renewable projects developed as part of the Renewable Portfolio Standard or counted by others toward any other GHG reduction project.

Mr. Patrick Kruer and Mr. John Chiang
Page 4
July 18, 2008

Thank you for this opportunity to comment and to work with your staff on this important project. If you have any questions, please contact Lorraine White, senior water-energy lead at the Energy Commission, at (916) 654-4075.

Sincerely,

Signature on File

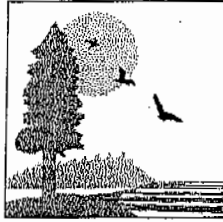
Signature on File

MELISSA JONES
Executive Director

cc: Paul D. Thayer, Executive Officer, SLC
Peter M. Douglas, Executive Director, CCC
Mike Chrisman, Secretary of Resources
Jackalyne Pfannenstiel, Chairman, California Energy Commission
Pat Perez, Assistant Director, California Energy Commission
Lorraine White, Senior Water-Energy Lead, California Energy Commission

CALIFORNIA STATE LANDS COMMISSION

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from Voice Phone 1-800-735-2922

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Contact FAX: (916) 574-1835

July 2, 2008

File Ref: W 26202; PRC 8727.1

Mr. Peter MacLaggan
Senior Vice President
Poseidon Resources (Channelside) LLC
501 West Broadway, Suite 840
San Diego, CA 92008

Dear Mr. MacLaggan:

SUBJECT: Application for an Amendment to General Lease – Industrial Use for Desalination Use of the Existing Intake and Outfall Channels Located at the Pacific Ocean and Agua Hedionda Lagoon, Adjacent to 4600 Carlsbad Boulevard, Carlsbad, San Diego County

This letter is sent to secure clarification on both the **Energy Minimization and Greenhouse Gas Reduction Plan** dated May 23, 2008, and the **Marine Life Mitigation Plan Summary** dated May 27, 2008, that Poseidon submitted to the State Lands Commission (Commission).

After reviewing the Energy Minimization and Greenhouse Gas Reduction Plan that Poseidon submitted to the Commission, several issues remain unclear. Commission staff has evaluated the numbers provided and continue to have some concerns. Commission staff wishes to work with Poseidon to develop a process to demonstrate "carbon neutrality," as that is the commitment made by Poseidon to the Commission in October 2007. Additionally, discussion continues as to whether to consider Poseidon's water as replacement or additive. The Commission has expressed interest in Poseidon's verification process for achieving the commitment of "carbon neutrality"; however, in order for staff to verify for the Commission that Poseidon can in fact achieve "carbon neutrality," we must first have a common understanding of Poseidon's GHG reduction protocol, strategy, and exactly what the term "carbon neutrality" means for the proposed desalination project.

It is staff's opinion that some of the terms used in the Plan have led to misunderstandings of what is meant by "net carbon neutral," "net carbon neutrality," and "net carbon footprint." In order to clarify any misunderstanding, it is Commission staff's understanding that what Poseidon is actually attempting to minimize and mitigate are indirect emissions associated with the carbon dioxide equivalence from electricity that is consumed by the facility. With this goal in mind, the GHG Reduction Strategy was further evaluated for protocols and strategy.

One example of the potential misunderstandings that can occur based on the submittal's nomenclature can be found by comparing the methodology outlined in the five points on Page 3, with Table 4 on Page 15. Point four calls for subtracting emissions avoided from the emissions generated by the production of the electricity used by the Project. Yet Table 4 refers to "Emissions Avoided" with respect to reductions due to high efficiency, green building design, solar power and recovery of CO₂. Yet, these four measures would already be considered in Point one and the methodology potentially is double-counting emissions avoided. To clarify our understanding, we have developed two charts: one to be used for the first year of operation, and a second table for calculating the facilities net indirect carbon emissions for the term of the lease. Further, staff has some concerns about the offsets. We have provided, in the attached charts, terms that we believe are consistent with those which were discussed and agreed upon for use on May 1 and 2 in San Diego with the California Coastal Commission and other state and local government agencies.

The attached Tables (1 and 2) represent our understanding of the process agreed upon and the method to document Poseidon's commitment to minimize their energy use and to fully offset any emissions relating to the energy use. **Table 1** represents the estimate Poseidon has developed that will be used for the first year's carbon reconciliation.

Table 2 represents what will be used for the term of the lease (18 years). Poseidon shall submit a report annually to the Commission's Executive Officer that includes Table 2 with acceptable values based on reports, studies and expert knowledge showing a zero total after all appropriate offset credits are applied. Final acceptance of the appropriate offsets for any one year will be provided in writing from Commission staff to Poseidon. Staff is going to recommend to the Commission in the proposed Lease Amendment to Lease No. PRC 8727.1 that Poseidon provide an annual report to Commission staff, for their review and concurrence, substantiating that Poseidon has achieved carbon neutrality.

We also have a concern about Poseidon's numbers for the carbon sequestration associated with wetlands and reforestation. Commission staff has consulted the literature and, with representatives of the United States Geological Service, has determined that wetlands carbon sequestration credits should be counted at no greater than 3.5 tons per acre (actual rate for the location will need to be verified). In addition, staff consulted with the California Department of Forestry and found that carbon sequestration credits through reforestation accrue only after 20 years and then only in

the range of 1-3 tons per year from year 20-100. Therefore, Table 2 reflects these data as appropriate rates for future credits.

With regard to calculating the carbon dioxide footprint of the proposed facility, Poseidon maintains that the emissions associated with the electricity used in the facility should be partially offset by the emissions associated with transportation of water that would no longer be used because of the new facility. Further, Poseidon calculates the offset based on the emissions indirectly caused by the State Water Project (SWP). Poseidon bases this approach on its contention on Page 12 of its submittal which states that Metropolitan Water District (MWD) draws "from the SWP only as needed to serve demand that cannot be met by the lower-cost water available from the Colorado River Aqueduct. Consequently, the proposed Project will result in MWD having a reduced demand on the SWP."

However, according to the Department of Water Resources, MWD accepts all of the water available to it from the SWP. There is no evidence to suggest that MWD will reduce its SWP draw because of Poseidon's project. Thus, staff continues to believe that the project will produce additional water for Southern California, not replacement water. Even if Poseidon's water is considered replacement, given that there is not likely to be a reduction in MWD's use of SWP water, a more appropriate calculation of the energy use associated with any "foregone" imported water would reflect the mix of imported water currently used by MWD. Recently this has consisted of 60% SWP water and 40% Colorado River water. Because Colorado River water uses less electricity for transport, the offset calculation based on the mix would be less than Poseidon uses. If this offset is used for calculating the desalination facility's footprint, it could be re-determined annually to reflect the most recent mix. Tables 1 and 2 do not reflect the revisions that might be necessary in light of these considerations.

Thus, staff's interpretation of the relationship of the water from the new desalination facility to existing supplies is at odds with the interpretation contained in Poseidon's most recent submittal. We would appreciate any other material or information Poseidon would want us to consider in evaluating this issue.

If Table 2 is consistent with the understanding that Poseidon has as to the calculation of the indirect emissions from purchased electricity from SDG&E and the offsets that are to be applied to reach their commitment after the first year, then Commission staff will be able to continue its review of the Plan. Please let us know if Commission staff has a correct understanding, as expressed in Table 2, of what was discussed in San Diego, as this will be the basis for both the hearing of the lease and for the annual report to the Commission regarding GHG emissions and offsets.

As a result of ongoing communications with the California Coastal Commission (CCC), and after consultation with their expert Dr. Peter Raimondi, the CCC suggests that the appropriate "in-kind" mitigation for the environmental impacts, due to the desalination facility operations, is likely to be in the range of 55.4 to 68.2 acres. Commission staff will continue their coordination with both the CCC and the San Diego

Mr. Peter MacLaggan
Page Four

Regional Quality Control Board to determine an appropriate estimate of the area of production forgone and an appropriate mitigation ratio for the entrainment and impingement impacts. Also, we understand that Poseidon is proposing to mitigate these impacts in San Dieguito Lagoon. To address the concerns raised by the Commissioners, staff will need to have verification that Poseidon has the right to use the land in the San Dieguito Lagoon that is being proposed as part of the mitigation for the impacts of the desalination facility.

We look forward to receipt and review of the above-requested information so that we may continue our review of the application. If you would like to discuss this letter in greater detail, please contact me at (916) 574-1868, so that I may set up a mutually convenient date and time with appropriate Commission staff.

Sincerely,



Signature on File

Judy Brown,
Public Land Manager
Land Management Division

Attachments

cc: Tom Luster
Sara Townsend
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

First Year Carbon Calculations (prior to operation)

Table 1 - Assessment, Reduction and Mitigation of Indirect GHG Emissions

Part 1: Identification of Indirect GHG Amount Emitted			
Source	Total Annual Electrical Use (MWh/ year)	Current Posted Emissions Factor (lbCO₂/MWh)	Total Annual Indirect Emissions (metric tons CO₂/ year)
Project Baseline Design	274,400	780.79 ¹	97,165
Part 2: On-site and Project-Related Reduction of Energy Use and Indirect GHG Emissions			
Reduction due to High-Efficiency Design	(28,244)	780.79	(10,001)
Green Building Design	(300 to 500)	780.79	(106 to 177)
On-site Solar Power Generation	(0-777)	780.79	(0-275)
Recovery of CO₂	N/A	780.79	(2,100)
Reducing Energy Needs for Water Recycling	(1,950)	780.79	(690)
Reduced Water Importation	(190,641)	780.79	(67,506)
Subtotal On-site Reduction Measures			(80,403 to 80,749)
*Subtotal <u>Without</u> Reduced Water Importation			(12,897 to 13,243)
Net Indirect GHG Emissions with Reduced Water Importation			16,416 to 16,762
Net Indirect GHG Emissions Without Reduced Water Importation			83,922 to 84,268
Part 3: Additional Off-Sets of Indirect GHG Emissions			
Sequestration Through Reforestation	N/A	780.79	(1-3 ton/acre) 0 Non-Residential
Sequestration in Coastal Wetlands if planted prior to project starting.	N/A	780.79	(No more than 3.5 tons/acre) 100
Potential Renewable Energy Partnerships	(0 - 2,260)	780.79	(0 - 800)
Subtotal Off-site Measures with SWP	N/A	780.79	(245-1,045)
Offset and REC Purchases with SWP	N/A		(14,189 to 16,135)
Offset and REC Purchases without SWP			(81,977 to 83,923)
Net Indirect GHG Emissions			0

All Subsequent Years

Table 2

Part 1: Identification of Indirect GHG Emissions			
Reading from facility master meter. Total Annual Power Use (MWh/ year)		Annual Emissions Factor from SDG&E	Total Annual Indirect Emissions (metric tons CO ₂ / year)
Part 2: On-site and Project-Related Reduction of Indirect GHG Emissions			
*With Reduced Water Importation	(190,641)	780.79	(67,506)
*Without Reduction from Water Importation	(0)	N/A	(0)
Part 3: Additional Off-Sets of Indirect GHG Emissions			
Sequestration in Coastal Wetlands	N/A	N/A	(No more than 3.5 tons/acre) 100
Sequestration Through Reforestation	N/A	N/A	(1-3 tons/ acre) Non-Residential
Potential Renewable Energy Partnerships	(0 - 2,260)	780.79	(0 - 800)
Offset and REC Purchases	N/A	N/A	
Total			
Net Indirect GHG Emissions			0

PUBLIC COMMENTS

Tom Luster

From: pksarchitect@earthlink.net
Sent: Monday, August 04, 2008 10:28 AM
To: PoseidonDesal Comments
Subject: Support for full mitigation from Poseidon Resources' Carlsbad Desalination Plant

★ As of August 4, 2008, approximately
1200 emails like this one were
received ★

Mr. Peter Douglas
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Dear Mr. Douglas,

I am writing to urge you to require that Poseidon Resources take all necessary measures to mitigate 100% of the environmental impacts of the proposed Carlsbad Desalination Plant (CDP) as the company has promised and the law demands.

Climate change is one of the great environmental and moral crises of our time, and I am very concerned about a proposed facility that will add over 100,000 metric tons of carbon dioxide (CO₂), a greenhouse gas, to our fragile atmosphere every year. Poseidon Resources has promised that the CDP will be fully carbon neutral, which is also necessary to comply with California's landmark Global Warming Solutions Act of 2006, a law requiring the reduction of greenhouse gas emissions to 1990 levels by 2020. Despite their past promises and the requirements of AB 32, Poseidon Resources' Energy Minimization and Greenhouse Gas Reduction Plan would mitigate less than one-third of the greenhouse gas emissions caused by the facility.

Likewise, the 300 million gallons per day (mgd) open-ocean intake facility will continue the devastating impacts of once-through cooling on our marine environment -- a technology that several state agencies have officially resolved to phase out. The federal courts have also ruled that "after the fact" mitigation does not meet the legal mandate to minimize marine life mortality - the same mandate found in California's Coastal Act and Porter-Cologne Act. Even worse, Poseidon's proposed "after the fact" Marine Life Mitigation Plan is not fully detailed and will very likely mitigate only a fraction of the impacts that the 300 mgd intake will cause to Agua Hedionda Lagoon and to San Diego's coastal ecosystem.

There is no doubt that Southern California, and San Diego in particular, is facing difficult choices to meet an ever-growing demand for fresh water and we need to develop and enhance local water supplies. Water conservation and water recycling, long overlooked in San Diego, must play a crucial role in the region's overall water supply strategy. These alternatives have the added benefits of reducing the intractable problem of ocean pollution. Desalination, too, may play an important role in our approach to addressing water shortages statewide, but only if these facilities use best available technology and fully mitigate environmental impacts. Trading water security for energy insecurity, contributing significantly to climate change, and exacerbating the decline of our marine ecosystems is simply not acceptable.

Therefore, I am writing to urge the California Coastal Commission and State Lands Commission to comply with AB 32, as well as your duties to protect and restore healthy marine ecosystems through the elimination of unnecessary marine life mortality, by holding Poseidon to its prior commitment to fully mitigate its environmental and climate impacts.

Sincerely,
Patrick Sheahan
2413-C Fifth St
Berkeley, CA 94710



August 4, 2008

Mr. Peter Douglas
Executive Officer
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105
PoseidonDesalComments@coastal.ca.gov
FAX (415) 904-5400

Mr. Paul Thayer
Executive Officer
State Lands Commission
100 Howe Ave Suite 100 South
Sacramento, CA 95825-8202
Carlsbad.desal@slc.ca.gov
FAX (916) 574-1810

Re: *Support for full mitigation from Poseidon Resources' Carlsbad Desalination Plant*

Dear Mr. Douglas & Mr. Thayer:

We are writing to urge you to require that Poseidon Resources take all necessary measures to mitigate 100% of the environmental impacts of its proposed Carlsbad Desalination Plant (CDP) as the company has promised and the law demands.

Climate change is one of the great environmental and moral crises of our time. We are gravely concerned about a facility that will add over 100,000 metric tons of carbon dioxide (CO₂), a greenhouse gas, to our fragile atmosphere every year. Poseidon Resources has promised that the CDP will be fully carbon neutral, which will also help us to comply with California's landmark *Global Warming Solutions Act of 2006*, a law requiring the reduction of greenhouse gas emissions to 1990 levels by 2020. Despite their past promises and the goals of AB 32, Poseidon Resources' *Energy Minimization and Greenhouse Gas Reduction Plan* would mitigate less than one-third of the greenhouse gas emissions caused by the facility.

Likewise, the open-ocean intake facility which will take in 300 million gallons per day (mgd) to produce 50 MGD in potable water will continue the devastating impacts on our marine environment

of once-through cooling, a technology that several state agencies have officially resolved to phase out. Poseidon's proposed *Marine Life Mitigation Plan* is not sufficiently detailed and will likely mitigate a fraction of the impacts that intake will cause to Agua Hedionda Lagoon and to San Diego's coastal ecosystem.

There is no doubt that Southern California and San Diego, in particular, are facing difficult choices to meet an ever-growing demand for fresh water, including deciding how we best enhance our local water supplies. Water conservation and water recycling, long overlooked in San Diego, must play a crucial role in the region's overall water supply strategy. Desalination, too, may play an important role in our approach to addressing water shortages, but only if these facilities use best available technology and fully minimize and mitigate environmental impacts. Trading water security for energy insecurity, contributing significantly to climate change and exacerbating the decline of our marine ecosystems is simply not acceptable.

Therefore, we are writing to urge the California Coastal Commission and State Lands Commission to comply with the goals of AB 32, hold Poseidon to its prior commitment and responsibility, and demand that the Carlsbad Desalination Plant fully mitigate its environmental and climate impacts.

