

CALIFORNIA COASTAL COMMISSION

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**W-4**

Energy and Ocean Resources Unit

Staff: JLL, JD, SMH—SF

Staff Report: September 25, 1998

Hearing Date: October 14, 1998

Item Number: 4

**STATUS REPORT ON SONGS MITIGATION PROGRAM
CONDITION C: KELP REEF MITIGATION**

In July 1998, the staff reported that the mitigation projects required in Southern California Edison Company's coastal development permit for the San Onofre Nuclear Generating Station (SONGS) Units 2 and 3 are behind the schedule anticipated when the Commission approved amendments to the mitigation conditions in April 1997. The conditions originally were adopted by the Commission in 1991 to mitigate the adverse impacts of the power plant on the marine environment. In 1993, the Commission added a requirement for the permittee to partially fund construction of an experimental fish hatchery.

The permittee has submitted an amendment request to modify the schedule for the wetland restoration project. (See September 25, 1998 staff report for Item W-6.a.) This report summarizes the progress made on the reef mitigation project required in Condition C of the permit.

The Reef Project

The artificial reef will consist of an experimental reef and a larger mitigation reef. The experimental reef must be a minimum of 16.8 acres and the mitigation reef must be of sufficient size to sustain 150 acres of medium to high density kelp bed community. The purpose of the experimental reef is to determine what combination of substrate type and substrate coverage will best achieve the performance standards specified in the permit. The design of the mitigation reef will be contingent on the results of the experiment reef.

Progress Report

The permittee submitted the preliminary plan for the experimental reef in June 1997, which was approved by the Executive Director and forwarded to state and federal agencies for review. The permittee also submitted a coastal development permit application as required, but since approvals from other agencies had not yet been obtained (e.g., approval from the State Lands Commission for a permit and offshore lease) the application was incomplete and could not be filed.

At the time of the Commission's action to amend the permit conditions in April 1997, the Department of Fish and Game indicated that the experimental reef project would require only a negative declaration under the California Environmental Quality Act (CEQA), and the timing of the conditions for submitting a final plan and coastal development permit application for the experimental reef was based on that conclusion. However, the State Lands Commission, as lead agency for CEQA, determined to proceed now with a full programmatic EIR for the entire mitigation reef. As a result, the permittee cannot obtain the other necessary agency approvals for the experimental reef nor can the Commission act on the permit application for construction of the experimental reef until the environmental review process is complete.

The State Lands Commission currently anticipates that the draft EIR will be released for public review on November 9, 1998, and the final EIR certification and issuance of the offshore lease and permit for the reef completed no sooner than March 15, 1999. Additional agency approvals and/or permits, including the environmental review required under the National Environmental Policy Act (NEPA), should be initiated at the release of the draft EIR and completed following the completion of the EIR process. Documentation to complete the coastal development permit will then be submitted to the Coastal Commission.

Next Steps

The staff will continue to work with the permittee and other agencies to develop a schedule for the reef mitigation project to help keep it progressing smoothly and to speed up the process wherever possible. Although the permittee is technically in compliance with the existing condition, the staff considered amending Condition C to incorporate milestones for the permittee's responsibilities for obtaining the other agency approvals and/or permits and for submitting the necessary documentation to complete its coastal development permit application for the experimental reef. The purpose of such an amendment would be to ensure that the permittee follows through on its coastal development application in a timely manner after the CEQA/NEPA reviews and subsequent permitting processes are completed.

The permittee indicated its willingness to amend Condition C to include these additional milestones, but also indicated its belief that an amendment is not needed at this time. The staff agrees that any amendment to Condition C now could not include a precise schedule because of uncertainties in the timing of State Lands Commission's final certification of the EIR and issuance of the offshore lease and permit. Instead the staff believes that by working diligently with the permittee and other agencies, the staff can accomplish the goal of moving the process forward as expeditiously as possible.