

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD (415) 904-5200
FAX (415) 904-5400



Click here to go
to the original staff report.

Th16a

June 13, 2012

TO: Coastal Commissioners and Interested Parties

FROM: Alison J. Dettmer, Deputy Director / Tom Luster, Staff Environmental Scientist – Energy, Ocean Resources, and Federal Consistency Division

SUBJECT: **ADDENDUM** to Staff Report for Coastal Development Permit Application E-11-027: Dynegy South Bay LLC – South Bay Power Plant Demolition, in the City of Chula Vista, San Diego County

This addendum provides staff's recommended revisions to the above-referenced staff report along with correspondence received. The proposed revisions do not change staff's recommendation that the Commission **conditionally approve** the coastal development permit application.

CORRESPONDENCE RECEIVED

- May 15, 2012 letter from the City of Chula Vista
- May 25, 2012 letter from Port of San Diego
- June 5, 2012 letter from Dynegy
- June 7, 2012 letter from Port of San Diego to Environmental Health Coalition
- June 11, 2012 letter from Dynegy

REVISIONS TO STAFF REPORT

Staff's recommended revisions are shown below in ~~striketrough~~ and **bold underline** text. Revisions to the recommended **Special Conditions** are provided first, followed by revisions to the recommended Findings.

REVISIONS TO STAFF'S RECOMMENDED SPECIAL CONDITIONS

Special Condition 2: page 5 – As initially proposed, **Special Condition 2** would have required the applicant to submit several approvals "prior to permit issuance." The applicant has since clarified that two of the three required approvals – from the City of Chula Vista and from the Air Pollution Control District – require Dynegy to submit a copy of its CDP in order to obtain those approvals. Staff is therefore recommending the condition be changed from "prior to permit issuance" to "prior to starting project-related staging or demolition activities." Regarding the

third required approval from the Port of San Diego, staff received a May 25, 2012 letter from the Port (attached) confirming its approval of the proposed project. Staff therefore recommends **Special Condition 2** be modified as follows:

“Other Approvals. PRIOR TO ~~ISSUANCE OF THIS PERMIT~~ PROJECT-RELATED STAGING OR DEMOLITION ACTIVITIES, the Permittee shall provide to the Executive Director a copy of each of the following permits and approvals, or evidence that the permit or approval is not needed:

- a. Final Demolition Permit (with incorporated Waste Management Plan) issued by the City of Chula Vista; **and,**
- b. Approval(s) for project activities from the San Diego Air Pollution Control District; **and,**
- c. ~~Approved Tenant Application from the Port of San Diego.~~

The Permittee shall inform the Executive Director of any changes to the project required by these permits or approvals. Such changes shall not be incorporated into the project until the Permittee obtains a Commission amendment to this coastal development permit, unless the Executive Director determines that no amendment is legally required.”

REVISIONS TO STAFF’S RECOMMENDED FINDINGS

Summary of Staff Recommendation: first paragraph, pages 1-2:

“Project Description: The proposed project involves demolishing most of the aboveground structures at the South Bay Power Plant (SBPP) ~~and associated structures,~~ located along the San Diego Bay shoreline on a site owned by the Port of San Diego. The power plant operated from the ~~1950s~~ **1960s** until it was decommissioned in 2010. The applicant, Dynergy South Bay, LLC, operated the power plant **from April 2007 until December 2010** pursuant to a lease from the Port. The currently proposed activities ~~meant to~~ **are intended to fulfill a portion of Dynergy’s leasehold obligation to demolish the power plant. The demolition will also** allow the Port and other involved parties to fully characterize known and potential soil and groundwater contamination at the site and to determine what measures are needed to remediate those contaminants. The project site is also within an area being considered for future development as part of the proposed Chula Vista Bayfront Master Plan, which would include this and several other sites extending north along the San Diego Bay shoreline.”