Sincerely,

Signature on File

Bruce Reznik
Executive Director
San Diego Coastkeeper

Signature on File

Joe Geever
California Policy Coordinator
Surfrider Foundation

Signature on File

Mark Gold
President
Heal the Bay

Signature on File

Lind Sheehan
Executive Director
California Coastkeeper Alliance

Signature on File

Mindy McIntyre
Water Program Manager
Planning & Conservation League/PCLF

Conner Everts
Executive Director
Southern California Watershed Alliance

Mark Massara
Director, California Coastal Programs
Sierra Club

Tom Ford
Executive Director
Santa Monica Baykeeper

Gordon Hensley
Executive Director
San Luis Obispo Coastkeeper

Ray Hiemstra
Associate Director-Programs
Orange County Coastkeeper

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AUG 04 2008

CALIFORNIA
COASTAL COMMISSION

Agenda Item 4a, 5a, 5b
E. Kimura
Sierra Club



Main Office: (619) 299-1743
Chapter Coordinator: (619)-299-1741
Fax: (619)-299-7142
Email: creiff@sierraclubsandiego.org
www.sierraclubsandiego.org

San Diego Chapter
Serving the Environment in San Diego and Imperial Counties
3820 Ray Street
San Diego, CA 92104

August 1, 2008

Subject: Application No. E-06-013, (Poseidon Resources (Channelside), LLC, Carlsbad)
Revised Findings and Condition Compliance

California Coastal Commission
45 Fremont, Suite 2000
San Francisco, CA 94105-2219

Dear Members of the Commission:

We respectfully submit the following comments on the Condition Compliance for Permit E-06-013, Special Condition 10, Submittal of an Energy Reduction and Greenhouse Gas Reduction Plan and Special Condition 8, Submittal of a Marine Life Mitigation Plan.

Special Condition 10. We concur with staff finding that the applicant's Energy Reduction and Greenhouse Gas Reduction Plan do not conform to Special Condition 10. Implementation of AB 32 is expected in 2012. In the meantime there needs to be assurances that the Carlsbad Desalination Plant will achieve "net zero" emission of greenhouse gasses. We agree with staff recommendations that the Plan be implemented using available and applicable provisions of AB 32, as carried out by CARB and CCAR. The staff report should also address the life cycle energy demands and greenhouse gas emissions of the desalination plant including the construction phase. Energy efficient construction equipment such as trucks and, earthmovers, recycling construction debris, minimizing traffic delays to save fuel in the vicinity of the project are examples that should be required to reduce greenhouse gas emissions.

Special Condition 8. We agree with the staff analysis that the applicant's proposed Marine Life Mitigation Plan does not conform to Special Condition 8. We are concerned the Poseidon entrainment analysis contained in the Carlsbad Desalination Plant EIR had sampled 49 species of fish larvae and only four target invertebrates. Consequently, there are no reliable data on the entrainment losses of other ecologically important marine organisms. Yet this is the primary source of information on which the mitigation plan is based. Staff recommends that the Poseidon mitigation plan shall create or restore between 55 and 68 acres of coastal estuarine habitat in the Southern California Bight. The acreage range of 55 to 68 acres corresponds to a statistical confidence level of 80% to 95%. We strongly recommend the mitigation area be set to 68 acres minimum to account for the limited entrainment data.

In summary, we urge that you reject the Poseidon submittals of the Energy Reduction and Greenhouse Gas Reduction Plan and the Marine Life Mitigation Plan as not being in compliance and accept the staff modifications. In addition we ask that you accept our recommended changes as noted

Thank you

Sincerely,

Signature on File

Edward Kimura
Water Committee
Sierra Club,. San Diego Chapter



San Diego County
**Taxpayers
Association**

Targeting Waste • Promoting Efficiency

110 West C Street, Suite 714, San Diego, CA 92101 • P: (619) 234-6423 • F: (619) 234-7403 • www.sdcta.org

August 1, 2008

California Coastal Commission
Attention: Chairman Pat Kruer
45 Fremont Street, Suite 2000
San Francisco, CA 94105

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AUG 04 2008
CALIFORNIA
COASTAL COMMISSION

RE: Carlsbad Desalination Project

Dear Chairman Kruer:

The San Diego County Taxpayers Association (SDCTA) testified before the Coastal Commission last November in support of the Carlsbad Desalination Project, a public-private partnership between Poseidon Resources and nine San Diego County public water agencies.

In November, the Commission approved the desalination plant's development permit, heeding the pleas from the SDCTA and dozens of other San Diego public officials and community organizations seeking a drought proof and environmentally sound solution to the region's water supply crisis. Almost one year later, San Diego and the state are in a full blown drought.

At a time when ratepayers are facing mandatory conservation and higher water rates, we cannot afford to delay this project. Poseidon has agreed to the permit's mitigation parameters, and has submitted thoughtful and comprehensive mitigation plans that meet the project's obligations under the state's Coastal Act.

We urge the Commission to reject staff's proposed modifications to Poseidon's mitigation plans. Staff modifications would result in unprecedented and excessive mitigation costs. These costs would be passed along to ratepayers and jeopardize project financing.

The SDCTA looks to the Commission for leadership and action. To this end, our board requests that you approve Poseidon's proposed mitigation plans when the Commission meets on August 6th in San Diego County.

Sincerely,

Signature on File _____

Lani Lutar
President & CEO

cc:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
Commissioner Larry Clark
Commissioner William Burke
Commissioner Dave Potter
Commissioner James Wickett
Commissioner April Vargas
Commissioner Dan Secord
Commissioner Adi Liberman
Commissioner Sharon Wright
Commissioner Steve Kinsey
Commissioner Brooks Firestone
Commissioner Suja Lowenthal
Commissioner Deborah Schoenbaum
Commissioner Mike Chrisman
Commissioner Karen Scarborough
Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Fabian Nunez
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin



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CALIFORNIA
COASTAL COMMISSION

July 30, 2008

California Coastal Commission Board
Chairman Pat Kruer
45 Fremont Street, Ste. 2000
San Francisco, CA 94105

Please note that Coastal Commission staff has also received a copy of this letter.

RE: Carlsbad Desalination Project – Coastal Development Permit Application No. E-06-013

Dear Chairman Kruer and Commission Members:

I'm writing once again on behalf of the Agua Hedionda Lagoon Foundation to urge your support for Carlsbad Desalination Plant and approval of the project's permit conditions.

Last year, The Commission approved the project's coastal development permit along with two conditions in which Poseidon Resources agreed to comply. As you will remember from our public testimony, the Foundation believes the desalination plant is critical to the long-term preservation of the Agua Hedionda Lagoon. The desalination plant has committed to step into the stewardship role of the power plant and ensure the lagoon is dredged and maintained into the future once the Encina Power Station is decommissioned.

This commitment represents enormous environmental value by helping conserve, restore and enhance the Agua Hedionda Lagoon, marsh, wetlands and watershed area, and protect sensitive land. This commitment will provide for the preservation of real wetlands acreage and deserves serious consideration and support by the Commission as it evaluates the project's Marine Life Mitigation Plan.

Additionally, there are other opportunities within the Agua Hedionda Lagoon that may be suitable for incorporation in the Marine Life Mitigation Plan. Consequently, we support and commend staff's determination that the Marine Life Mitigation Plan should be a performance-based plan that identifies a specific mitigation requirements and performance criteria, and provides a 24-month timeline for identification of one or more marine wetlands restoration projects. This flexible approach will ensure that appropriate mitigation projects that could occur within the Agua Hedionda Lagoon are given serious consideration.

The Foundation looks forward to working with staff and Poseidon to identify one or more high priority restoration projects within Agua Hedionda Lagoon.

Sincerely,

(
Signature on File
Eric Munoz, President
Agua Hedionda Lagoon Foundation



CC:

Chairman Pat Krueer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
Commissioner Larry Clark
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Commissioner Mike Chrisman
Commissioner Karen Scarborough
Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Fabian Nunez
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin



July 30, 2008

Chairman Pat Kruer
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

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CALIFORNIA
COASTAL COMMISSION

Coastal Commission staff has received a copy of the enclosed communication

RE: Carlsbad Desalination Project – Coastal Development Permit Application No. E-06-013

Dear Chairman Kruer:

I am the President and CEO of BIOCOM, a life science industry association representing more than 550 member companies in San Diego and Southern California. Our association focuses on initiatives that positively influence the growth of the life science industry, including capital formation, public policy, workforce development, and scientific discovery and development.

Recently, Governor Schwarzenegger announced that our state is in a severe drought and has called a state of emergency in nine counties. This drought, along with new restrictions on imported water, is negatively impacting our regional economy. Our agricultural industry has primarily borne the brunt of these cutbacks, but it is only a matter of time before the entire county faces mandatory water restrictions across the board.

San Diego is a world-renowned center for biotech businesses. Our industry requires a reliable source of water for research and manufacturing. And our industry, and regional economy, will be adversely impacted if new, drought-proof sources of water are not developed in a timely manner.

The members of BIOCOM believe that one key element of the solution is at hand – seawater desalination. We do not discount the strong role that conservation and recycling of our supplies must play, but our region's water strategy must be comprehensive and practical. We are in full support of the proposed Carlsbad Seawater Desalination facility which we view as a long overdue and badly-needed tool in the quest to broaden and diversify our local water supplies.

As a San Diego County representative and the chairman of the Commission, we urge your leadership in addressing this threat to San Diego's economy. It has been almost ten years since the project was first introduced and it is time to bring to an end the project's permitting process. I urge the Commission to approve the permit's two remaining conditions at your August public hearing.

Sincerely,

Signature on File

Joe Penatta
BIOCOM, President & CEO

CC:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
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Senator Mark Wyland
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Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
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Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin



City of Carlsbad

Administrative Services

July 30, 2008

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CALIFORNIA
COASTAL COMMISSION

Mr. Tom Luster
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 95105-2219

Dear Mr. Luster:

This letter concerns the Energy Minimization and Greenhouse Gas Reduction Plan (the Plan) scheduled to come before the Coastal Commission on August 6, 2008. The Plan was voluntarily developed by Poseidon Resources to offset indirect carbon emissions resulting from the Carlsbad Desalination Project's (the Project) electrical consumption. The City of Carlsbad has reviewed the Plan and would like to provide the following comments.

Poseidon should be commended for its commitment for trying to achieve a carbon-neutral project. This voluntary pledge to offset the incremental increase in greenhouse gas emissions resulting from electricity usage, is consistent with the types of action the State requires in order to meet the goals of AB 32.

The City of Carlsbad strongly supports carbon offset projects that benefit those agencies which have contracted with Poseidon for desalinated water. The City believes it has a number of said projects which meet the goals of the Plan and the City looks forward to submitting those for consideration.

There has been considerable discussion of emission credits for offsetting imported water in formulating this plan. As you are aware, the City of Carlsbad has contracted for approximately 25 million gallons per day, or roughly 50% of the Project's total output. This water will directly replace water that the City currently imports from the San Diego County Water Authority. Furthermore, considering the City's voter-approved growth limitations, the water provided by Poseidon represents the vast majority of the total potable demand that the City will incur now and into the future.



Mr. Tom Luster

July 30, 2008

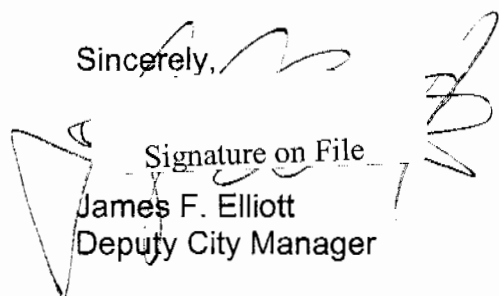
Page Two

In light of this displacement, the City's position is that it is both fair and appropriate to credit the Project for the reduction of associated energy and related greenhouse gas emissions required to transport imported water. Any other result would unfairly hold Poseidon responsible for carbon emissions associated with unrelated activities over which it has no control.

Poseidon's commitment to offset any increase in carbon emissions is a positive first step in moving towards a carbon-neutral world. With San Diego County's water supply at historic lows, the proposed desalination plant has the ability to bring much needed relief in an environmentally conscious manner. The City commends Poseidon's commitment in this effort and we look forward to working with the Commission in fulfilling the promise of the Plan.

Thank you for considering our perspective on these important issues. If you have any questions, please do not hesitate to contact me to discuss these matters further.

Sincerely,



Signature on File

James F. Elliott
Deputy City Manager

cc: Lisa Hildabrand, City Manager
Peter MacClaggan, Sr. Vice President, Poseidon Resources
Joe Garuba, Municipal Projects Manager



Batiquitos Lagoon Foundation

Preserve, Protect, and Enhance

July 29, 2008

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JUL 31 2008
CALIFORNIA
COASTAL COMMISSION

California Coastal Commission Board
Chairman Pat Kruer
45 Fremont Street, Ste. 2000
San Francisco, CA 94105

**Subject: Carlsbad Desalination Project – Coastal Development Permit
Application No. E-06-013**

Dear Chairman Kruer and Commission Members:

I'm writing on behalf of the Batiquitos Lagoon Foundation (BLF), a 501(c)(3) environmental non-profit corporation serving Carlsbad for over 25 years, whose objective is to *preserve, protect and enhance* Batiquitos Lagoon and its associated watershed. We urge your support for the Carlsbad Desalination Plant and approval of the project's permit conditions.

Last year, the Commission approved the project's coastal development permit along with two conditions in which Poseidon Resources agreed to comply. The City of Carlsbad, unlike any other in the state, uniquely boasts three coastal lagoons (i.e., Agua Hedionda, Batiquitos and Buena Vista). The desalination plant is critical to the long-term preservation of one of Carlsbad's three lagoons, the Agua Hedionda Lagoon. The desalination plant has committed to step into the stewardship role of the power plant and ensure the lagoon is dredged and maintained into the future once the Encina Power Station is decommissioned.

This commitment represents enormous environmental value by helping conserve, restore and enhance the Agua Hedionda Lagoon, marsh, wetlands and watershed area, and project-sensitive land. This commitment will provide for the preservation of real wetlands acreage and deserves serious consideration and support by the Commission as it evaluates the project's Marine Life Mitigation Plan.

The BLF feels that it is extremely important to look at the big picture associated with our lagoons, and to long-term investment opportunities in sustaining not only our wetlands, but also the associated beaches, near shore areas, and the watersheds that feed them. Our lagoons are one component of a large, dynamic and complex system, and must be managed accordingly. The desalination project's mitigation requirements present such an opportunity to provide sustainable stewardship and management. We highly recommend that when considering mitigation projects, that priority be given to applying support for projects that are within the City of Carlsbad and its three unique lagoons

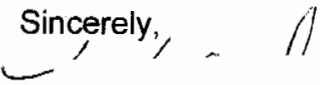
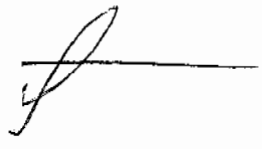
before looking to other sites within San Diego County since that is where the desalination project will be constructed.

As an advocate and steward of Batiquitos Lagoon, our Foundation also believes that there certainly are many project opportunities within the Batiquitos Lagoon which may be suitable for incorporation in the Marine Life Mitigation Plan. The BLF would welcome the opportunity to work with your staff to define such projects for incorporation into Poseidon's Marine Life Mitigation Plan.

We therefore strongly support staff's determination that the Marine Life Mitigation Plan should be a performance-based plan that identifies specific mitigation requirements and performance criteria, and provides a 24-month timeline for identification of one or more marine wetland restoration projects. This flexible approach will ensure that appropriate mitigation projects that could occur within Batiquitos Lagoon and the other lagoons in Carlsbad are given serious consideration. As the desalination project moves forward, the Batiquitos Lagoon Foundation plans to be an active participant and an advocate of *best management practices* to ensure that environmental factors are properly addressed in a balanced fashion to maximize the benefits to the community.

The Batiquitos Lagoon Foundation looks forward to working with staff and Poseidon to identify one or more high priority restoration projects within Batiquitos Lagoon.

Sincerely,



 Signature on File
 Fred C. Sandquist
 President

cc: Joe Garuba, City of Carlsbad
 Scott Malone, Vice President, Poseidon Resources (Channelside), LLC
 Vice Chairwoman Bonnie Neely
 Commissioner Ben Hueso
 Commissioner Steve Blank
 Commissioner Steve Kram
 Commissioner Khatchik Achadjian
 Commissioner Sara Wan
 Commissioner Mary Shallenberger
 Commissioner Mike Reilly
 Commissioner Larry Clark
 Commissioner William Burke
 Commissioner Dave Potter
 Commissioner James Wickett
 Commissioner April Vargas
 Commissioner Dan Secord
 Commissioner Adi Liberman
 Commissioner Sharon Wright
 Commissioner Steve Kinsey
 Commissioner Brooks Firestone

Commissioner Suja Lowenthal
Commissioner Deborah Schoenbaum
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Commissioner Paul Thayer
Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Fabian Nunez
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin



San Elijo Lagoon CONSERVANCY

Preserving, protecting and enhancing the San Elijo Lagoon Ecological Reserve and its watershed

July 29, 2008

California Coastal Commission Board
Chairman Pat Kruer
45 Fremont Street, Ste. 2000
San Francisco, CA 94105

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AUG 01 2008

CALIFORNIA
COASTAL COMMISSION

P. O. Box 230634
Encinitas, California
92023-0634
T 760 436-3944
F 760 944-9606

Please note that Coastal Commission staff has also received a copy of this letter.

