

CALIFORNIA COASTAL COMMISSION

FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD (415) 904-5200

**W-10.b****RECORD PACKET COPY**

Energy and Ocean Resources Unit
Staff: JJL,SMH—SF
Staff Report: February 23, 1999
Hearing Date: March 10, 1999
Item Number: W-10.b

STATUS REPORT ON SONGS MITIGATION PROGRAM

Following is a brief status report for the mitigation projects required in Southern California Edison Company's (SCE) coastal development permit for the San Onofre Nuclear Generating Station (SONGS) Units 2 and 3 (permit no. 6-81-330, formerly 183-73). 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 Commission has since approved amendments to the conditions in April 1997 and October 1998.

WETLAND RESTORATION MITIGATION**The Project**

Condition A of the permit requires the permittee to create or substantially restore a minimum of 150 acres of wetlands to mitigate for impacts to fishes caused by the operation of SONGS. In April 1997, the Commission reaffirmed its 1992 approval of the permittee's choice of the San Dieguito River Valley as the site for the wetland restoration project.

Progress Report

The wetland restoration mitigation project is undergoing a planning and environmental review process which incorporates the mitigation project into the overall San Dieguito River Valley Regional Open Space Park project, and which also includes additional wetland restoration required under the permittee's settlement agreement with the Earth Island Institute.

The Commission amended the permit in October 1998 to modify the schedule for submitting the final restoration plan and CEQA/NEPA documentation, and incorporated the schedule and description of the permittee's responsibilities for providing information for the environmental review process. The lead agencies are the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (JPA) and U.S. Fish and Wildlife Service.

Previously, the JPA advised the staff that the draft EIR/EIS was now expected to be released at the end of May 1999 rather than the end of March 1999 due in part to delays in receiving the permittee's geotechnical analysis by the December 1, 1998 due date. The geotechnical analysis is needed to determine how much, if any, of the dredge material will be appropriate for near shore disposal. It was submitted on January 19, 1999.

At its January 13, 1999 briefing on the status of the SONGS projects, the Commission expressed its concerns about the delay and asked the staff to make these concerns known to the permittee. The Commission was especially concerned that the delay in the EIR/EIS schedule resulting from the late submittal of the geotechnical analysis had used up more than half of the three month period built into the October 1998 permit amendment to authorize the Executive Director to allow changes in the schedule, and that such a delay will affect the permittee's ability to maintain the current schedule for submitting the final wetland restoration plan or coastal development permit to the Commission. (The original letter contained a typographical error. The corrected letter to SCE is attached as Exhibit 1.)

Earth Island Institute has also expressed its concern that the environmental analyses include SCE's proposed restoration of the 17.29-acre portion of the recently purchased Villages Property (a 54-acre parcel located at the north edge of the proposed mitigation area adjacent to Via de la Valle and east of Interstate 5). The analyses for the EIR/EIS currently include proposals for this property, and the lead agencies have issued a revised Notice of Preparation that incorporates the expanded boundaries of the project.

A number of meetings have been held in January and February 1999 with the lead agencies, EIR/EIS consultants, SCE, other involved agencies, and Commission staff. Significant issues remain to be resolved, including additional berm design and related hydrological analysis, trail alignment, and inlet maintenance. At this point, further delays in completing the draft EIR/EIS are not expected, although resolution of these issues will be essential to completing the planning and subsequent permitting processes. The SCE project managers have reiterated their commitment to work with all parties to keep the wetland project on schedule and to meet the conditions of the coastal permit.

KELP REEF MITIGATION

The Project

Condition C of the permit requires an artificial reef that 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.

In April 1997, the Commission added the requirement for a payment of \$3.6 million to the State's Ocean Resource Enhancement and Hatchery Program (OREHP) to fund a mariculture/marine fish hatchery to provide compensation for resources not replaced by the artificial mitigation reef. SCE has fully satisfied this requirement.