Summary of Staff Recommendation: page 2, second full paragraph, third sentence – This section of the summary describes the purpose of the various Special Conditions. Staff recommends the following modification to reflect the above-referenced changes to **Special Condition 2:**

“The project will be subject to other permits and approvals that will address air quality, waste management, noise, and other issues, and **Special Condition 2** would require that Dynergy provide copies of those permits prior to ~~issuance of the coastal development permit~~ **the start of project staging or demolition activities.**”

Motion: page 4 –

*I move that the Commission **approve** Coastal Development Permit ~~Amendment~~ No. E-11-027 pursuant to the staff recommendation.*

Resolution: page 4 –

The Commission hereby approves the coastal development permit and adopts the findings set forth below on grounds that the development, as conditioned, will be in conformity with the policies of Chapter 3 of the Coastal Act. Approval of the permit ~~amendment~~ complies with the California Environmental Quality Act because feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment.

Section IV.A – Project Description – Background and Site Conditions: page 8, last full sentence –

“It was originally owned by San Diego Gas & Electric Company (SDG&E), which sold the facility in ~~1996~~**1998** to the Port.”

Section IV.A – Project Description – Background and Site Conditions: page 9, third full paragraph –

“The project site is within an area being considered for future development as part of the proposed Chula Vista Bayfront Master Plan, which would include this and several other sites totaling about 560 acres and extending to the north along the San Diego Bay shoreline. This Bayfront Master Plan is the subject of proposed amendments to the Port’s Master Plan and City’s Local Coastal Program, which are currently scheduled to come before the Commission in July 2012. Additionally, and as described below in Section IV.C of these Findings, ~~parts of the proposed~~ **the anticipated future** site remediation and restoration will ~~also be~~ subject to conditions of a Settlement Agreement between the City, the City’s Redevelopment Agency, the Port, and the Bayfront Coalition.”

Section IV.A – Project Description – Proposed Project Activities: page 10 –

“The proposed project includes demolishing and removing all of the above-ground components of the power plant and most of the associated above-ground structures at the SBPP site, including storage tanks, pipes, and ancillary buildings. Demolition and removal will occur within several subareas of the SBPP site identified on Exhibit 2 as the Plant Area, North and South Tank Farm Areas, ~~Gas Turbine/Gas Metering Area~~, the current and former Wastewater Treatment Plant Areas, ~~Channel Area~~, and Main Gate Area.”

Section IV.A – Project Description – Proposed Project Activities: page 10, first bulleted paragraph –

“Power block: The power block consists of two relatively massive structures that contain the power plant’s boiler and turbine generator (see Exhibit 3 – SBPP Power Block). The boiler structure is a steel framework structure about 165 feet high, and the turbine generator is within a concrete structure about 48 feet high. Dynergy would first remove any remaining hazardous materials (e.g., asbestos, petroleum projects, etc.) and the remaining equipment within these structures, such as piping, lights, controls, duct work, and tanks. Some of this equipment may be salvaged rather than demolished,~~and some tank bottoms will remain to be removed during the next phase of site remediation.~~ Dynergy has already completed asbestos removal through an asbestos abatement plan pursuant to Air Pollution Control District requirements, so very little asbestos is expected to be present.”

Section IV.A – Project Description – Proposed Project Activities: page 11, last sentence of second paragraph –

“Most of the power block’s cement foundation would be removed, with the below-grade portions remaining for the next phase of site ~~remediation~~**demolition.**”

Section IV.A – Project Description – Proposed Project Activities: page 13, first partial paragraph, last sentence:

“The existing SDG&E switchyard will remain, ~~though Dynergy’s equipment will be removed~~ **and Dynergy has already removed its equipment from the switchyard.**”³⁹

Section IV.C – Other Agency Approvals & Consultations: page 13 – Staff recommends the following modification, consistent with the above-referenced changes to **Special Condition 2:**

“C. Other Agency Approvals & Consultations

The project is subject to permits and approvals from the following:

- San Diego Air Pollution Control District: Asbestos Abatement and Demolition Notification (July 2011) and Equipment Registration/Permit
- San Diego Regional Water Pollution Control Board: Construction Stormwater Permit and Stormwater Pollution Prevention Plan
- Cal-OSHA: Construction Activity Permit
- ~~Port of San Diego: Tenant Application~~
- City of Chula Vista: Demolition Permit (incorporates Waste Management Plan)
- U.S. EPA: Lead Notification”

Section IV.C – Other Agency Approvals & Consultations: page 14, beginning of first paragraph:

“The project is subject to conditions of the lease between the Port and Dynergy and will require an approved Tenant Application from the Port. **Special Condition 2** requires Dynergy to submit the Port’s final project approval prior to issuance of this coastal development permit. Additionally, and as noted above, the demolition activities are being implemented in part pursuant to will allow continued implementation of the May 2010 Chula Vista Bayfront Master Plan Settlement Agreement, which also governs much of the future restoration and redevelopment expected at this and other nearby sites.”

Section IV.G – Project Alternatives: page 21, fourth sentence of last paragraph –

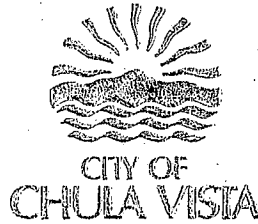
“Although the “no project” alternative would result in avoidance of those short-term impacts, it would also result in the continued presence of decommissioned and partially dismantled structures on the site and would preclude the planned completion of soil and groundwater remediation meant to address currently unknown levels and locations of contaminants at the site.”

Appendix A – Substantive File Documents: page 24 – Staff recommends adding the following:

“California Department of Toxic Substances Control (DTSC) – EnviroStor Public Web Site data links for South Bay Power Plant. The EnviroStor site provides information on sites around the state undergoing investigation, cleanup, permitting, and/or corrective actions that are planned, being conducted or have been completed under DTSC’s oversight. The weblinks below (accessed June 5, 2012) include information and documents about the status of those activities at the South Bay Power Plant site:

http://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=71003502

http://geotracker.waterboards.ca.gov/profile_report.asp?global_id=T10000003688”



OFFICE OF THE CITY MANAGER

May 15, 2012

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

Dear Commissioners:

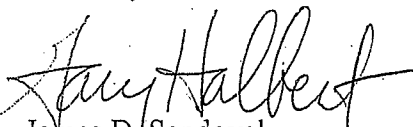
Re: Coastal Development Permit Application No. E-11-027 Demolition of South Bay Power Plant Above Ground Structures

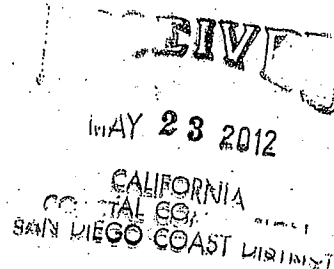
The City of Chula Vista (City) eagerly awaits the demolition of the above ground structures of the South Bay Power Plant (SBPP) thereby eliminating the visual blight that has dominated the Chula Vista skyline for more than five decades. The City of Chula Vista has been aggressively pursuing, with the Port of San Diego and Dynegy, the removal of the structure since the termination of the Reliability Must Run (RMR) by the California Independent Systems Operator (CALISO) on December 31, 2010.

As you are aware Dynegy applied for a Coastal Development Permit for removal of the above ground structures and the City fully supports this application and the demolition of the SBPP.

We hope the California Coastal Commission has the opportunity to hear this item at their June 2012 hearing and will agree with the citizens of Chula Vista that the removal of the SBPP is long overdue.