RE: August 6, 2008 Agenda Item 5b, Carlsbad Desalination Project – Coastal Development
Permit Application No. E-06-013

www.sanelijo.org

Dear Chairman Kruer and Commission Members:

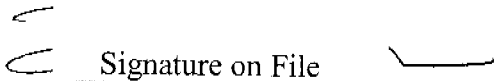
I'm writing on behalf of San Elijo Lagoon Conservancy regarding the Carlsbad Desalination Plant and approval of the project's permit conditions.

Last year, the Commission approved the project's coastal development permit along a condition in which Poseidon Resources agreed to restore and enhance coastal wetlands. This commitment represents enormous opportunity conserve, restore and enhance lagoon, marsh, and marine wetlands, and protect sensitive land through the implementation of the project's Marine Life Mitigation Plan.

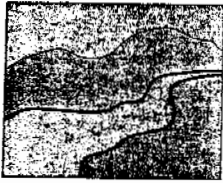
I'm please to inform you that the San Elijo Lagoon Conservancy is developing a comprehensive restoration plan for the San Elijo Lagoon that may be suitable for addressing some or all of the restoration needs identified in the Marine Life Mitigation Plan. Consequently, we support staff's recommendation that the Marine Life Mitigation Plan should be a performance-based plan that identifies a specific mitigation requirements and performance criteria, and provides a 24-month timeline for identification of one or more marine wetlands restoration projects. This flexible approach will ensure that appropriate mitigation projects that could occur within San Elijo Lagoon are given serious consideration.

The San Elijo Lagoon Conservancy looks forward to working with Commission staff and Poseidon to identify one or more high priority restoration projects within San Elijo Lagoon.

Sincerely,

 _____
Signature on File

Doug Gibson
Executive Director / Principal Scientist



San Dieguito River Valley
Regional Open Space Park
18372 Sycamore Creek Road
Escondido, CA 92025
(858) 674-2270 Fax (858) 674-2280
www.sdrp.org

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AUG 01 2008

CALIFORNIA
COASTAL COMMISSION

July 29, 2008

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22nd District Agricultural Assoc.

Dick Bobertz
Executive Director

Peter MacLaggan, Sr. Vice-President
Poseidon Resources, Suite 1260
501 West Broadway
San Diego, CA 92101

Dear Peter:

SUBJECT: Response to SCE Letter of July 11, 2008

The following is my response to certain comments regarding SCE's exclusive restoration rights contained in a letter from David Kay of the Southern California Edison Company addressed to Tom Luster of the California Coastal Commission dated 11 July 2008. Mr. Kay asserts in the letter that SCE holds exclusive restoration rights to the land on which Poseidon proposes to construct its mitigation project at the San Dieguito Lagoon.

In fact, SCE's restoration rights are not exclusive because restoration of the area in question is not part of SCE's Final Wetland Restoration Project. SCE's exclusive rights, pursuant to the 1998 MOA between SCE and the San Dieguito River Park JPA, only attach to those areas approved for wetland restoration as part of the Final Restoration Plan. The JPA and SCE share equal restoration rights over all other property. Further, SCE has an obligation to allow the additional restoration so long as it is consistent with the existing restoration project.

Nonetheless, the JPA shares SCE's desire to ensure a new project does not adversely impact the existing restoration project and recognizes their need to preserve the option of additional wetland restoration in the future if needed. We believe it is in the best interest of the parties that we work together to identify a mutually acceptable solution and offer to meet with SCE and Poseidon to work toward that end.

Sincerely,

Signature on File
Dick Bobertz
Executive Director

cc: David Kay, SCE
Tom Luster, CCC



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Office

July 29, 2008

Mr. Peter Douglas
Executive Director
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Dear Mr. Douglas:

Carlsbad Desalination Project's Energy Minimization and Greenhouse Gas Reduction Plan

The Metropolitan Water District of Southern California (Metropolitan) and the San Diego County Water Authority are statewide leaders in water conservation, recycling, and brackish groundwater desalination. However, in addition to these demand management achievements, our resource strategy benefits from other progressive actions including seawater desalination. Metropolitan's responsibility to the public is to manage future challenges including population growth, climate change impacts, increased uncertainty in the Bay-Delta, and earthquake disruptions to imported water pipelines.

The proposed Carlsbad Seawater Desalination Project (Project) would help secure supply reliability in Southern California by mitigating against these uncertainties. Metropolitan has previously supported and continues to support the project.

Metropolitan has committed to providing incentives of \$250 per acre-foot for locally-developed seawater desalination supplies that offset the demands for imported supplies, up to \$14 million annually to support the Project. To receive the incentive, water agencies receiving desalinated supplies from the Project must demonstrate that the water offsets an equivalent amount of water imported from Metropolitan.

Coastal Commission staff have questioned if it is appropriate for the Carlsbad Desalination Project's proposed Energy Minimization and Greenhouse Gas Reduction Plan (GHG Plan) to account for the fact that seawater desalination would lessen the need for additional water to be imported into the region. Metropolitan believes it is appropriate for the Project's GHG Plan to be based on offsetting net carbon emissions because San Diego County will use 56,000 acre-feet per year less imported water upon Project start up. By net, we mean the difference in energy related emissions required for moving water through the State Water Project compared to operating the seawater desalination project.

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CALIFORNIA
COASTAL COMMISSION

Mr. Peter Douglas
Page 2
July 29, 2008

Offsetting demand for imported water is a condition for receiving Metropolitan's financial incentives. Reduced demand will assist Metropolitan's ability to store wet-year water, improve operational flexibility and reduce requirements for dry-year water transfers delivered through State Water Project infrastructure. If the Project is not approved, regional demand for imported water will not be reduced by the 56,000 acre-feet per year to be produced by the Project.

The conditions placed on the Carlsbad Desalination Project set an important precedent for seawater desalination development in California. In that light, Metropolitan supports the Project's GHG Plan, which we believe will achieve carbon neutrality by offsetting the Project's net greenhouse gas emissions.

Thank you for considering our comments.

Yours truly,


Signature on File
Jeffrey K. Klinginger
General Manager

WAT:tw

o:\a\sic\2008\WAT_CCC - Carlsbad Support Letter 7-23-08.doc

cc: Ms. Maureen A. Stapleton
General Manager
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Mr. Peter M. MacLaggan
Poseidon Resources Corporation
501 West Broadway, Suite 840
San Diego, CA 92101

James B Wright
1344 Corvidae Street
Carlsbad, CA 92011
Phone/Fax (760) 476-1082
E-mail jbw1@roadrunner.com

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JUL 28 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

July 28, 2008

San Diego Coast District Office
Sherilyn Sarb, Deputy Director
7575 Metropolitan Drive Ste 103
San Diego, CA 92108-4402

Subject: Carlsbad Desalination Plant

Dear Ms. Sarb,

I am writing to the Coastal Commission with concern about the proposed desalination plant for Carlsbad, California.

As an engineer with substantial experience in desalination, I am urging the Commission to put this desalination plant on a fast track to completion. We are facing severe water shortage concerns in all of California. It is in the best interests of all Californians that we do all we can to conserve water, but we also must seek added relief by utilizing desalination of our readily available ocean waters.

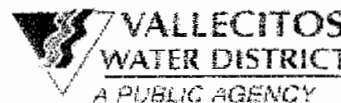
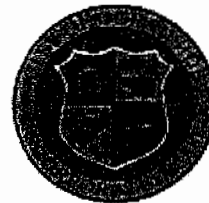
This plant has been unnecessarily held up and delayed by far too much bureaucratic delay. We could have had the plant on line and helping relieve our current drought situation. The drought has not only serious concerns for potable drinking water, but also for water needed in fighting wild fires that have plagued San Diego County and other locations in California.

As a resident of Carlsbad, I strongly urge the Commission approve this very important new water source project promptly. We need the water.

Sincerely,

James B Wright

Cc: **Governor** ARNOLD SCHWARZENEGGER



This letter has been sent to all members of the Coastal Commission and all staff members.

July 28, 2008

California Coastal Commission
Attention: Chairman Pat Kruer
45 Fremont Street, Suite 2000
San Francisco, CA 94105

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CALIFORNIA
COASTAL COMMISSION

RE: Carlsbad Desalination Project

Dear Chairman Kruer and Commissioners:

In June, Governor Schwarzenegger sounded the alarm by declaring that California is in a drought. This declaration received international attention, and now all eyes are watching how California handles the escalation of its water supply crisis. Attached for your review is a sample of the news reports that help illustrate the urgency of the state's drought conditions.


Our ability to withstand imminent cutbacks in our region's imported water supply - and unavoidable rate increases - depends on developing new local supplies to augment ongoing conservation efforts. In an effort to plan for water shortages, protect our rate payers and avert economic disaster and a potential public health and safety crisis, the San Diego County public agencies that comprise the *San Diego Desal Partners* have actively encouraged the Coastal Commission to approve the Carlsbad Desalination Project in a timely fashion.

Two years ago, Poseidon Resources applied to the Commission for a Coastal Development Permit. During this time, nine public water supply agencies have entered into agreements to purchase desalinated water to address the emerging crisis. Nine months have passed since the Commission approved the Project's permit. On June 4, Governor Arnold Schwarzenegger formally declared a statewide drought, citing increasingly dry conditions and court-ordered restrictions on water deliveries. He issued an executive order directing state agencies to take action to respond to the crisis. The worsening drought conditions and overwhelming public support for this Project only increase the urgency to complete the approval of the Project's remaining permit conditions.

The Commission is scheduled to meet in San Diego County this coming August. The time has come for the Coastal Commission to bring to a close its lengthy review of the Carlsbad Desalination Project and allow San Diego to move forward with a drought-proof solution to the state's water crisis.

We urge your immediate action in support of the Carlsbad Desalination Project.

Sincerely,

 Signature on File 1

The Honorable Claude A. "Bud" Lewis
Mayor, City of Carlsbad


 Signature on File 1

Mr. Gary Broomell
President, Valley Center Municipal Water District

Signature on File

Signature on File

Mr. R. Mitchel Beauchamp
Board Chairman, Sweetwater Authority

 Signature on File 1

Mr. Robert M. "Bud" Irvin
President, Santa Fe Irrigation District

Signature on File

The Honorable Jim Wood
Mayor, City of Oceanside

 Signature on File 1

Ms. Diana L. Towne
President, Rincon del Diablo Municipal Water District

Signature on File

Ms. Susan J. Varty
President, Olivenhain Municipal Water District

Signature on File

Mr. Rua M. Petty
President, Rainbow Municipal Water District

Signature on File

Signature on File

Mr. Timothy M. Shell
President, Vallecitos Municipal Water District

CC:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
Commissioner Larry Clark
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Commissioner Sharon Wright
Commissioner Steve Kinsey
Commissioner Brooks Firestone
Commissioner Suja Lowenthal
Commissioner Deborah Schoenbaum
Commissioner Mike Chrisman
Commissioner Karen Scarborough
Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Fabian Nunez
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin

Los Angeles Times

THE GREAT THIRST

Oceans of water

Although desalination is costly and energy intensive, it should be part of our long-term strategy.

July 28, 2008

It's easy to understand why so many of us, hearing of threats from climate change and shrinking water supplies, turn our gaze west to the mighty Pacific. The Colorado River, a water source strained to its limits, once seemed endless. The ocean practically is endless. As Saudi Arabia and now Australia have shown, it is possible to remove the salt from ocean water and get perfectly decent -- indeed, quite high-quality -- drinking water.

So why not, Southern Californians ask, tap the sea to solve our state's water woes?

Desalination, as the process of removing salt from water is known, will be an important part of California's long-term water supply solution. Already the technology is used to prepare wastewater for refilling underground aquifers. Desalinating ocean water could provide cities with new "local" water sources that, unlike the imported water that currently slakes our thirst, wouldn't be affected by problems in the Sacramento-San Joaquin River Delta or fights over water rights on the Colorado River. Best of all, the ocean is drought-proof.

But as attractive as it sounds, desalination won't be the saving hand that pulls our lush lawns and alfalfa fields from the jaws of arid reality. It is, and probably will remain, too expensive, too energy intensive and potentially too harmful to the environment to provide most of the water our state needs. By 2030, state water planners predict, desalination is likely to generate just a small portion -- less than 10% -- of California's water supply. We will still have to conserve.

Desalination plants employ a process called reverse osmosis, which forces a liquid through a filtering membrane to purify it.

Unfortunately, the process is very, very energy intensive -- using about 30% more power than the energy-intensive systems already in place. To put this in perspective: The purification systems and massive pumps that today move water throughout the state use almost 20% of all the energy consumed in California. Switching to "desal" on any kind of large scale would burn through one-third more. Generating so much additional energy would be a greenhouse-gas nightmare.

There are other environmental impacts to consider too. Like the intakes of water-cooled power plants, which also suck in water from the ocean, desalination facilities can trap fish and larvae, harming marine life. Every two gallons of seawater processed create one gallon of potable water and another of double-strength brine, which must be diluted before it can be dumped (usually, discharged back into the ocean).

Because of strict development regulations on the coast, acquiring permits for desalination plants is a complicated and expensive process. Poseidon Resources Corp., a water infrastructure development company based in Stamford, Conn., has spent tens of millions of dollars and 10 years on a plant in Carlsbad that will produce 50 million gallons a day -- and it hasn't even broken ground. If the company gets final approval from the Coastal Commission on Aug. 6, it will spend at least \$300 million more on capital costs before it produces its first drop of desalinated water, which won't be before 2011.

These costs add up -- and get passed on to consumers. Today, treated water purchased from the Metropolitan Water District costs about \$500 per acre foot (an acre foot, or 326,000 gallons, is enough water to supply two families for one year). Because the Los Angeles Department of Water and Power is able to supplement MWD water with groundwater at \$200 to \$250 per acre foot and imports from the

Owens Valley at \$300 to \$400 per acre foot, its water costs even less. Desalinated water costs somewhere from \$850 to \$900 per acre foot (Poseidon's estimate for its Carlsbad plant) to more than \$1,500 per acre foot (the LADWP's estimate).

In the short term, desalinated water is unaffordable for Los Angeles -- though it may make better economic sense as imported water becomes scarcer and pricier. In a place like San Diego County, which has few local water resources and depends almost entirely on imported water from the MWD and even more expensive supplies, desal makes a lot more sense. Hoping to lessen cities' dependence on water from the delta and the Colorado, the MWD offers a \$250-per-acre-foot subsidy for water districts for the purchase of desalinated water, which could make Poseidon's Carlsbad water, for example, almost competitive with imported water (with the added bonus of being drought-proof and therefore dependable).

Because cities must develop local water supplies, we urge the Coastal Commission to grant final approval for the Poseidon plant in Carlsbad, which has been designed to mitigate environmental damage and will offset carbon emissions from the extra energy it consumes as well. We also hope the federal and state governments will continue funding projects such as Long Beach's experimental desalination plant, which is trying out more energy-efficient methods of purification and is experimenting with bringing in seawater from beneath the ocean floor -- a method used in Japan that may reduce harm to marine life. Any progress in making desalination cleaner and cheaper, and therefore a better option for California, is welcome.

But desalination is just one in a broad portfolio of technologies and strategies that California will have to employ to meet its water needs in the decades to come. Throughout the state -- and especially in Los Angeles, where water is relatively cheap -- conservation, wastewater recycling, storm water capture and other approaches must come first.

Desalination isn't some kind of magic that will allow us to continue sprinkling our sidewalks, hosing down our driveways and taking hour long showers. Its modest promise cannot become an excuse to waste water. It must be a complement to conservation -- not an alternative to it.

The San Diego
Union-Tribune.

LOCAL PERSPECTIVE

Desalting water and breaking new ground

By Robert Gilleskie

July 26, 2008

Recently, Poseidon Resources Inc., the developer of the Carlsbad desalination plant, asked the California Center for Sustainable Energy to review its voluntary Climate Action Plan, which describes its strategy to render the plant carbon-neutral. After thorough, independent review by our energy and climate-change experts, we have concluded that Poseidon's strategy to render the plant carbon-neutral is sound.

In fact, Poseidon has broken new ground in its proposal; to the best of our knowledge, the plant will be the first major infrastructure project in the state to voluntarily eliminate its net carbon footprint. CCSE believes this project will advance the state's goals as embodied in AB32, California's ground-breaking Global Warming Solutions Act.

The overwhelming majority of the emissions associated with the desalination plant are "indirect" emissions; they result from the generation of electricity provided by the local utility. Implementation of Poseidon's plan will effectively cancel these emissions by incorporating energy-efficient equipment into the plant's design, installing a solar-power system at the site, revegetating lands in coastal North County, planting trees, and purchasing renewable energy credits.

In addition, the plant will make over 50 million gallons of drinking water a day here in San Diego. It will no longer be necessary to import this amount from Northern California, thus avoiding the energy use and carbon dioxide emissions attendant to pumping this water from distant sources.

Poseidon's use of the latest and most efficient desalination technology is evident, and its emphasis on plant efficiency as the first priority is consistent with good energy-management practice.