Progress Report

The State Lands Commission, lead agency for CEQA, released the Draft Program EIR for the mitigation reef for public review on November 9, 1998. On December 10, 1998, the State Lands Commission held a public meeting on the draft PEIR. The public review period continued through December 28, 1998.

SCE and staffs of both the State Lands and Coastal Commissions have been working together to address public and agency comments on the draft PEIR. A number of suggestions have been made which, if incorporated into the project, would maximize the amount of information gathered during the experimental phase. SCE has indicated its willingness to expand the scope and size of the experiment by adding experimental treatments for kelp transplanting to the current proposed project at the San Clemente site and constructing an additional experimental reef at the south Carlsbad site. This design alternative would result in 48 experimental modules at the San Clemente site and 18 modules at the Carlsbad site, for total area of hard substrate of 26.4 acres. This represents an increase of 9.6 acres in the total area of hard substrate currently proposed. It is expected that this design alternative will be deemed the preferred alternative upon completion of the environmental review under CEQA. (See Exhibit 2.)

State Lands' certification of the final PEIR and issuance of the offshore lease and permit for the experimental reef is expected to be completed in April 1999. Review by the U.S. Army Corps of Engineers and Regional Water Quality Control Board is expected to proceed on a mostly parallel track with the remaining State Lands' process. The staff will then bring the coastal development permit for the experimental reef before the Commission, possibly as early as May 1999. SCE is working to move the experimental reef project along to begin construction this summer.

FISH BEHAVIORAL MITIGATION

The Project

Condition B requires the permittee to install and maintain behavioral barrier devices at SONGS to reduce fish impingement losses.

Progress Report

Following the permittee's experiments on light and sound devices, the permittee considered fish guidance lights to be more effective in preventing fish from being trapped and killed. On October 29, 1998, the Executive Director approved the permittee's installation plan for the lights.

The lights were installed in December 1998. SONGS has entered into a maintenance outage during which both units will be shut down and de-watered in sequence. The permittee will be making light measurements in the plant during the outage, and monitoring of the fish guidance lights will begin in April 1999.

Exhibits

1. Coastal Commission's corrected letter of February 2, 1999 to SCE, and transmittal memo dated February 8, 1999, regarding wetland restoration project EIR/EIS schedule delays.
2. a. Coastal Commission's letter of February 10, 1999 to SCE regarding experimental reef project.
b. State Lands Commission's letter of February 17, 1999 to SCE regarding experimental reef project.
c. SCE's letter of February 22, 1999 to Coastal Commission regarding experimental reef project.

CALIFORNIA COASTAL COMMISSION

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February 8, 1999

TO: Mr. Michael Hertel
Southern California Edison Company
P. O. Box 800
Rosemead, CA 91770

FROM: Susan Hansch
Deputy Director

RE: Corrected Copy, Letter of February 2, 1999

Attached is a corrected copy of the letter I sent you on February 2, 1999 regarding the Coastal Commission's concerns over the delay in the environmental review process for the San Dieguito wetland restoration project. That letter contained a typographical error which listed the permittee's due date for the geotechnical analysis as December 1, 1999 rather than December 1, 1998. The correct date is shown on the attached corrected copy.

I am aware that Edison submitted raw geotechnical *data* to the JPA prior to the December 1, 1998 due date. However, the geotechnical *analysis*, as embodied in the reports prepared under Edison's direction (Final Report Dredged/Excavated Material Chemical Characterization Study, San Dieguito Lagoon Wetland Restoration Project, prepared by Ogden, and Geotechnical Evaluation San Dieguito Lagoon Restoration, prepared by Ninyo & Moore), was not submitted to the JPA until January 19, 1999, as stated in my letter. I hope this clarifies any confusion about Edison's submittal of the materials required for preparation of the EIR/EIS.