Sincerely,

for 
James D. Sandoval
City Manager



May 25, 2012

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

Subject: Coastal Development Permit No. E-11-027 Demolition of the South
Bay Power Plant Above Ground Structures

Dear Mr. Luster:

The San Diego Unified Port District (District) is in receipt of the Coastal Development Permit (CDP) Application No. E-11-027 that Dynegy South Bay, LLC (Dynegy) has submitted to the California Coastal Commission (CCC). Dynegy under its contractual agreements with the District is required to perform end of term actions including the decommissioning, demolition, and dismantling of the existing South Bay Power Plant (SBPP).

The District has reviewed Dynegy's CDP application and has no issues with the demolition of the SBPP. The District fully supports and approves the above-ground demolition of the SBPP, subject to the conditions of approval as may be set forth by the CCC in its issuance of the CDP.

The District appreciates the efforts of your staff and we look forward to continued collaboration with CCC staff on this very important project to the District. Should you have any questions, please contact me at (619) 686-6507 or via email to kzortman@portofsandiego.org.

Sincerely,



Kristine A. Zortman
Area Real Estate Manager
Maritime Properties

SDUPD Docs No. 525025

Dynegy South Bay, LLC
990 Bay Blvd
Chula Vista, CA 91911-1651
Phone 619.476-1547 ext 303



DYNEGY

June 5, 2012

RECEIVED

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

JUN 07 2012

CALIFORNIA
COASTAL COMMISSION

**Re: Comments on Staff Report for CDP Permit Application No. E-11-027
Demolition of Aboveground Structures at South Bay Power Plant**

Dear Mr. Luster:

This letter provides our comments on the Staff Report prepared in connection with our application for a Coastal Development Permit for demolition of aboveground structures located at the South Bay Power Plant (SBPP or the plant). With the exception of relatively minor comments relating to Special Condition #2 (dealing with the sequencing of permits and approvals) and Special Condition #3 (dealing with the requirements for control of runoff and storm water management), Dynegy agrees with and supports the Staff Report and its recommendation for issuance of the Coastal Development Permit. Dynegy appreciates staff's efforts on this Project and looks forward to issuance of the permit.

Specific Comments

1. **Project Description, Pages 1-2.** The first paragraph should be revised as follows:

The proposed project involves ~~demolishing the demolition of most of the aboveground structures at the South Bay Power Plant (SBPP) and associated structures,~~ located along the San Diego Bay shoreline on a site owned by the Port of San Diego. The power plant operated from the 1950s 1960s until it was decommissioned in 2010. The applicant, Dynegy South Bay, LLC, operated the power plant pursuant to a lease from the Port from April 2007 until December 2010. The currently proposed activities are intended to fulfill a portion of Dynegy's leasehold obligation to demolish the power plant and to remove the power plant from the south San Diego Bay viewshed to allow the Port and other involved parties to fully characterize known and potential soil and groundwater contamination at the site and to determine what measures are needed any to remediate those contaminants. The project site is also within an area being considered for future development as part of the proposed Chula Vista Bayfront Master Plan; which would include this and several other sites extending north along the San Diego Bay shoreline. Removal of the aboveground structures will also allow the Port and other responsible parties to more easily determine what, if any, additional remediation may be needed at the site prior to redevelopment of the area consistent with the Bayfront Master Plan.

2. Project Description, Page 2. Special Condition 2 requires that the following permits be obtained prior to issuance of the CDP: (1) final Demolition Permit (with incorporated Waste Management Plan) from the City of Chula Vista; (2) approvals from the San Diego County Air Pollution Control District (APCD); and (3) approved Tenant Application from the Port of San Diego. With the exception of the Tenant Application which has been approved as confirmed by the Port's May 25, 2012 letter to the Commission (copy attached), the City of Chula Vista Demolition Permit and the APCD permits or other approvals cannot be obtained until after the CDP has been issued. As drafted, the Staff Report places us in a "Catch 22." Special Condition 2 should be revised to state that these other approvals must be obtained prior to Project-related staging or demolition activities, rather than prior to issuance of the CDP.

3. Motion & Resolution, Page 4. This section refers to a permit amendment in three separate locations. The word "application" should be substituted for "amendment."