Also, the proposed solar photovoltaic system on a combination of available rooftop and covered parking area will provide throughout the year a consistent, measurable displacement of kilowatt-hours that would otherwise be generated locally during peak hours with mostly fossil fuel or imported from generating plants out of state.

Additionally, the proposed mitigation of 37 acres of wetlands in coastal North County will not only improve the ecology of the area; it will provide an effective carbon "sink" for the life of the project. And planting \$1 million worth of trees in areas devastated by the 2007 wildfires will have the benefit of absorbing about 60 pounds of carbon dioxide per tree per year.

Finally, Poseidon will purchase renewable energy credits in support of "green" projects away from the site, such as wind turbines, to compensate for whatever carbon emissions remain.

Poseidon's voluntary commitment to make its Carlsbad project carbon-neutral is exactly the kind of environmental leadership we need from companies doing business in California. The project represents a

terrific opportunity to ensure that appropriate mechanisms are in place to monitor, evaluate and learn from Poseidon's leading, landmark commitment.

Linking environmental responsibility with development, coastal or otherwise, must increasingly be part of our society's standard operating procedure as we move toward the second decade of the 21st century. This plant will not only provide an alternative, local source of future water supplies to San Diego County; it is also an example that should help set the tone for the implementation of AB32.

■ Gilleskie is director of Engineering at the California Center for Sustainable Energy, an independent, nonprofit in San Diego that facilitates the adoption of energy-efficient technologies and practices.

The San Diego
Union-Tribune.

State's water chief worries 2009 will be worst drought

House panel hears of financial impact

By Garance Burke
ASSOCIATED PRESS

July 22, 2008

FRESNO – California's second-largest storage reservoir will end this year with the lowest amount of water in more than 30 years, the state's water chief said yesterday.

Lester Snow, Department of Water Resources director, spoke at a congressional hearing on California's drought in Fresno, where farmers, climate change experts and area politicians testified about the financial impacts wrought by the water shortage.

State officials are preparing for another year of drought in 2009, prompted by low storage levels, court-ordered cutbacks, increasing demand for water and forecasts of another dry winter, Snow told the House Subcommittee on Water and Power.

Next year "could be the worst drought in California history," Snow said.

Lake Shasta, the state's largest reservoir, is at 48 percent capacity, department officials said.

The next-largest reservoir, Lake Oroville – which sits at the top of the vast system of state pumps and canals that send mountain river supplies to Southern California – is at 40 percent capacity and will drop to about 20 percent by the end of December, he said.

Snow told the crowd of about 250 that the water that moves south from the Delta has an economic impact of nearly \$400 billion.

No immediate solutions to the water crisis were offered. There was considerable talk about a need for a new reservoir, an improved water delivery system and a need to take another look at what is really threatening wild fish in the Delta.

Some witnesses railed against how the Endangered Species Act is being enforced and what they see as a tendency of environmental activists and the courts to focus on pumps as the sole culprit in undermining fish populations.

Numerous farmers told the legislators that another year of tight water supplies could spell economic disaster for the fertile San Joaquin Valley.

The unemployment rate in Mendota, an agricultural town about 35 miles west of Fresno, is 23 percent, Mayor Robert Silva said. "We have organized two food giveaways, and people began lining up two hours before the giveaway," he said. "This is the biggest problem we've ever faced in the city of Mendota."

The subcommittee plans to use the testimony to inform the federal response to the water shortage, said its chair Rep. Grace Napolitano, D-Santa Fe Springs.

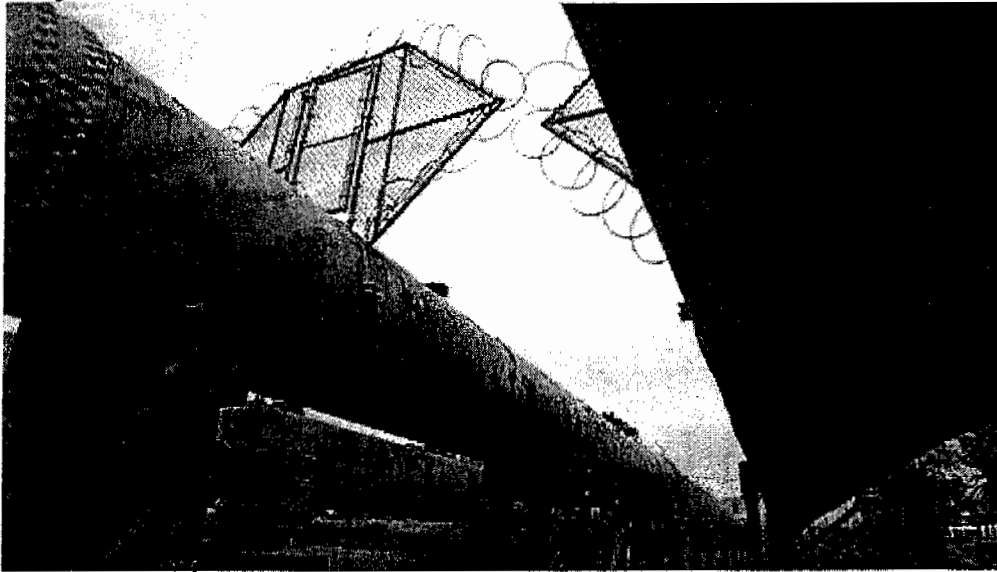
Representatives from environmental and fishermen's organizations, as well as American Indian tribes, weren't called to testify.

■MCT News Service contributed to this report.

Los Angeles Times

ON CALIFORNIA: ESSAYS FROM THE GOLDEN STATE

Dry times revive an old debate



Robert Durell / Los Angeles Times

Rusting pipes cross a section of Indian Slough near Discovery Bay, Calif. Until last month, the state had gone 15 years since its last drought.

In the delta that is the state's water well, ecology vs. usage rises to the fore.

By Peter H. King, Los Angeles Times Staff Writer
July 21, 2008

BYRON, CALIF. -- Here is where the straws tap into the common pool of California water, where consequence begins. Here, on the backside of the Diablo Mountains, amid a landscape of bleached-out pastures, wind farms and transmission lines, the two-lane Byron Highway crosses the concrete headwaters of two canals.

The first is the California Aqueduct, main artery of the State Water Project, which propels delta water on a 444-mile beeline to Southern California. Two miles down the road the Delta-Mendota Canal also has its fountainhead, feeding the federal Central Valley Project -- an audacious rewrite of nature designed, as the boosters sang, to "make a desert bloom."

They're easy to miss from the road, announced only by minimal signage, tangles of barbed wire and posted warnings, in English and Spanish, "Stay Out: You May Drown" and "Danger: Swift Current." Yet these are critical pieces of connective tissue, binding together the watery north with an arid south.

Not that everyone's sanguine about the arrangement. Grumblings about plugging Sierra rivers to fill Los Angeles swimming pools and supplying farmers subsidized water to grow subsidized cotton have been staples of the state's political rhetoric for decades.

Of more pressing concern at present is the environmental cost -- an escalating collapse of the fragile Sacramento-San Joaquin River Delta, the West Coast's largest estuary. It is a crisis marked by creeping saltwater, toxins and, most visibly, the disappearance of fish.

"It all looks pretty innocuous, doesn't it?" said Bill Jennings, peering down into the rippling aqueduct at a point south of the pump house. "Just looking at it, you wouldn't know what this is doing to the delta, would you?"

Jennings is a water person, a member of that insular society of experts and activists sometimes described as the Hydraulic Brotherhood. He happens to be an environmentalist.

There are many other classifications of water people -- engineers, irrigators, biologists, bureaucrats, lobbyists and lawyers, many, many lawyers. If California water litigation were rainfall, we'd all be building arks.

Their ceaseless wrangling has gone on for decades, since the Gold Rush really, but typically without much notice. Only in dry years do Californians on the faucet end of the plumbing begin to pay attention. Only in dry years do low-flow toilets and San Joaquin Valley crop patterns and delta fish counts become part of the public discourse.

This has been a dry year, the second in a row. It has not been, at least not yet, bleached-bones-in-the-lake-bed dry -- "a marginal call," is how one veteran hydrologist politely described Gov. Arnold Schwarzenegger's decision last month to declare a drought.

Still, it's been dry enough to infuse the water debate with a jolt of heightened urgency and to generate interest beyond the ranks of its perpetual participants. In this particular form of trench warfare, dry spells present an ideal climate for advancement. Whether the objective is to build more dams or provide more cool, fresh water for salmon runs, it's better to push during a dry time than in a season of downpours.

More than 15 years have passed since California last sweated out a drought. That arid epoch gave rise to a raft of measures: legislation to protect fisheries, conservation initiatives, water banks and water trading, collaborative processes to forge consensus among competing "stakeholders."

Somewhere along the way, though, that happy train careened off the rails. Today, in federal courtrooms and before blue ribbon commissions, in farm-town coffee shops and newspaper opinion pages, the brotherhood is slugging it out, same as ever. Farm versus fish. North versus South. Concrete versus conservation. Once again, farmers on the valley's west side are grouching loudly about water cutbacks. Once again, environmentalists are fighting in court to keep fish from being driven toward extinction.

"Sometimes I wonder," mused Thomas Graff, an environmental lawyer and longtime key water person, "if we all just disappeared, would anything be all that different?"

To make the *deja vu* complete, there even have been fresh calls to resurrect the Peripheral Canal, the 42-mile waterway that Californians rejected with vigor in 1982. Instead of pumping from the delta -- a practice that contributes to the demise of fish and that has caught the stern attention of a federal judge -- river water would be shuttled around the estuary.

This end run would ensure a more reliable flow of water for Southern California's Metropolitan Water District and several San Francisco Bay Area cities, and also for San Joaquin Valley farmers hooked into the federal waterworks. What it would do for, or to, the delta -- well, that will be quite a discussion.

There are, in fact, some differences between the water world today and where it was when we left it after the last drought. For starters, the delta, while always important, has moved to the center of the debate. The fight was once about which rivers to dam, which valleys to flood. Now it's about how to save the delta -- and still quench the great California thirst.

Also, suburbs have been spreading across the Central Valley floor. Often they are built on flood plains. This means that in wet years more and more water must be shunted around these new neighborhoods in flood canals and dispatched to San Francisco Bay. "Wet-year capture" is now a frequently heard term in the water world.

Conservation, once seen condescendingly as a noble gesture on the way to throwing up ever-bigger dams, has gone mainstream, embraced by a Republican governor, the state Department of Water Resources and the MWD alike as a main source of "new" water.

There also seems to be some rethinking of basic rules. Not all farmers are short of water this year. Not all cities have been compelled to mandate conservation. In fact, for much of California, farm and city alike, the drought is little more than a word in a newscast. It all depends on where they stand on the hierarchical ladder of water rights.

This leads to some contradictory images. On one day there's a front-page photo in the Sacramento Bee of a state worker spraying down a Capitol Avenue sidewalk with a pressure hose. On the next, the San Francisco Chronicle runs a picture of unwatered almond orchards, wilting in the summer sun on the valley's west side. And so some water people have begun to ask, quietly: Historic "rights" aside, what do Californians on top of the

water entitlement ladder owe the rest of the state in dry times?

One fundamental remains unaltered: Everybody wants more water than the system can deliver. Said former Assemblyman Phil Isenberg, who heads a state task force exploring the water dilemma: "We are, as they say in the water world, oversubscribed." What the competing factions want the water for, by and large, are noble endeavors. But at some point, choices must be made.

"If it comes down to water for Los Angeles children or water for delta fish," Jennings said, playing out the poster-child game as he drove a couple of visitors through the delta, "delta fish are going to lose every time. No doubt about it."

What if it comes down to farms versus fish?

"Well," he said, "Let's separate farms into food crops and nonfood crops. Rice grows great in Arkansas. Cotton grows great in Mississippi. Kansas is good for growing alfalfa. The issue isn't between people and fish. It's whether you are going to use subsidized water to grow subsidized crops on drainage-impaired, arid land."

That's one viewpoint. There are many. For every call to follow the valley's west side, there are others to check suburban sprawl, or to build a Peripheral Canal, or even to let the delta go. What all comers can agree on is this: Year by year, the squeeze is getting tighter, and another dry year would be a killer. They'd be wise to get something done before the rains return.

peter.king@latimes.com

San Francisco Chronicle

Warming West is ground zero for wildfires

Jane Kay, Chronicle Environment Writer

Monday, July 21, 2008

(07-20) 17:32 PDT --

California has been hit by 2,000 fires this year, and climate scientists are predicting that the situation will worsen as temperatures rise.

The American West has been warming dramatically during the past 60 years at a rate surpassed only by Alaska. This year has been particularly dry for California, with less snowfall, earlier snowmelt and lower summer river flows.

Some of the state's top scientists say the changing water picture is caused by humans producing greenhouse gases, and the U.N. Intergovernmental Panel on Climate Change predicts more intense and longer droughts with warmer spring and summer temperatures in the West.

That, scientists say, leads to increases in the length of the fire seasons, number of fires, time needed to put out the fire and size of the burned area.

"The snow melts sooner, the dry season gets longer and rivers crest earlier. That gives more of a chance for drying out and therefore a likelihood of more fires," said Tim Barnett, a climatologist at the Scripps Institution of Oceanography at UC San Diego who led research on the effects of greenhouse gases on the changing hydrology in the western United States.

"If you look at where we will be in 20 or 30 years, we'll have serious problems," he said.

Scientists are quick to caution against blaming one fire or heat wave on global warming. But, Barnett said, "At the minimum, you're getting a glimpse of your future. Do you like it? I think not."

Complex causes

Research by teams of scientists at Scripps, Lawrence Livermore National Laboratory, the U.S. Geological Survey and other institutions have probed associations between land-use patterns and climate change because of increases in fires during the past 25 years.

The picture is complex, particularly in Northern California, they say.

With warmer and earlier springs, moisture has been uneven, and winter precipitation in some parts tends to come as rain, not snow. At the same time, logging and mining have changed the character of forests, and the practice of preventing low-burning fires in past decades may have made the forests more susceptible to wildfires, experts say.

But taking all of the factors into consideration, including weather patterns shown in tree rings over past centuries, they conclude that the intensity of fires is linked most closely to the rising temperatures, less snowpack, earlier snowmelt and a longer, drier fire season.

The peak time of melting snow is already about 10 to 15 days earlier in different parts of the West. Scientists have projected a speed-up of 25 to 35 days earlier by the end of this century. A study just released by Purdue University found that at the end of the century, the snowmelt could come 70 days earlier. The effect of the lost snow, and increased heat from solar radiation absorbed in the exposed ground and vegetation, would raise temperatures more than have previously been expected.

Temperatures rising

In the western United States, temperatures for the past five years have risen an average 1.7 degrees when compared with the 20th century. California's average temperatures between 2003 and 2007 rose 1.1 degrees above the past century's. That is slightly more than the 1 degree rise for the planet as a whole. The Colorado River Basin, Arizona, Montana, Utah

and Wyoming have had temperatures rise more than 2 degrees in the past five years compared with the past century.

Turning up the heat

The West has had more frequent and severe heat waves, with the number of extremely hot days increasing by up to four days per decade since 1950, according to research supported by the Rocky Mountain Climate Organization, a coalition of 17 local governments, businesses, nonprofits and Colorado's largest water provider.

The West has warmed more than east of the Rocky Mountains.

Drought is now more common in the West, while east of the Rockies it is noticeably wetter in general, said Kevin Trenberth, head of the climate analysis section at the National Center for Atmospheric Research, operated by a nonprofit consortium of research universities. Trenberth attributes the difference between West and East to basic climate conditions, but also to the nature of changes in atmospheric circulation.

"All of this indeed promotes wildfire risk, and the 'dry lightning' is disastrous, especially in areas where trees are damaged such as by bark beetle," said Trenberth, a lead author of the center's 2007 scientific assessment of climate change.

This year followed the trend.

"We had very dry conditions in April, May and a bit of June," said Scott Stephens, associate professor of fire science in UC Berkeley's department of environmental science, policy and management. "This year, we had almost zero rain. When the dry lightning strikes came through, we had 1,000 fires in one weekend, June 20, one of the highest we've ever experienced," something not seen in at least 50 years, he said.

So far, more than 900,000 acres have burned, destroying about 100 houses and threatening thousands more. People were evacuated in Big Sur, the Sierra foothills and Butte County, communities around Santa Cruz and other spots in Northern California.

"We're going to have more surprises like this," Stephens said.

Duration of burns increases

Since 1980, U.S. wildfires have burned an average of 8,500 square miles per year, a jump from the 1920-1980 average of 5,000 square miles per year.

In the past three decades, the wildfire season in the western United States has increased by 78 days, according to work led by Anthony Westerling, formerly at Scripps, now at UC Merced. Roughly half that increase was due to earlier ignitions, and half to later control. Burn duration of fires greater than 1,000 acres has increased from 7.5 to 37.1 days in response to a spring-summer warming.

People on the fire lines see that the wildfire intensity and size have changed and question whether global warming is to blame, Stephens said. "They know that the temperatures are increasing, and the snow is leaving earlier. One thing is certain: Weather and fire are tied together. They know that better than anybody."