Please give me a call if I can be of any assistance.

cc: Coastal Commissioners
Frank Melone
Dick Bobertz
Jack Fancher

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
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February 2, 1999

CORRECTED COPY

Mr. Michael Hertel
Southern California Edison Company
P. O. Box 800
Rosemead, CA 91770

Dear Mike:

At its January 13, 1999 review of the status of the SONGS mitigation projects, the Coastal Commission expressed its concerns over the delay in the environmental review process for the San Dieguito wetland restoration project. The Commissioners requested that I relay these concerns to Edison.

As you know, when it became clear last summer that the schedule for submitting the final restoration plan and coastal development permit for the wetland mitigation could not be met, the staff requested Edison to submit a permit amendment request to revise that schedule. In its October 1998 action on the permit amendment, the Commission authorized the Executive Director to allow changes in the schedule provided that such changes do not result in a delay of more than three months for the submittal of the final wetland restoration plan or coastal development permit.

The Commission also incorporated a schedule for the materials Edison had agreed to provide to the lead CEQA/NEPA agencies for the EIR/EIS preparation—the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (JPA) and U.S. Fish and Wildlife Service—and specifically cited in the permit Edison's responsibility for providing these materials "in a timely manner so as not to cause delays in the environmental review process." The Commission found that meeting the deadlines for submitting the materials to the lead agencies was essential to completing the EIR/EIS within the time frame set by the lead agencies. Any delay in completing the EIR/EIS would result in a domino effect, delaying Edison's submittal of the final plan and permit application and construction of the mitigation project.

According to the JPA, the draft EIR/EIS is now expected to be released at the end of May 1999 rather than the end of March 1999 in part because Edison did not provide the requested geotechnical analysis by the due date or even within a reasonable grace period. As stated in the October 1998 permit amendment action, the geotechnical analysis, which is under Edison's control, was needed by December 1, 1998, the date to which Edison agreed, in order to meet the March 26, 1999 date for public release of the draft EIR/EIS. The report was not received by the JPA until January 19, 1999. To date, neither the staff nor the Commission have been advised of any extenuating circumstances which prevented Edison from completing the analysis on time.

EXHIBIT 1

The Commission is acutely aware of the complexity of the wetland restoration project and the many issues to be resolved during the planning and environmental review process. However, the Commission also is acutely aware that SONGS Units 2 and 3 have been in operation for over 15 years and the resultant loss of public resources have yet to be mitigated. Edison's delay in providing the geotechnical analysis used up more than half of the three-month period built into the October 1998 permit amendment for schedule changes authorized by the Executive Director. The Commission takes very seriously the deadlines it has imposed and will hold Edison accountable for meeting all its responsibilities under the permit conditions. The Commission does not want to see further slippage in the schedule.

The staff will continue to work with Edison and the other agencies to accomplish the wetland mitigation project without further delays. We know that you will continue to work cooperatively during the environmental review process, but we strongly urge you to pick up the pace in resolving outstanding issues to ensure that Edison will be prepared to proceed with the final plan and coastal development permit immediately upon completion of the EIR/EIS. Please give me a call if I can be of any assistance.

Sincerely,



Susan M. Hansch
Deputy Director

cc: Coastal Commissioners
Frank Melone
Dick Bobertz
Jack Fancher

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
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February 10, 1999

Mr. Michael Hertel, Manager
Environmental Affairs
Southern California Edison Company
P.O. Box 800
2244 Walnut Grove Ave.
Rosemead, California 91770

Dear Mike,

Through the environmental review process, a number of suggestions have been made by members of the public in response to the "Draft Program Environmental Impact Report for the Construction and Management of an Artificial Reef in the Ocean Near San Clemente, California." Staff believes that several of these suggestions have particular merit: (1) assessment of the likely reef performance throughout the 355-acre lease area at San Clemente; (2) including more than one site in the experimental phase of the mitigation project; and (3) incorporating kelp transplanting techniques in the design of the experimental reefs.