The U.S. Forest Service has a study in progress that examines the severity of forest fires in the Sierra Nevada. Hugh Safford, regional ecologist, and analyst Jay Miller led a team investigating about 200 fires that occurred between 1984 and 2007 in the Sierra Nevada.

The researchers found that fires had increased in severity beginning in the 1980s and continued until today. By analyzing state and federal data, they also showed that fire frequency, total burned area and average fire size have also increased during the same period.

Rising temperatures play a part, they said. But at the same time, they found that increases in forest density because of 70 years of fire suppression are also to blame.

The study concluded that "in light of recent alarming projections for increased temperatures and fire-season length by the end of the century," it is time to rethink the current policy of suppressing fires and, under the proper circumstances, let more fires burn to reduce problem fuels.

Wildfires and climate by the numbers

Climate scientists predict a continuing trend of rising temperatures in the West. The warmer the spring, the earlier the snowmelt, the drier the summer, the longer the fire season and the higher the frequency of big fires, they say. Multiyear droughts degrade trees' abilities to generate defensive chemicals, increasing their susceptibility to insects. Higher winter temperatures allow a larger fraction of overwintering larvae to survive. Spruce budworm in Alaska, mountain pine beetle in British Columbia and tent caterpillar in Alberta are providing dead, desiccated fuels for large wildfires. The greatest increases in forest fires are in the northern Rocky Mountains, followed by the Sierra Nevada, southern Cascades and Coast ranges of Northern California and southern Oregon.

-- Since 1980, U.S. wildfires have burned an average of 8,500 square miles a year, a jump from the 1920 to 1980 average of 5,000 square miles a year.

-- The forested area that burned in the western United States from 1987 to 2003 is 6.7 times the area burned from 1970 to 1986.

-- In the past three decades, the wildfire season in the western United States has increased by 78 days. Roughly half that increase was due to earlier ignitions and half to later control. Burn duration of fires of more than 1,000 acres has increased from 7.5 to 37.1 days in response to a spring-summer warming.

Sources: Intergovernmental Panel on Climate Change, Scripps Institution of Oceanography

E-mail Jane Kay at jkay@sfchronicle.com.

Judge rules fish at risk of extinction

By John Ellis - Fresno Bee

Published 12:00 am PDT Saturday, July 19, 2008

Story appeared in MAIN NEWS section, Page A3

FRESNO – A federal judge on Friday ruled that three fish species – driven by drought conditions in the state – are not recovering and are at risk of extinction.

At the same time, according to the 118-page ruling by U.S. District Judge Oliver W. Wanger in Fresno, operators of the state and federal water projects did not prove during a recent series of hearings that their combined operations are not jeopardizing the habitat, survival and recovery of the winter-run chinook salmon, the spring-run chinook salmon and the Central Valley steelhead.

The question now is: What should be done to assist the species' survival?

Attorneys representing environmental groups – who originally brought the suit to protect the species – as well as those representing the state and federal water projects and their agency allies, will come before Wanger on Thursday to set a hearing date.

Environmentalists are seeking more than a half-dozen solutions to help the three fish species, including restricting water exports out of the Sacramento-San Joaquin Delta.

The proposal, if approved, could adversely affect millions of water users in the San Francisco Bay Area and Southern California, as well as in the Westlands Water District on the Valley's west side.

The San Diego
Union-Tribune.

Ranchers forced to sell herds because of drought

ASSOCIATED PRESS
5:32 a.m. July 1, 2008

SAN LUIS OBISPO – Drought-ravaged pastureland is forcing Central California ranchers to sell cattle and sheep herds.

A U.S. Department of Agriculture report says conditions on California rangelands are the worst in the nation. About 97 percent of the state's pastures are in poor or very poor condition.

It's forcing ranches to buy expensive feed for their herds, move them elsewhere or, in some cases, sell entire herds. Similar conditions last year forced stockmen to sell off their herds.

Cambria rancher Joy Fitzhugh says her family was forced to sell their calves a month early and reduce the herd by 15 percent because of drought conditions.

The San Diego
Union-Tribune.

Permit Poseidon's plant

Claims of dire harm to nature are hollow

UNION-TRIBUNE

June 29, 2008

Amid a lengthening drought comes hopeful news: If the California Coastal Commission approves an essential permit for the Carlsbad desalination plant in August, in October Poseidon Resources could prepare to start construction.

But the commission's staff has been clever at raising obstacles to the project in a clear effort to delay it to death. Then again, the commissioners are aware of that effort. One has even warned against the shameful "poison pills" that the staff has been known to insert in the official record for one reason: to give environmental activists grounds to file suit and delay permitted projects.

Most recently exceeding its authority and common sense, the staff pushed the notion that Poseidon, which pledges a zero carbon footprint, should offset all carbon emissions from the production of the electricity that the desalination plant would use. By law, that's the power producer's duty, not Poseidon's.

In addition, the established formula for figuring acreage for Poseidon's wetlands mitigation fell far short of the acreage preferred by the commission's staff. So the staff refigured until it arrived at acreage it considered adequate.

In a most imaginative gouge earlier this year, Coastal Commission Executive Director Peter Douglas informed Poseidon that he didn't have the staff to vet company documentation or the funds to hire outside experts. With construction costs rising daily, Poseidon officials had little choice but to pick up the \$145,280 tab.

However opposed the staff is, most commissioners surely realize that the desalination plant is as important as conservation, recycled water, reservoirs, etc. It would produce potable water at a reasonable cost. And contrary to some environmentalists' claims, it would have only an insignificant impact on sea life.

Some environmentalists' preference that the natural world remain largely unsullied by humans is based on an ill-founded conviction that growth in human habitat is anti-nature. Yet nature and humankind have adapted to change over eons. It's past time that environmentalists quit pitting one against the other. It's past time that coastal commissioners tell them to stop.

California can't wait on water infrastructure

By Lester Snow

June 13, 2008

California's drought makes conservation a necessity today and full-scale water reform a top priority for swift action now. Southern Californians are already seeing water restrictions and conservation opportunities that bring this year's crisis into sharp focus. Depending on the community, that could mean cutbacks to outdoor watering, rebates for water efficient appliances, and less water for farmers.

Northern California had its driest spring ever this year, while Southern California set records last year for low rainfall. Caught in this parching dry spell during 2007 and 2008, California also faces court-imposed cutbacks in Delta water exports aimed at saving fish. As a result of the court-imposed impacts and the influence of climate change, California's water supplies are low.

Our Sierra snowpack for the winter ended at a statewide average of 67 percent of normal. Climate change impacts are predicted that will complicate future water management decisions. Major reservoirs in California are low, with Lake Oroville, the state water project's most important reservoir, just half full. The Colorado River has suffered through an eight-year drought.

If we have no improvement during the next rainy season, California will have less water in its reservoirs than during the state's worst drought in 1976-77.

The governor's drought proclamation this week strongly encourages conservation, a task led by regional and local water agencies. Many water agencies already had adopted conservation plans, including the Metropolitan Water District of Southern California, a longtime leader in water conservation efforts.

Earlier this year, the governor advocated a 20 percent reduction of water use in California cities. Agricultural water savings, via efficient water management practices, are an essential part of the governor's initiative.

California's Department of Water Resources will help the drought conservation effort by providing technical assistance and through facilitating water transfers to areas of critical need.

But we can't conserve our way out of the current water crisis. Nor can conservation alone "save" the Sacramento-San Joaquin Delta, the state's largest estuary that provides water supplies for about two-thirds the California population.

This drought is an urgent warning that we must swiftly reform and modernize our water supply systems in ways that safeguard and heal the Delta so that it can remain a vital water supply hub for decades to come.

Fortunately, the governor has developed a comprehensive, realistic plan to provide necessary water improvements, including water storage, river restoration and water quality enhancement. More storage is essential to help save water for dry years.

The last major state-built storage projects were constructed more than 30 years ago. Due to our limited storage capacity and the current drought conditions, many major reservoirs in northern California are only 50 percent to 60 percent full.

The governor's water plans envision an improved method of moving water through the Delta, to safeguard fish and ecosystems, while assuring the quality of our water supply. He had advocated passage of an \$11.9 billion bond issue on the November ballot to move these desperately needed water modernization plans forward.

This kind of water reform must be enacted. The governor's declaration of drought is a clear message that we are out of time to wait. California water consumers are living from one snowstorm to the next. History has demonstrated that these storms are producing far less water in the face of an exponentially growing need. We are afforded no other choice.

■ Snow is director of the state Department of Water Resources.

The San Diego Union-Tribune.

UNION-TRIBUNE EDITORIAL

Not your usual drought

Conservation has a role, but so do desalination, dams and reservoirs

June 8, 2008

In 1991, five years into a statewide drought, Gov. Pete Wilson officially proclaimed it. Last week, two years into a statewide drought, Gov. Schwarzenegger officially proclaimed it. And none too soon.

As the state's population has risen by 7 million since 1991, our historical water supplies are actually declining. The Colorado River, a major source, is headed for its ninth year of drought, drying up California's longtime ability to exceed its allotment. A federal court order giving the Delta smelt first dibs on San Joaquin-Sacramento Delta water has greatly reduced its flow to the 25 million residents dependent on it – and may be reduced again by the same court next week on behalf of steelhead trout and salmon.

This is not your usual drought.

That's why Schwarzenegger tied his proclamation to a plea for a 20 percent reduction in water use statewide, and a bond proposal to improve water infrastructure. It's why on Friday San Diego's water wholesaler, the Los Angeles-based Metropolitan Water District, will consider encouraging water districts to hike their rates for water over a certain base amount. It's why the San Diego County Water Authority, a step ahead on diversifying supply, is urging conservation where water is most wasted: outside.

Conservation has a major role. But even mandating a 20 percent reduction in per capita water use by 2020, the intent of a bill pending in the Legislature, won't avert a water crisis. Additional supplies have a major role as well.

The state Supreme Court has ruled that environmental studies needn't analyze alternatives that don't meet the project's objectives, which in this instance are supplying the Delta's water to Californians as well as restoring its ecology. It's a welcome decision in an unwelcome case that set back a coordinated federal-state plan seven years.

The case also, however, clarified succinctly the objective underlying activists' insistence on elevating flora and fauna above homo sapiens, which is to stop population growth. As the appeals court put it, "smaller water exports from the Bay-Delta region ... might in turn lead to smaller population growth due to the unavailability of water to support such growth."

The state's high court didn't buy that argument. Nor will the 50 million state residents expected by 2050. The state, counties and cities must keep pursuing solutions – desalination, dams and reservoirs among them – despite activists and judges who oppose and delay them.

San Francisco Chronicle

Governor declares drought in California

Kelly Zito, Matthew Yi, Chronicle Staff Writers

Thursday, June 5, 2008



California's water crisis intensified Wednesday as Gov. Arnold Schwarzenegger declared the first statewide **drought** in 17 years - setting the stage for drastic cutbacks and for diverting supplies from the relatively water-rich to the water-poor.

Schwarzenegger called for a 20 percent reduction in water use statewide and urged local agencies to bolster conservation programs and to work with federal and other authorities to help farmers who are suffering huge financial losses and abandoning crops in droves. Schwarzenegger lacks the authority to impose statewide rationing, though the Department of Water Resources could slash water supplies to local agencies, which then would be forced to institute rationing.

"There is no more time to waste because nothing is more vital to protect our economy, our environment and our quality of life," Schwarzenegger said.

The governor's pronouncement follows the driest spring on record and two years of below-normal precipitation. Snowpack in the Sierra Nevada, the backbone of the state's water supply, stands at two-thirds of normal; dusty banks line many important reservoirs; and environmental rulings have slashed water pumped from the crucial Sacramento-San Joaquin River Delta - all while California's booming population threatens to overwhelm some of the state's key infrastructure.

Some water districts, including the East Bay Municipal Utility District, already have imposed rationing and threatened to fine or reduce water supply to customers who violate the restrictions. Most of the remaining Bay Area water districts have asked for voluntary cutbacks on the order of 10 to 20 percent.

But as the dusty days of summer approach, more districts are likely to make restrictions mandatory. The picture looks increasingly grim if the next winter brings scant rain and snow.

"If we get a third consecutive dry year, we're going to have serious, serious problems, and I don't know the answer," said Ted Thomas, spokesman for the state Department of Water Resources.

Parceling out water

The state department will assess the neediest districts in the state - many of which are in Southern California - and begin coordinating transfers of water. Plans also include establishing a state water bank, built on water purchases from some farming districts.

Because water can't simply be rerouted from one area to another, transfers usually entail trading the rights to local water supplies. In other words, a Southern California district, which normally receives an allotment from the delta, instead might draw from a neighboring district's surplus. That, in turn, would free up water from the delta for Bay Area counties.

"Next year could be a very different situation," said Patty Friesen, spokeswoman for the Contra Costa Water District. "If we continue with **drought** conditions, there is no surplus."

Farmers in some of the most fertile stretches of the Central Valley have found little relief thus far. The Westlands Water District supplies growers of \$1.3 billion in cotton, tomatoes, garlic and onions in western Fresno and Kings counties. This week, the U.S. Bureau of Reclamation cut the district's water allotment to 40 percent of normal, forcing about one-third of the district's farmers to decide which crops to irrigate or write off for this year's harvest.

"This is the first time in the history of Westlands Water District that our growers have had to do this," said spokeswoman Sarah Woolf, adding that the district was formed in 1964. "It's just unbelievable."

More infrastructure needed?

The governor used his announcement to pitch his proposed solution: an \$11.9 billion water bond that would pay for new dams, an idea that Democratic legislators have resisted.

Schwarzenegger and his supporters, including many in the agriculture industry, argue that **California** desperately needs to build more water storage and improve water delivery systems to allow the state to better manage its water resources during dry years.

"In 2006, for instance, we had more water than we knew what to do with it. Raging storm water ran off into the ocean without us capturing it. Shasta and Folsom reservoirs were forced to release billions and billions of excess water. Today, those same reservoirs are at 40 percent capacity. That's absolutely insane," he said.

Environmental groups, however, contend that the state is sitting on \$5.9 billion from a 2006 water bond. What's more, they say, the state hasn't done its utmost to conserve.

"That bond money is part of the regional planning process. If a local agency wants to work on groundwater management, conservation, surface storage, the state can use that money to partner," said Barry Nelson, western water project director for the Natural Resources Defense Council. "The simple fact is, those projects aren't ready to go, and conservation is."

Nelson and his peers in the environmental movement agree the state is in a dire water shortage. However, they are worried that some hallmark environmental rulings could be thrown out. Laura Harnish, regional director of the Environmental Defense Fund, said the governor could use his declaration of **drought** as a stepping-stone to designating a statewide emergency.

"We've had a lot of hard-fought wins for the environment, and in an emergency crisis the environmental safeguards can be the first to get discarded," she said.

Instead, she said, policymakers must look for sustainable long-term answers to the state's water supply problems, and consumers must look for novel ways to curtail their own use.

"The positive thing that comes out of a crisis like this is that people are going to have to dig deep and get creative to conserve, and we'll see how far people can go," Harnish said.

Water use restrictions

Northern California

East Bay Municipal Utility District: Implemented mandatory water rationing; considering increases in water rates.

Santa Clara Valley Water District: Urging customers to cut water use by 10 percent.

Contra Costa Water District: Calling for voluntary conservation.

San Francisco Public Utilities Commission: Urging a 10 percent reduction in water use.

Zone 7 Water Agency (Alameda County): Asking for 10 percent water use reduction.

Sonoma County Water Agency: Asking for voluntary conservation; considering mandatory conservation depending on water levels in Lake Mendocino.

North Marin Municipal Water District: Urging residents to reduce outdoor watering and to achieve a 15 percent reduction in use.

City of Roseville: Declared Stage 1 **drought** alert April 30 due to a 25 percent reduction in supplies from Folsom Reservoir; customers asked to cut water use by 10 percent.

Sacramento Suburban Water District: Outdoor watering limited to odd/even day schedule.

Regional Water Authority (Sacramento area): Airing radio announcements regarding water conservation.

Central Valley

Kern County Water Agency: Voluntary water conservation in place. Growers are using banked groundwater supplies to offset the loss of 200,000 acre-feet of surface water due to dry conditions, court decisions.

Westlands Water District: Mandatory rationing in place through Aug. 31. One-third of farmland is being fallowed. At least 500 jobs lost.

Southern California

Several areas have imposed mandatory water rationing, including Long Beach Water Department, Rancho California Water District and the Metropolitan Water District of Southern California.

Source: Association of California Water Agencies

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Los Angeles Times

Schwarzenegger proclaims that California is in a drought



David McNew / Getty Images

California Gov. Arnold Schwarzenegger has proclaimed a statewide drought but stopped short of declaring a water emergency. Near Bakersfield, farmland has been graded and put up for sale for commercial development.

Administration officials call the governor's move a first step, intended to put Californians on notice that rationing could be coming if the situation does not improve.