Therefore, our mitigation scientists and technical staff concur with the recommendation of the staff of the State Lands Commission that a project alternative with the following characteristics be considered in the PEIR:

1. Retain the experimental treatments of the current proposed project: at San Clemente, two substrate types (concrete and quarry rock) at three substrate coverages (17%, 34% and 67%).
2. At San Clemente add two treatments: kelp transplanting on concrete and quarry rock at a coverage of 34%.
3. Apply each of the 8 treatments described above to 0.4 acre (40 m x 40 m) modules within each of 6 replicate blocks. Space the blocks more or less uniformly throughout the 355-acre lease site at San Clemente. Make the placement of the modules and their spacing within blocks (depth range and positioning in the inshore/offshore direction) about the same for all blocks. This differs from the proposed project by reducing the number of blocks at San Clemente by one and by spreading the replicates throughout the lease site.
4. At the south Carlsbad site, construct an experimental reef with three replicate blocks, each containing the treatments in the proposed project: two substrate types (concrete and quarry rock) at three substrate coverages (17%, 34% and 67%). Arrange the

EXHIBIT 2.a

Michael Hertel
February 10, 1999
Page 2

modules in a similar manner to the arrangement at San Clemente. This is an addition not present in the proposed project.

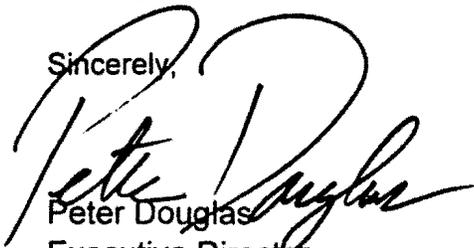
This design alternative would result in 48 0.4-acre modules at the San Clemente site, and 18 0.4-acre modules at the Carlsbad site. The 66 modules would constitute 26.4 acres of hard substrate. This differs from the proposed project by an increase in the total area of hard substrate of 9.6 acres.

The conditions of SCE's permit require Executive Director review and approval of the location and design of the experimental reef. I will approve this design for the experimental phase of the artificial reef mitigation program if it is deemed the preferred alternative after environmental review under CEQA and if SCE requests such an alteration to their proposed project. As you know, SCE is also required to obtain a separate coastal development permit from the Coastal Commission for the construction of the approved experimental reef.

The permit conditions call for the experimental and build-out reef to be "...as close as possible to the San Onofre Kelp and preferably between Dana Point (Orange County) and Carlsbad (San Diego County)" Should the Commission require construction in areas other than San Clemente, SCE would receive mitigation credit for all acreage that meets the performance standards in the permit. Similarly, those modules of the experimental reefs that ultimately meet the performance criteria will receive mitigation credit, regardless of location.

The SONGS mitigation scientists, Susan Hansch, and John Dixon will continue to work cooperatively with you and your team to get this project underway as soon as possible. We continue to hope that this matter can come before the Coastal Commission as early as the May hearing.

Sincerely,



Peter Douglas
Executive Director

cc: Mary Griggs, State Lands Commission

EXHIBIT 2.a

**CALIFORNIA STATE
LANDS COMMISSION**

ERUZ M. BUSTAMANTE, *Lieutenant Governor*
KATHLEEN CONNELL, *Controller*
B. TIMOTHY GAGE, *Director of Finance*

RECEIVED
FEB 18 1999
**CALIFORNIA
COASTAL COMMISSION**

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ROBERT C. HIGHT, *Executive Officer*
(916) 574-1800 Fax (916) 574-1810
California Relay Service from TDD Phone 1-800-735-2922
from Voice Phone 1-800-735-2929

February 17, 1999

Mr. Michael Hertel, Manager
Environmental Affairs
Southern California Edison Company
P. O. Box 800
2244 Walnut Grove Ave.
Rosemead, CA 91770

Dear Mr. Hertel:

Staffs of the California State Lands Commission (CSLC) and the California Coastal Commission (CCC) have been working together with Southern California Edison on the Draft Program Environmental Impact Report (DPEIR) for the Construction and Management of an Artificial Reef in the Pacific Ocean near San Clemente, California for some months. The process is nearing completion, and the document will soon be ready for consideration by the CSLC.

Through the environmental process, a number of suggestions have been made by members of the public and other agencies, which, if incorporated, would maximize the amount of information gathered during the experimental phase of the project. Staff of both Commissions have worked with Edison to incorporate those measures into the experimental reef design.

The proposed changes are all within the scope and range of alternatives presented and analyzed in the DPEIR. This alternative does not result in any new significant impacts which were not already identified in the DPEIR, and therefore, CSLC staff does not feel that recirculation of the document is warranted.

These changes when incorporated into the proposed project as spelled out in the DPEIR, would result in what CSLC staff believes is the environmentally superior alternative, and which they would recommend to the Commission for adoption.

EXHIBIT 2.b

Mr. Michael Hertel
February 17, 1999
Page Two

The environmentally superior alternative, which will be spelled out in the Final Environmental Impact Report is as follows:

1. Retain the experimental treatments of the current proposed project: at San Clemente, two substrate types (concrete and quarry rock) at three substrate coverages (17%, 34% and 67%).
2. At San Clemente add two treatments: kelp transplanting on concrete and quarry rock at a coverage of 34%.
3. Apply each of the 8 treatments described above to 0.4 acre (40 m x 40 m) modules within each of 6 replicate blocks. Space the blocks more or less uniformly throughout the 355-acre lease site at San Clemente. Make the placement of the modules and their spacing within blocks (depth range and positioning in the inshore/offshore direction) about the same for all blocks. This differs from the proposed project by reducing the number of blocks at San Clemente by one and by spreading the replicates throughout the lease site.
4. At the south Carlsbad site, construct an experimental reef with three replicate blocks, each containing the treatments in the proposed project: two substrate types (concrete and quarry rock) at three substrate coverages (17%, 34% and 67%). Arrange the modules in a similar manner to the arrangement at San Clemente. This is an addition not present in the proposed project.

This design alternative would result in 48 0.4-acre modules at the San Clemente site, and 18 0.4-acre modules at the Carlsbad site. The 66 modules would constitute 26.4 acres of hard substrate. This differs from the proposed project by an increase in the total area of hard substrate of 9.6 acres.

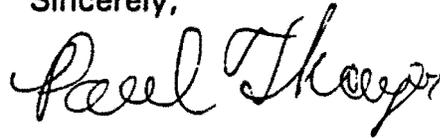
In order for the CSLC to approve a lease for this alternative, it will be necessary for you to amend the application you currently have on file. You can do this by sending a letter asking to amend your current application to

Mr. Michael Hertel
February 17, 1999
Page Three

include the South Carlsbad site portion of the experiment along with a description of the area you wish to lease. Please contact Jane Smith at (916) 574-1892 if you have any questions.

If you have any questions regarding this letter, please feel free to contact Mary Griggs at (916) 574-1814.

Sincerely,



PAUL THAYER
Assistant Executive Officer

Cc: Susan Hansch
John Dixon
Mary Griggs
Jane Smith

February 22, 1999

RECEIVED
FEB 23 1999

CALIFORNIA
COASTAL COMMISSION

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

Subject: Alteration to the Experimental Reef

Dear Peter:

This is to acknowledge receipt of your letter dated February 10, 1999 presenting what you and your staff believe is a reasonable alternative to the Southern California Edison Company proposed Experimental Artificial Kelp Reef Project. Southern California Edison will be supportive of either the proposed project, which was approved by you, or the best reasonable alternative selected by the EIR process for the proposed project. If the State Lands Commission decides that an alternative project should be preferred, SCE would revise our Experimental Artificial Kelp Reef Project for your approval.

The alternative presented in your letter deletes one block of six modules at the San Clemente site while adding kelp transplantation in twelve new modules at San Clemente and adding three additional blocks of six modules at the South Carlsbad site. My staff is directed to work with your staff to further investigate the South Carlsbad site and confirm its suitability for an experimental reef and a future mitigation reef as soon as possible.

Sincerely,



cc: Susan Hansch