By Evan Halper, Los Angeles Times Staff Writer
June 5, 2008

SACRAMENTO — Gov. Arnold Schwarzenegger proclaimed a statewide drought Wednesday, warning that California's water supply is falling dangerously low because of below-average rainfall and court-ordered water restrictions aimed at protecting fish.

"We must recognize the severity of this crisis we face," Schwarzenegger said at a Capitol news conference. He said this spring has been the driest on record in Northern California, which supplies most of the water to the state.

Along with the proclamation, the governor issued an executive order intended to speed transfers of water to areas experiencing the most severe shortages, help local water districts boost conservation efforts, identify risks to the state's water supply and assist farmers.

The governor stopped short of declaring a water emergency. Administration officials say Wednesday's move is a first step, putting Californians on notice that large-scale rationing could be coming if the situation does not improve. Some areas of the state are more vulnerable than others.

The governor said his proclamation adds urgency to a proposal he has been pushing for years to borrow \$11.9 billion for new water projects such as reservoirs, river restoration and water-quality improvement. Schwarzenegger would like the Legislature to put such a plan on the November ballot, but lawmakers have balked amid opposition from environmentalists, who argue that new reservoirs threaten wildlife and fish habitats.

California has no official guidelines for what constitutes a statewide drought, and the governor's proclamation this early in a dry spell is unusual. The state is in its second dry year.

When the last such proclamation was made, in 1991, former Gov. Pete Wilson waited until the fifth dry year. Only a month ago, the state's meteorologist said California was not in a drought.

Administration officials say the governor is moving proactively because of unique circumstances that could cause the water situation to rapidly deteriorate. They point to a federal court order last summer aimed at protecting endangered smelt in the Sacramento-San Joaquin River Delta that has put a substantial share of the state's water supply off-limits.

Additionally, state Department of Water Resources Director Lester Snow said odd weather patterns, perhaps related to global warming, are creating problems for the water supply.

The snowpack in the Sierra Nevada, which accounts for a large share of the state's water supply, was at 97% of normal in March. By May it was down to 67% of normal. Warm weather throughout the spring caused the snow to melt quickly, Snow said, with much of the water evaporating instead of running downstream into reservoirs.

"The snowpack has been disappearing, and it has not manifest itself as runoff," Snow said.

Most of the state's residential customers are unlikely to face severe water rationing this year. But they are being asked to cut back their use. Major conservation campaigns have been underway in many parts of the state.

Water districts in several cities, including Long Beach and Oakland, are imposing restrictions on outdoor water use and are asking residential consumers to cut their overall use by 10% to 20%.

Washing cars and driveways is banned in some places, as is serving drinking water in restaurants unless the customer asks for it.

The Los Angeles Department of Water and Power on Wednesday voted to put such restrictions in place, subject to City Council approval. DWP officials said they expect to have up to 18 "drought busters" patrolling neighborhoods and ticketing offenders.

The Metropolitan Water District of Southern California, which serves 18 million people, will consider asking other member cities and counties to adopt such measures June 13. The proposed resolution would also encourage local governments to consider tiered rate structures that encourage conservation, mandatory installation of low-flow toilets when properties are resold, and rebates for consumers who install water-saving devices.

Timothy F. Brick, chairman of the district board, warned the state is "entering a new and worrisome water era."

Farmers could be particularly hard hit. In the San Joaquin Valley, water shortages this year could force some to abandon tomato crops during the summer.

Schwarzenegger warns that conservation will help the state address such mounting water problems in the short term only.

"Our drought is an urgent reminder of the immediate need to upgrade California's water infrastructure," he said. "I hope the legislators get the point. . . . Let's fix all of these things that need to be fixed rather than waiting and waiting and waiting."

The governor noted that in 2006 the state had so much rain and snow that "raging storm water drained off into the ocean without us catching it" as large reservoirs released excess water. "Today, those same reservoirs are 40% below capacity. It is absolutely insane."

Environmentalists on Wednesday said the governor's call to bring his bond package before voters as soon as possible was misguided.

"I don't think we are at this point where people are not going to have water if we don't put his package on the November ballot," said Jim Metropulos, a senior advocate with the Sierra Club.

The Sierra Club and other conservation groups said they would like to see a water bond package geared toward projects they view as more beneficial to the environment.

The Natural Resources Defense Council released a statement encouraging the governor to focus on his goal of reducing water usage in California cities by 20%. A bill the group sponsored that would set such a target for the state, AB 2175, recently passed the Assembly.

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Times staff writers David Zahniser and Nancy Vogel contributed to this report.

San Francisco Chronicle

Need to deal with water needs crucial

Kelly Zito, Chronicle Staff Writer

Friday, May 2, 2008

The Question

Best solution to California's water crisis:

Conservation

19%

Changes in agriculture policy

17%

Zero population growth

46%

Didn't Mark Twain say to drink whiskey?

19%

Total Votes: 607

Click to Vote

Disclaimer

(05-01) 18:48 PDT -- Two parched years - punctuated by the driest spring in at least 150 years - could force districts across California to ration water this summer as policymakers and scientists grow increasingly concerned that the state is on the verge of a long-term drought.

State water officials reported Thursday that the Sierra Nevada snowpack, the source of a huge portion of California's water supply, was only 67 percent of normal, due in part to historically low rainfall in March and April.

With many reservoirs at well-below-average levels from the previous winter and a federal ruling limiting water pumped from the Sacramento-San Joaquin River Delta, the new data added a dimension to a crisis already complicated by crumbling infrastructure, surging population and environmental concerns.

"We're in a dry spell if not a drought," said California Secretary for Resources Mike Chrisman. "We're in the second year, and if we're looking at a third year, we're talking about a serious problem."

Chrisman stopped short of saying the state would issue mandatory water rationing, which appears possible only if the governor declares a state of emergency. Rather, the burden will fall on local water agencies. Many, such as San Francisco and Marin County, have asked residents and businesses over the past year to cut water usage voluntarily by 10 to 20 percent.

Others have taken more drastic steps.

In Southern California, the water district serving about 330,000 people in Orange County enacted water rationing last year, due in part to a ruling by U.S. Judge Oliver Wanger reducing water pumped from the delta by about a third to protect an endangered fish.

The East Bay Municipal Utility District announced in April that it was considering water rationing, price increases and other measures in response to critically low reservoirs. The district, which serves 1.3 million customers in Contra Costa and Alameda counties, will vote on the measures this month.

"If you catch a third (dry) year, then you're looking at a supply that's so low you can't manage it well anymore," said Charles Hardy, spokesman for the district. "That's when it starts to hurt businesses and people across the board."

No industry faces bigger changes than agriculture, which uses about 80 percent of California's available water; the remainder goes to urban areas. Some experts say they believe the balance could shift toward urban areas.

Already, some farmers are switching to crops requiring less water and letting fields go fallow. One water agency official recently talked to a Southern California avocado grower who cut his trees back to stumps and won't begin growing again until water supplies recover.

"We have a lot of water, but we also use a lot of water," said Jeffrey Mount, director for watershed sciences at UC Davis. "From an economic perspective, it makes sense moving water from agriculture to urban uses."

In fact, some farmers are already selling their water to urban districts. But there is no easy system for transporting that water, and the infrastructure required would be extremely costly.

Californians have suffered through droughts before.

A deep, two-year **drought** in the late 1970s drew discussions about dragging glaciers down from Alaska or filling huge plastic bladders at river sources and dragging them by tugboat to users, Hardy said. Consumers endured rationing during a longer **drought** in the late 1980s and early 1990s.

After those dry periods, water conservation initiatives kicked into high gear. Low-flow toilets and showerheads became the norm, and homeowners started filling their yards with **drought**-resistant plants. Today, that might not be enough in a state with a population expected to reach nearly 50 million by 2030.

In addition to possible restrictions on watering lawns and washing cars, water prices could spike - at least for those who use too much.

The district serving 330,000 customers in Orange County has developed a type of water profile based on household size, yard size and average temperature in the area. Using that data, water managers have come up with base water allocations; above that level, water bills jump.

"If you really want to use more water there, you're going to pay for it - and (the district) uses the extra funds to finance conservation investments," said Ellen Hanak, a senior fellow at the Public Policy Institute of California in San Francisco. "There's a lot of room for innovating in that area - some places are doing it, but there's hardly any penalty for the extra water."

It is unclear whether this dry period is a full-blown **drought**. Much like economic recessions, droughts can be diagnosed only in retrospect.

However, it is certain that if the dry conditions that began with the low 2006-2007 snowpack levels continue, they could have a cascading effect. The dryness of 2006-2007 contributed to this year's poor water supply totals, said Elissa Lynn, chief meteorologist with the California Department of Water Resources.

"We're losing a lot of what we did have as snow melted into the ground," Lynn said. "It's either in subsurface, waiting to come down, or it's going into soil moisture because we had a dry fall."

There is also a small chance that dry windy conditions blew snow straight from the mountains into vapor, she said.

Not all Bay Area agencies face the same challenges, because they get water from various sources: San Francisco and the Peninsula from Hetch Hetchy, East Bay Municipal Water District from the Mokelumne River watershed and the Santa Clara Valley Water District from a combination of reservoirs and the delta. Some local water managers say their supplies look good. Marin County, for instance, said its reservoirs are at more than 100 percent of capacity.

Nevertheless, stricter water controls could be a continuing part of California's future. So might large-scale projects that aim to use water in new and better ways.

"We're facing some pretty grim circumstances that call for some bold action - recycling water, desalinating water," said Tim Quinn executive director of the Association of California Water Agencies. "Above and beyond that, we have to invest in the sustainability of this system that our grandfathers constructed in the middle of the last century. It was developed with the convenience of human beings in mind, not aquatic beings."

Online resources

-- www.sfwater.org

-- www.valleywater.org

-- www.sonomacountywater.org

-- www.ebmud.com

-- watersupplyconditions.water.ca.gov

Tips for conserving water

Even if water rationing is not mandated, there are a number of things you can do to help. Here are some:

Lawns: Water between 9 p.m. and 6 a.m.

Cars: Use a bucket and a hose with shutoff nozzle to wash cars or go to a car wash that recycles and reuses its water.

Yards: Don't water more than three days a week or on consecutive days.

Laundry: Put full loads into front-loading machines.

Leaks: Find and repair, particularly in toilets.

Driveways: Use a broom, not a hose, to clean them.

Pools: Cover pools and hot tubs when not in use.

E-mail Kelly Zito at kzito@sfchronicle.com.



San Diego County Water Authority

4677 Overland Avenue • San Diego, California 92123-1233
(858) 522-6600 FAX (858) 522-6568 www.sdcwa.org

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JUL 28 2008

CALIFORNIA
COASTAL COMMISSION

July 24, 2008

MEMBER AGENCIES

Carlsbad
Municipal Water District

City of Del Mar

City of Escondido

City of National City

City of Oceanside

City of Poway

City of San Diego

Fairbrook
Public Utility District

Helix Water District

Olivenhain
Municipal Water District

Oray Water District

Padre Dam
Municipal Water District

Camp Pendleton
Marine Corps Base

Rainbow
Municipal Water District

Ramona
Municipal Water District

Rincon del Diablo
Municipal Water District

San Dieguito Water District

Santa Fe Irrigation District

South Bay Irrigation District

Vallecitos Water District

Volley Center
Municipal Water District

Vista Irrigation District

Yuma
Municipal Water District

OTHER REPRESENTATIVE

County of San Diego

California Coastal Commission

Chairman Pat Kruer

45 Fremont Street, Suite 2000
San Francisco, CA 94105

Note: This letter has been sent to the members of the Coastal Commission and staff.

Dear Chairman Kruer:

On behalf of the Board of Directors for the San Diego County Water Authority (Water Authority), I am writing to encourage your swift resolution to the Carlsbad Desalination Project's outstanding permit conditions. The 56,000 acre-feet of desalinated water produced annually by the Project will reduce the need for a like amount of imported water to meet the needs of those agencies that have contracted for water from the Project. Consistent with this reduction in the need for imported water, the Water Authority fully supports the approach whereby indirect carbon emissions associated with the importation of water offset by the Project are netted out.

The Water Authority testified last year before the Commission when it approved the project's Coastal Development Permit, and I firmly believe you understand the significance of your action to advance a drought-proof regional water supply in San Diego County.

The Carlsbad Desalination Project is essential to our region's ability to achieve its goal of water supply diversification. This is now of critical importance as we enter into uncertain times regarding the availability of our existing imported supplies. Drought conditions are predicted to last well into the future, and court mandated cuts in imported water from the State Water Project are further constraining water supplies to San Diego. In response, the Water Authority has stepped up its long standing water conservation efforts with the goal of conserving 56,000 acre feet of water this year. But moving into the future, we will not overcome drought impacts and diminished imported supplies through water conservation alone.

Governor Schwarzenegger and the entire San Diego County state and congressional delegation support the Carlsbad Desalination Project because of its enormous value to public health and the regional economy. Any further delay in the project's regulatory approvals will only complicate our task of providing a reliable water supply to our

A public agency providing a safe and reliable water supply to the San Diego region

region's 3 million residents and \$160 billion economy. Given the statewide drought emergency situation, we encourage the Coastal Commission, and all regulatory agencies in a position to advance critically needed water supply projects, to play a leadership role in addressing the crisis.

On behalf of my entire Board of Directors, I urge you to approve the Carlsbad Desalination Project's final conditions when the Commission convenes in San Diego County this coming August.

Sincerely,

Signature on File
Fern M. Steiner, Chair
Board of Directors

CC:

Vice Chairwoman Bonnie Neely	Mr. Tom Luster
Commissioner Ben Hueso	Governor Arnold Schwarzenegger
Commissioner Steve Blank	Speaker Fabian Nunez
Commissioner Steve Kram	Senate President Pro Tem Don Perata
Commissioner Khatchik Achadjian	Senator Dennis Hollingsworth
Commissioner Sara Wan	Senator Mark Wyland
Commissioner Mary Shallenberger	Senator Christine Kehoe
Commissioner Mike Reilly	Senator Denise Ducheny
Commissioner Larry Clark	Assemblymember George Plescia
Commissioner William Burke	Assemblymember Kevin Jeffries
Commissioner Dave Potter	Assemblymember Martin Garrick
Commissioner James Wickett	Assemblymember Lori Saldana
Commissioner April Vargas	Assemblymember Joel Anderson
Commissioner Dan Secord	Assemblymember Shirley Horton
Commissioner Adi Liberman	Assemblymember Mary Salas
Commissioner Sharon Wright	Ms. Debbie Martin
Commissioner Steve Kinsey	
Commissioner Brooks Firestone	
Commissioner Suja Lowenthal	
Commissioner Deborah Schoenbaum	
Commissioner Mike Chrisman	
Commissioner Karen Scarborough	
Commissioner Paul Thayer	



City of Carlsbad

Office of the Mayor

July 23, 2008

Chairman Patrick Kruer and Members
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Please note that Coastal Commission staff has also received a copy of this letter.

CARLSBAD DESALINATION PROJECT – COASTAL DEVELOPMENT PERMIT APPLICATION NO. E-06-013

Dear Chairman Kruer and Commission Members:

On behalf of the citizens of Carlsbad, I urge your support for the Carlsbad Desalination Plant and approval of the project's permit conditions.

Last year, the Commission approved the project's coastal development permit, and Poseidon Resources agreed to comply with the two conditions that were included. The City of Carlsbad, unlike any other in the state, uniquely possesses three coastal lagoons within its boundaries. The desalination plant is critical to the long-term preservation of one of Carlsbad's three lagoons, the Agua Hedionda Lagoon. The desalination plant has committed to step into the stewardship role of the power plant and ensure the lagoon is dredged and maintained into the future once the Encina Power Station is decommissioned.


Poseidon's commitment represents an enormous environmental benefit by helping conserve, restore and enhance the Agua Hedionda Lagoon, marsh, wetlands and watershed area, and protect sensitive land. Its support will provide for the real preservation of wetlands acreage and deserves consideration and support by the Commission as it evaluates the project's Marine Life Mitigation Plan.

Additionally, there are other opportunities within the city of Carlsbad, such as the Batiquitos Lagoon, that may be suitable for incorporation in the Marine Life Mitigation Plan.

Carlsbad supports Coastal Commission staff's determination that the Marine Life Mitigation Plan should be a performance-based plan. The plan, which calls for specific mitigation requirements and performance criteria, provides a 2-year timeline for identification of one or more marine wetlands restoration projects. This flexible approach will ensure that appropriate mitigation projects can occur in a time-sensitive manner.

The City of Carlsbad looks forward to working with staff and Poseidon to identify one or more restoration projects within our jurisdiction.

Since

 Signature on File
CLAUDE A. "BUD" LEWIS
Mayor

c: Carlsbad City Council
City Manager



Sara Townsend

From: Bob Hoffman [Bob.Hoffman@noaa.gov]
Sent: Monday, July 21, 2008 12:10 PM.
To: Sara Townsend
Cc: Bryant Chesney
Subject: Re: Poseidon's Marine Life Mitigation Plan



Bob_Hoffman.vcf
(336 B)

I don't know what your time frame is for a review of the plan, but Bryant Chesney is the staff person who would be working on this. He is on vacation for two weeks. In the interim, we are supportive of the comments provided by USFWS.

Sara Townsend wrote:



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JUL 24 2008

CALIFORNIA
COASTAL COMMISSION

Coastal Commission members and all staff have received this letter.

July 21, 2008

Chairman Pat Krueger and
Members of the Commission
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Re: Coastal Development Permit Application No. E-06-013

Dear Chairman Krueger and Members of the Commission:

The Industrial Environmental Association (IEA) is an organization that promotes environmental responsibility and compliance.

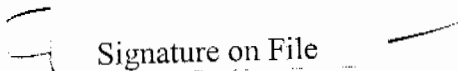
It has been almost two years since the Carlsbad desalination project filed an application for a Coastal Development Permit with your staff and seven months since this Commission approved that permit. Today, California is mired in a drought of epic proportions. Our water supplies throughout the state and from the Colorado River are drying up.

If we are going to protect ourselves against long-term droughts, the Commission must approve the Carlsbad desalination project's remaining two permit conditions (Condition 8 and Condition 10) without further delay. Poseidon has addressed both these conditions by agreeing to very specific levels of mitigation and the enforcement mechanism to ensure the mitigation is properly implemented. These regulatory assurances are enough to move the project through the permitting process and to construction.

We urge you to act responsibly and in the best interests of San Diego by approving the desalination project's remaining permit conditions at your next scheduled meeting to be held in San Diego in August.

Thank you for your consideration of our comments.

Sincerely,

 Signature on File

Patti Krebs
Executive Director





FARM BUREAU SAN DIEGO COUNTY

1670 East Valley Parkway, Escondido CA 92027-2409

Phone: (760) 745-3023 • Fax: (760) 489-6348

E-mail: sdcfb@sdfarmbureau.org • Website: www.sdfarmbureau.org

July 21, 2008

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CALIFORNIA
COASTAL COMMISSION

Mr. Patrick Kruer
Chairman
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Dear Chairman Kruer:

On behalf of the San Diego County Farm Bureau, I am writing you to urge the California Coastal Commission to finalize its approval of the Carlsbad Desalination Project at your August public meeting in Oceanside.

In June, the Governor declared a water emergency in nine Central Valley counties. This allows state officials to transfer water to meet the needs of these farming communities. Considering that a large percentage of the country's produce and nursery products are grown in California, this drought is likely to have repercussions on food supplies and costs for many years to come.

San Diego County's farm community has already been hit hard. There are over 5,000 farmers in the county producing more than \$1.5 billion in crops annually. Since January 1, 2008, all farmers participating in the Metropolitan Water District of Southern California's Interim Agricultural Water Program have endured mandatory 30 percent cuts in their water supply. The bleak water supply outlook for 2009 may mean the cuts will go even deeper. This has drastically affected local producers. Orange growers have removed viable fruit trees from production. Nurseries have reduced their planted acreage. Avocado producers have stumped many of their trees. In these days of increased production expenses, some farmers are now facing the potential loss of their businesses if a remedy isn't found that can return them to full production.

The Commission's approval last year of the Carlsbad Desalination Project provided hope to many in our community that the region was on the right track to developing a locally-controlled, drought-proof water supply. While we are discouraged that it has been nine months since the project was first approved and the Commission's permitting process is still not completed, we expect that the Commission will carry through with its intent and expedite the approval of the project's two outstanding permit conditions.

San Diego County's farmers appreciate the Commission's understanding of the state's water crisis and its impact on the farm community. We look forward to your continued support for the Carlsbad Desalination Project.

Sincerely,

Signature on File

Eric Larson
Executive Director

CC:

Vice Chair Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
Commissioner Larry Clark
Commissioner William Burke
Commissioner Dave Potter
Commissioner James Wickett
Commissioner April Vargas
Commissioner Dan Secord
Commissioner Adi Liberman
Commissioner Sharon Wright
Commissioner Steve Kinsey
Commissioner Brooks Firestone
Commissioner Suja Lowenthal
Commissioner Deborah Schoenbaum
Commissioner Mike Chrisman
Commissioner Karen Scarborough
Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Assembly Speaker Karen Bass
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Assemblymember Mimi Walters
Ms. Debbie Martin, Poseidon Resources

Note: A copy of this letter has been sent to Coastal Commission staff.

July , 2008

California Coastal Commission Members and staff
45 Fremont Street, Suite 2000
San Francisco, CA 94105

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JUL 21 2008

CALIFORNIA
COASTAL COMMISSION

To Whom It May Concern:

Over the past few years, I have written several letters to you regarding the Carlsbad Desalination Project.

The project will offer many benefits to the entities operating in the Agua Hedionda Lagoon, including my company Carlsbad Aquafarm, which produces thousands of pounds of high-quality oysters, mussels and seaweed each year for restaurants and retail grocery stores. Because species depletion is a growing problem throughout the world, local aquafarms like mine are becoming an environmentally-responsible part of the solution to overfishing.

I cannot stress enough that there is widespread support among all the users of the lagoon for the desalination plant. We understand that this project is essential to the long-term health of the lagoon. The developers of the project have agreed to provide dredging and annual maintenance of the lagoon, a service we would otherwise lose once the Encina Power Plant is decommissioned. This would cause the lagoon to eventually revert back to its natural, stagnant state - greatly impacting businesses and recreational users of the lagoon.

Aside from the obvious environmental benefits to the lagoon, this project would also create a new source of water for San Diego. Considering the precarious state of our water supplies here and throughout the state, we cannot bring this project on line soon enough.

On behalf of my 20 employees and all the businesses on the Agua Hedionda Lagoon, I urge you to approve the project's mitigation plans at your August 2008 meeting.

Thank you,

Signature on File

Andrew Davis
Carlsbad Aquafarm

CC:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
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Commissioner Karen Scarborough
Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Fabian Nunez
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin

Tom Luster

From: Marci_Koski@fws.gov
Sent: Friday, July 18, 2008 1:45 PM
To: Sara Townsend; Tom Luster
Subject: Re: Poseidon's Marine Life Mitigation Plan

In response refer to:

FWS-SDG-04B0003-08TA0720

Hi Sara and Tom -

Thanks for giving the Fish and Wildlife Service the opportunity to comment on Poseidon's preliminary Marine Life Mitigation Plan. Although we don't have a lot of details to go on, a few of us in the Carlsbad Office have discussed the proposed mitigation plan and have some questions/concerns:

1. The documentation provided does not explain how the mitigation acreages were calculated; for example, the footnote in Exhibit B indicates that only 5.5 acres would be required to compensate for potential impacts to 55 acres of open water habitat. We would like more justification for the proposed mitigation acreages for both open water and lagoon species impacts.
2. It is our understanding that the proposed mitigation acreages, if implemented at the San Dieguito Lagoon restoration site, would yield only a 50% confidence interval for success based on information provided at the May 1, 2008, meeting. We would prefer that money be spent on a restoration/mitigation project that has a much greater likelihood of success, and would therefore prefer more acreage at the San Dieguito site to provide a greater level of success. We would be more supportive of a restoration project at San Dieguito Lagoon that has an 80 - 90% confidence interval; i.e., one that uses the acreages proposed by Dr. Raimondi in Exhibit B (a total of 55.4 acres, vs. 42.5 acres as proposed).
3. While the information provided supports the use of the San Dieguito Lagoon site for mitigation, it doesn't provide any information on what mitigation opportunities could be implemented at Agua Hedionda Lagoon, its watershed, or other lagoons in closer proximity (e.g., Buena Vista Lagoon or Batiquitos Lagoon). If other potential opportunities closer to the project site have been rejected, more information should be provided explaining which opportunities were explored and why they were rejected. We would prefer that mitigation occur as close to the project impacts as possible.
4. Exhibit A indicates that permit applications for the Phase I restoration plan will be submitted, along with other CEQA documents and agency approvals, either 24 months following the issuance of the CDP for the desalination facility or the commencement of operations at the facility, whichever is *later*. This timeline would not be acceptable; restoration for mitigation obligations should begin before, or concurrent with, project implementation; waiting up to two years to submit just the permit application would provide no assurances that mitigation would ever be implemented, and in what matter of time (since permitting often takes months or years).
5. The phased approach to mitigation would also not be ideal; we would prefer to have all mitigation implemented up front.
6. Specific to the San Dieguito Lagoon restoration site, there are at least 1-2 California least tern nesting sites in the area of the proposed restoration activities. One of the sites could become somewhat of a peninsula between the river and the restored marsh. We would want assurances that the nesting sites would be maintained and managed; i.e., monitors and managers would still be able to access the nesting sites to perform maintenance activities, and the sandy substrate would not be eroded away due to changes in hydrology.

For now, these are the major concerns that arose in our internal discussions. I look forward to providing more feedback when further information is available. Please let me know if you have any questions.

Thanks,
Marci

7/18/2008

Marci L. Koski, M.S., Ph.D.
Fish and Wildlife Biologist

U.S. Fish & Wildlife Service
Carlsbad Fish and Wildlife Office
6010 Hidden Valley Road, Suite 101
Carlsbad, CA 92011
760.431.9440 ext. 304
760.431.5902 fax

"Sara Townsend" <stownsend@coastal.ca.gov>

07/08/2008 01:37 PM

To "wpaznokas@dfg.ca.gov" <wpaznokas@dfg.ca.gov>,
"jrobertus@waterboards.ca.gov" <jrobertus@waterboards.ca.gov>,
"cclemente@waterboards.ca.gov" <cclemente@waterboards.ca.gov>,
"sjenkins@ucsd.edu" <sjenkins@ucsd.edu>, "wwinrow@poseidon1.com"
<wwinrow@poseidon1.com>, "pmaclaggan@poseidon1.com"
<pmaclaggan@poseidon1.com>, "nvoutchkov@poseidon1.com"
<nvoutchkov@poseidon1.com>, "christopher.garrett@lw.com"
<christopher.garrett@lw.com>, "marci_koski@fws.gov" <marci_koski@fws.gov>,
"msashford@gmail.com" <msashford@gmail.com>, "jelli@ci.carlsbad.ca.us"
<jelli@ci.carlsbad.ca.us>, "mgrim@ci.carlsbad.ca.us" <mgrim@ci.carlsbad.ca.us>,
"newtong@slc.ca.gov" <newtong@slc.ca.gov>, "meierm@slc.ca.gov"
<meierm@slc.ca.gov>, "brownj@slc.ca.gov" <brownj@slc.ca.gov>,
"mindts@slc.ca.gov" <mindts@slc.ca.gov>, "nordbybio@gmail.com"
<nordbybio@gmail.com>, "btippets@sdcw.org" <btippets@sdcw.org>,
"bruce.april@dot.ca.gov" <bruce.april@dot.ca.gov>, "Tom Luster"
<tluster@coastal.ca.gov>

CC "Tom Luster" <tluster@coastal.ca.gov>

Subject Poseidon's Marine Life Mitigation Plan

Greetings!

As a follow up to our May 1 meeting in Carlsbad regarding marine life mitigation, we have attached Poseidon's new Marine Life Mitigation Plan for your review. This Plan consists of 4 parts, attached.

We will bring this Plan before the Commission next month, therefore please get any comments to us as soon as possible (within the next two weeks). Any questions--please don't hesitate to call.

Many thanks,
Sara

SARA TOWNSEND

Coastal Program Analyst

CALIFORNIA COASTAL COMMISSION

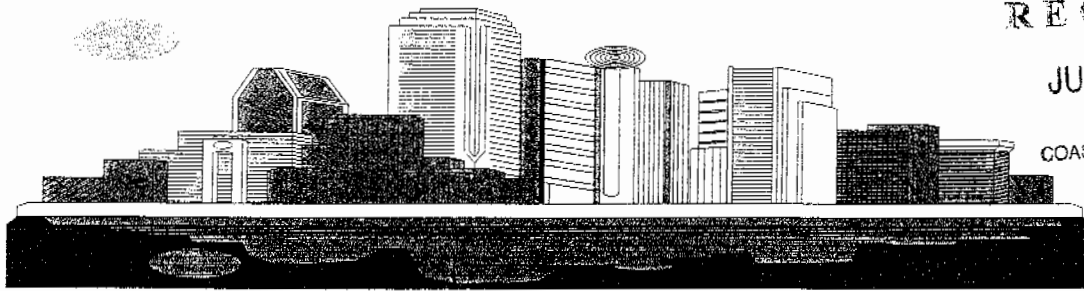
45 FREMONT STREET

SUITE 2000

SAN FRANCISCO CA 94105

T: 415.904.5295

7/18/2008



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JUL 21 2008

CALIFORNIA
COASTAL COMMISSION

San Diego County Building & Construction Trades Council, AFL-CIO

3737 Camino del Rio So. Suite 202, San Diego, CA 92108 Telephone: (619) 521-2914 Fax (619) 521-2917

July 16, 2008

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RE: Carlsbad Desalination Project – Coastal Development Permit Application No. E-06-013

Dear Commissioners,

I'm writing today on behalf of the San Diego County Building and Construction Trades Council, requesting you to expedite your approval of the Carlsbad Desalination Plant's permit conditions.

At a time when the economy is slowing and construction jobs are harder to obtain, the project will have significant economic benefits for the region, including an estimated \$170 million in spending during construction, 2,100 jobs created during construction, and \$37 million in annual spending throughout the region once the desalination plant is operational. This project will have a tremendously positive impact on thousands of San Diego workers and their families.

The Council is concerned with more than just jobs and economic benefits for our members; we care deeply about the quality of life for San Diegans. Right now, that quality of life is being threatened by many things: lack of affordable housing, soaring gas prices, rising costs for groceries and everyday goods, and the threat of rising water rates along with cuts in water availability due to the statewide drought.

The Commission has the power to address the water crisis by finalizing the approval you gave the Carlsbad project last November. San Diego is in dire need of a new source of locally-controlled, drought proof water. This is not an opportunity that we can afford to pass up. Our state's water problems are only getting worse and this is one of the few solutions for San Diego that make sense economically and environmentally.

I respectfully request that you finalize your approve of the project's permit conditions in August when the Commission meets in Oceanside.

Sincerely,

Signature on File

Tom Lemmon
San Diego County Building and Construction Trades Council
TL/ab opeiu #537 afl-cio

CC:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
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Commissioner Sharon Wright
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Commissioner Suja Lowenthal
Commissioner Deborah Schoenbaum
Commissioner Mike Chrisman
Commissioner Karen Scarborough
Commissioner Paul Thayer

Mr. Tom Luster
Governor Arnold Schwarzenegger
Speaker Fabian Nunez
Senate President Pro Tem Don Perata
Senator Dennis Hollingsworth
Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin



San Diego
Regional
Economic
Development
Corporation

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July 16, 2008

JUL 24 2008

CALIFORNIA
COASTAL COMMISSION

Chairman Pat Kruer
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Please note that Coastal Commission staff has received a copy of this communication.

RE: Carlsbad Desalination Project – Coastal Development Permit Application
No. E-06-013

Dear Chairman Kruer:

I am writing on behalf of the San Diego Regional Economic Development Corporation (EDC) and our thousands of corporate and individual members. For the past 42 years, EDC has worked to develop a diverse, technology-driven economy throughout San Diego County.

California is in the midst of a statewide drought that is greatly impacting San Diego's current water supply, most of which is imported. Our ability to attract and maintain high-paying jobs depends on a reliable water supply. In fact, many of the companies we are attempting to attract to San Diego inquire about the region's ability to secure a reliable, drought-proof water supply for their business operations.

Poseidon's Carlsbad desalination plant will deliver tangible benefits for the economy and the environment. The Commission already voted in favor of the desalination facility last November, demonstrating their understanding of the importance of this landmark project.

We urge the Coastal Commission to finalize approval of the Carlsbad Desalination Project's permit conditions at its next regularly scheduled meeting in Oceanside, CA.

Respectfully,


Signature on File
Andrew L. Poat
Vice President of Public Policy
San Diego Regional Economic Development Corporation

530 B Street
Seventh Floor
San Diego
CA 92101

Ph: 619-234-8484
Fax: 619-234-1935

www.sandiegoeconomic.com

CC:

Chairman Pat Kruer
Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
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Senator Mark Wyland
Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
Assemblymember Martin Garrick
Assemblymember Lori Saldana
Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin



City of Carlsbad

Office of the Mayor

July 14, 2008

This letter has been sent to the Coastal Commission members and all staff members

Chairman Pat Kruer
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RECEIVED

JUL 18 2008

CALIFORNIA
COASTAL COMMISSION

RE: Carlsbad Desalination Project

Dear Chairman Kruer,

This coming August, the Coastal Commission will convene in San Diego County for a regularly scheduled public hearing. This local hearing will allow San Diegans the opportunity to participate in a public process involving the single most important infrastructure project planned for the County – the Carlsbad Desalination Project.

Carlsbad’s partnership with Poseidon Resources on the development of a seawater desalination plant will help insulate San Diego from drought impacts. As you know, the desalination plant will provide the City of Carlsbad with up to 100% of our water supply, while meeting approximately 10% of San Diego’s demand countywide.

It has been ten years since we first launched this project, and the time has come for the state’s regulatory agencies to complete their approvals of Carlsbad Desalination Project. Last November – eight months ago – hundreds of elected officials, water agency board members, representatives from the business community, and San Diego residents delivered hours of public testimony in favor of the project. The Coastal Commission responded with an overwhelming vote in support of the project’s Coastal Development Permit.

Now the Commission must act again to ensure this project can be built in a timely manner. It was clear to all in attendance last November that the intent of the Commission was to move this project forward expeditiously while putting in place meaningful environmental protections. In this regard, Poseidon has upheld its commitment; now it’s the Commission’s turn.

I hope, as a San Diegan and the Chairman of the Coastal Commission, you will be able to lead your colleagues in August and see to it that the project receives its final permit approvals.

Respectfully,

Signature on File
Mayor Claude A. “Bud” Lewis
City of Carlsbad



CC:

Vice Chairwoman Bonnie Neely
Commissioner Ben Hueso
Commissioner Steve Blank
Commissioner Steve Kram
Commissioner Khatchik Achadjian
Commissioner Sara Wan
Commissioner Mary Shallenberger
Commissioner Mike Reilly
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Senator Dennis Hollingsworth
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Senator Christine Kehoe
Senator Denise Ducheny
Assemblymember George Plescia
Assemblymember Kevin Jeffries
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Assemblymember Joel Anderson
Assemblymember Shirley Horton
Assemblymember Mary Salas
Ms. Debbie Martin

July 11, 2008

JUL 14 2008
SCE
2008-07-14

Mr. Tom Luster
California Coastal Commission
45 Fremont, Suite 2000
San Francisco, CA 94105

Subject: Hydrologic and Tidal Feasibility Analyses for Poseidon W19 Project,
Del Mar, CA

Dear Mr. Luster,

Per your request, Southern California Edison (SCE) offers the comments below on the Poseidon W19 Project feasibility analyses presented at the technical meeting hosted by Coastal Commission staff on June 10, 2008. As we have noted previously, the Poseidon W19 Project would be built on land over which SCE presently holds exclusive restoration rights, and SCE may need this land in the future should the Coastal Commission require additional restoration pursuant to CDP 6-81-330A. SCE therefore cannot and will not yield its exclusive restoration rights unless the mitigation credit acres created by the Poseidon W19 Project are made available to SCE in this eventuality. In other words, as a condition of obtaining restoration rights from SCE, the ultimate holder of such credit acres would need to first enter into an agreement that would enable SCE to use any and all credits generated on SCE Project lands if needed to comply with CDP 6-81-330A.

In addition, SCE recommends that all of the studies for the proposed project be independently peer-reviewed by persons qualified in the respective fields of study in order to assure the highest level of confidence in the results. As you know, the SCE project, which represents the existing condition, was subjected to similar peer-review at many levels of development. SCE believes it is critical that any project proposed within or adjacent to the SCE Project area demonstrate with a high degree of certainty that the proposed project will not adversely impact the SCE Project and its ability to meet performance standards included in CDP 6-81-330A.

Feasibility Study for Wetland Creation in San Dieguito River Floodplain. Chang Consultants, May 9, 2008. Prepared for the San Dieguito River Park Joint Powers Authority.

1. The study examines effects of the W19 Project on the existing condition only at the 100-year flood event. Effects at the 10-, 25- and 50-year events should also be examined, as this was the standard for the SCE project.
2. Page 6. Minor grading of the stream bed is required north of the W19 berm to avoid certain project impacts. Is this stream bed modification self-maintaining? If not, how will it be maintained in perpetuity? If regularly maintained, the potential environmental impacts of such maintenance should be examined.

3. Page 5. The W19 Project will increase flood velocities along the reach bordered by the SCE Berm B8. Will the present as-built design of the Berm B8 withstand the effects of this increased velocity? If not, additional protection measures must be proposed, and the effects of those measures on the existing condition identified, if any.
4. Pages 21-22. Diagrams should be added that compare peak flood water surface and channel bed profiles for the existing condition (SCE Project) against the proposed project, so one can more easily determine if either variable is exacerbated by the W19 Project at any channel cross-section station.
5. Page 23. Table 3 shows an increase in 100-year flood water surface elevation of 0.6 feet at the Highway 101 bridge. The potential impacts of this increase should be discussed in more detail. Also, Table 3 should be replicated for the 10-, 25- and 50-year events.
6. Page 32. Figure 15 shows cross section scour profiles only upstream from and including section 1.673. Cross section scour profiles downstream of section 1.673 to the river mouth should be included.
7. Page 35. The scour modeling shows scour in the river bed at profiles 2.062 and 2.122. Though beyond the scope of this study, the potential for this scour or other river effects to cause damage to the SCE Project Modules W10 and W5 above and beyond the existing condition should be investigated.
8. Page 39. The study shows a change in sediment delivery only within the project area (~mile 1.7 to 2.3). However, this affected area includes SCE Project Modules W10, W5 and NS 13. Will these modules be impacted by these changes in sediment delivery above and beyond existing condition impacts? If so, such impacts must be quantified and mitigated.
9. The SCE Project EIR includes additional wetlands acreage not brought forward into the SCE Final Restoration Plan. Potential restoration modules M32, M33 and M37 would obviously be supplanted by the W19 Project. What would be the impacts of the W19 project on the potential for restoring Modules W6a and W6b, if any?

Preliminary Tidal Hydraulics Analysis of the W-19 Tidal Basin Amendment to the San Dieguito Lagoon Restoration. Scott A. Jenkins Consulting, May 15, 2008. Prepared for Poseidon Resources.

10. Page 26. The study shows the W19 project will depress the inlet sill by 0.13 ft and consequently reduce the amount of subtidal habitat supported by the SCE project. How many acres of subtidal habitat reduction does this equate to in the finished SCE project? Will the Coastal Commission accept this reallocation of habitat acreage in the SCE project by amending the SCE project Coastal Development Permit? If not, SCE would oppose the W19 Project.
11. The SCE project Coastal Development Permit requires that over time, there will be no more than a 10% change in the acreage of any habitat type created or restored in the SCE project area compared to the proportions surveyed by Coastal Commission monitors at the completion of revegetation (presently scheduled in 2010). If the W19 Project changes the

proportions of these habitat types by virtue of tidal changes, will the Coastal Commission "reset" the compliance starting point for the SCE project? If not, SCE would oppose the W19 Project.

12. Page 37. The W19 project will cause a 17-foot widening of the inlet channel as it cuts across "Dog Beach" (thereby reducing the width of Dog Beach by an equivalent amount). The Coastal Commission should consult with the City of Del Mar and other local stakeholders regarding this impact.

San Dieguito Lagoon Wetland Restoration Plan Element of the Marine Life Mitigation Plan for the Carlsbad Desalination Plant, Carlsbad, California. May 2008. Prepared by Nordby Biological Consulting for Poseidon Resources Corporation.

13. Page 3. The second paragraph notes that the JPA is the owner of the restoration site. The report should also note that by prior agreement, SCE holds exclusive rights to restoration of the portion of property within the SCE Project boundaries.
14. Page 3. The second paragraph of Section 2.0 states that SCE is creating 115 acres of tidal wetlands. Actually, SCE is creating 163.3 acres of wetlands in order to achieve 115 net acres of tidal wetlands credit toward the CDP 6-81-330A requirements.
15. Page 10. Table 1 shows only 2.5 acres of subtidal habitat created by the W19 project. How will this sufficiently mitigate for the entrainment impacts alluded to in the Poseidon plant Coastal Development Permit? For comparison, the SCE project provides over 40 acres of subtidal habitat.
16. Throughout the document, the SCE Project is proposed to be one of the reference monitoring wetlands, in addition to Carpinteria Saltmarsh, Mugu Lagoon, and Tijuana Estuary. We question the validity of proposing to use a restored wetlands such as the SCE Project as a "control" reference site, when the SCE wetlands themselves are being compared against the aforementioned reference sites. As the SCE and W19 Projects would be hydrologically and biologically interdependent, it may be more valid scientifically to pool the SCE and W19 Project datasets and compare them as a single project against the three reference sites.
17. Page 18. The last sentence of Par. 1 suggests data collected by CCC scientists for the SCE project will be used for comparison with W19. CCC data collection at San Dieguito is paid for through a two-year budget and workplan approved by the CCC and funded solely by SCE pursuant to CDP 6-81-330A. If another CCC-permitted mitigation program is to also make use of this same data for compliance purposes, costs of data collection, analysis and staff oversight should be fairly apportioned to the W19 project through a CCC-managed mechanism.
18. Page 18. The W19 wetland restoration should be considered successful only if it continues to meet specified performance standards for a period of time equivalent to the operating life of the desalination plant.
19. Page 18. Weeding of revegetated areas should be discussed.

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20. Page 20. As noted in Comment Nos. 10 and 11 above, Poseidon needs to evaluate the change in acreages of the various wetland habitat types within the SCE Project that will result from creation of the W19 Project. The Coastal Commission needs to determine whether/how it would "reset" the SCE Project baseline.
21. Page 21. As noted in Comment No. 12 above, the section on Beach Access and Use should discuss the loss of 17 feet of existing beach due to the widening of the inlet channel as a consequence of the increased tidal prism produced by the W19 Project.
22. Page 21. The statement in the Summary section that the W19 project "is feasible in terms of physical and environmental constraints" cannot be supported by the present feasibility analyses. As noted in many of the preceding comments, much more detailed physical and biological analyses must be performed before feasibility is certain enough to warrant advancing the project to the preliminary design and CEQA review stage. At best, one can presently assert that subject to additional modeling and peer review, the W19 project appears to be feasible strictly from a hydrological standpoint.

Thank you for the opportunity to comment on the subject technical studies. Please contact me if you should have any questions.

Sincerely,



Signature on File

David W. Kay, D. Env.
Manager of Environmental Projects

Cc: Peter MacLaggan, Poseidon Resources
Dick Bobertz, SDRPJA
Wayne Brechtel, Worden, Williams and Brechtel

Tom Luster

From: Sara Townsend
Sent: Wednesday, July 02, 2008 4:09 PM
To: Tom Luster
Subject: FW: Marine Life Mitigation at Agua Hedionda

-----Original Message-----

From: Meleah Ashford [mailto:msashford@gmail.com]
Sent: Wednesday, July 02, 2008 3:26 PM
To: mindts@slc.ca.gov; Sara Townsend
Cc: 'Warren Wong'; 'Keith Merkel'
Subject: Marine Life Mitigation at Agua Hedionda

Sara and Steve,

Attached is a graphic for the two potential projects in Agua Hedionda Lagoon for Marine Life mitigation. I have talked to Warren Wong, Associate Biologist, California Department of Fish and Game, because both projects are on the DFG Agua Hedionda Ecological Reserve. DFG has not had time to digest the project proposal and has significant concerns regarding nesting habitat in that area and the use of already protected land, therefore, they are not yet on board. Even so the projects do represent the best projects that I've seen to date and I will leave them with you to consider. If you are interested in pursuing them, Warren suggests that we meet to discuss (most likely by phone).

Here is what Keith proposed for these sites based on communication with Keith Merkel:

The projects are both on CDFG managed Ecological Reserve Lands. They are tidally influenced but function relatively poorly due to a number of factors, principally elevation and drainage. Attached is a graphic illustrating the areas and suggesting that the creation of greater tidal channels and vegetated marshlands in the present salt panne habitat areas would provide greater larval fish production at Agua Hedionda Lagoon. This would be a viable means to contribute local in-kind offsets for entrainment impacts. It should be noted that some of the higher flats are used by nesting birds and thus there would need to be some degree of consideration given as to where benefits can be garnered and where you would simply be trading one resource for another.

If I can be of any additional assistance, please let me know.

Thanks,

Meleah

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AREA 1 - THE FINGERS

Park Dr

Valen

Cannon Rd

Cannon Rd

Cannon Rd



Center for  
**Sustainable Energy**  
CALIFORNIA

**RECEIVED**

JUL 28 2008

CALIFORNIA  
COASTAL COMMISSION

April 29, 2008

Peter Douglas  
Executive Director  
45 Fremont Street, Suite 2000  
San Francisco, CA 94105-2219

Dear Mr. Douglas:

The **California Center for Sustainable Energy (CCSE)** is an independent non-profit 501(c)(3) dedicated to providing programs, services, information, and incentives to facilitate the use of energy-efficient technologies and practices. The Center began operations in 1996 as the San Diego Regional Energy Office, and has served as an unbiased voice on energy matters for the people of San Diego. Since then, its engineering staff has performed hundreds of energy audits at commercial and industrial facilities, and program managers have developed and implemented distributed generation programs, focusing on an array of clean technologies including solar photovoltaics and water heating, fuel cells and high-efficiency combustion technologies. CCSE is fortunate to have as its Program Manager for Climate Change a PhD climate scientist with extensive field experience investigating carbon life cycles. The Staff has also been active in energy policy for the San Diego region, and has worked with San Diego Gas & Electric Company, the San Diego Association of Governments (SANDAG), and other governmental and non-governmental entities in addressing the region's energy needs.

**Poseidon Resources** has asked CCSE to review its Carlsbad Desalination Plant Climate Action Plan which describes its strategy to render the plant carbon neutral. This effort will consist of two elements: 1) Review and provide an independent perspective on the Climate Action Plan to verify its feasibility; and 2), Provide independent experts to assist Poseidon in developing a strategy to neutralize the CO<sub>2</sub> remaining after the initial steps are taken in the plan to neutralize carbon, e.g., plant energy efficiency and displacing imported water. This strategy will most likely involve some combination of CO<sub>2</sub> sequestration projects such as planting trees and wetlands mitigation, Renewable Energy Credits (RECs), carbon offsets, or other purchases of "green" energy to displace electricity purchased from the local utility. In addition, Poseidon intends to follow a LEED-type process to provide for and document plans for energy savings.

After thorough and independent review by our energy and climate change experts, we conclude that Poseidon's strategy to render the plant carbon neutral is sound. Its choice of the latest and most efficient desalination technology is evident, and its emphasis on plant efficiency as the first priority is consistent with good energy management practice. Also, a solar photovoltaic system on a combination of available rooftop and covered parking area could provide a consistent, measureable displacement of kilowatt hours throughout the year. These kilowatt hours would otherwise be generated during peak hours with mostly fossil fuel by the local utility or imported from generating plants out of state. Mitigation of 37 acres of wetlands in coastal North County will not only improve the ecology of the area, but will provide an effective carbon sink for the life of the project. Finally, the decision to plant \$1M worth of trees in areas devastated by the 2007 wildfires will have two significant benefits: 1) The trees, when mature, will each absorb about 60 pounds of carbon dioxide per year; and 2), Depending on where they are planted, they can provide significant energy (and CO<sub>2</sub>) savings by reducing air conditioning load.

Possibly the greatest single contribution to greenhouse gas reduction by the proposed desalination plant is the displacement of imported water into San Diego. The fact that the Metropolitan Water District (MWD) has agreed to pay Poseidon \$250 for every acre-foot of water produced by the



Center for  
Sustainable Energy  
CALIFORNIA

Carlsbad facility indicates the value of not having to import the same quantity of water. This value includes not only the water itself, but also the energy expended in pumping, treating, and distributing the water. And this energy not expended translates directly into tons of CO<sub>2</sub> not given off in its production. CCSE considers the only issue meriting further attention to be the most appropriate emissions factors to use in calculating this quantity of CO<sub>2</sub> avoided through displacement, given the multiple IOU service areas through which imported water passes, and the varying compositions of generation plant fuel expected to be used over the life of the desalination plant project. These factors will be accurately known only by monitoring the emission factors of serving IOUs over time and geography; the methodology for establishing these factors developed as part of this project may prove applicable more widely.

Similarly, it should be noted that estimates of carbon reduction from each of the measures described in Poseidon's Climate Action Plan are based on prevailing scientific thought with regard to greenhouse gas emission mitigation. Also, the values used in the analysis are average annual values, and the effectiveness of the various carbon dioxide mitigation measures will vary from year to year. However, the fact that Poseidon has pursued a variety of mitigation measures should improve the likelihood of their effectiveness due to their inherent diversity, i.e., it is very likely that an appreciable number of them would work, since they do reflect what is currently best known about their effectiveness.

CCSE is pleased to support Poseidon's efforts to render its desalination plant carbon neutral. Poseidon's voluntary commitment to make its Carlsbad project carbon neutral is exactly the kind of environmental leadership we need from companies doing business in California. The California Center for Sustainable Energy (CCSE) believes this project will advance the state's goals as embodied in AB32, California's ground-breaking Global Warming Solutions Act. Poseidon Resources Corporation has broken new ground in its proposal, and, to the best of our knowledge, the Carlsbad seawater desalination plant is the first major infrastructure project in the state to completely eliminate its carbon footprint. We believe the plant will not only provide a much needed local source of future water supplies to Southern California, but should also help set the tone for the implementation of AB32.

Sincerely,

Signature on File  
Robert Gilleskie, P.E., CEM  
Director of Engineering

Cc:  
Tom Luster