4. Special Condition #2, Other Approvals, Page 5. See comment #2 above.

5. Special Condition #3, Runoff and Storm Water Management Plan, Pages 5-6.

Dynegy has prepared a Construction Storm Water Pollution Prevention Plan (SWPPP) in accordance with the National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities, Water Quality Order 2009-0009-DWQ, General Permit NO. CA000002, adopted by the State Water Resources Control Board on September 2, 2009, and effective as of July 1, 2010 for this Project. A copy of the SWPPP is provided in Attachment 1.

Considerable attention has been given to identifying all reasonable measures that can be taken to ensure that the proposed demolition activities will pose as little risk to the adjoining water bodies and land surfaces as possible. This goal will be achieved through the use of Best Management Practices (BMPs) and Best Available Technologies (BATs) to meet or exceed the Maximum Extent Practicable (MEP) standard established by the permit. We believe that the SWPPP as drafted covers many of the detailed BMP's listed in Condition #3. However, given that fact that the SBPP falls under Risk Level #1 based on the Risk Level Determination criteria, some of the measures that are referenced in Condition #3 are likely unnecessary and are therefore not included in the SWPPP. However, should circumstances change, we will modify the SWPPP to include these additional measures so as to prevent any potential undesired discharge. We have also attached detailed comments on Condition #3 that were prepared by John Gentillon, The Land Stewards, who is the QSD/P for this Project's Construction SWPPP (see Attachment 2).

6. Special Condition #4, Dust Control and Air Monitoring Plan, Page 6-7. A copy of the Dust Control and Air Monitoring Plan is attached (see Attachment 3).

7. Special Condition #5, Spill Prevention & Response, Page 7. A copy of the Spill Prevention & Response Plan is attached (see Attachment 4).

8. Special Condition #6, Noise Reduction & Mitigation, Page 8. A copy of the Noise Reduction and Mitigation Plan is attached (see Attachment 5).

9. Findings and Declarations, Background and Site Conditions, Page 8-9. SDG&E sold the South Bay Power Plant to the Port in 1998, not in 1996 as indicated in the Staff Report. Site use for generation of power commenced in the 1960s, not the 1950s.

We also believe the first full paragraph on page 9 should be deleted, with the exception of the first sentence. This description of "constituents of concern" does not reflect significant remediation conducted at the site by SDG&E over the past several years, and leaves the reader with an inaccurate understanding of current site conditions. The first sentence should be moved to the succeeding paragraph, so that the Staff Report would read as follows:

The site's use since the 1960s for power plant operations, fuel storage, and other similar industrial purposes has resulted in groundwater and soil contamination. The entities involved in facility ownership or operations, including SDG&E, Duke Energy, the Port, and Dynegy, have conducted several site investigations, sampling efforts and interim cleanup measures. . . .

In addition, the third full paragraph on Page 9 states that "Additionally, and as described below in Section IV.C. of these findings, parts of the **proposed** site remediation and restoration will also be subject to conditions of a Settlement Agreement between the City, the City's Redevelopment Agency, the Port, and the Bayfront Coalition." (Emphasis added). Please note that Dynegy is not proposing to conduct any site remediation as part of this Project, or as part of any future project except to the extent required by applicable contracts. Similarly, Dynegy is not proposing to conduct any site restoration activities beyond those that will be conducted as part of the demolition project. Dynegy is not a party to the Bayfront Settlement Agreement and is not bound by that agreement.

10. Proposed Project Activities, Power Block, Page 10. The section pertaining to the Power Block states that "some tank bottoms will remain to be removed during the next phase of site remediation." There will be no tanks or tank bottoms remaining in the power block. This sentence should be deleted.

11. Proposed Project Activities, Tanks and ancillary equipment, Page 11. The statement that "[s]ome tank bottoms will be left in place for removal during subsequent phases of site remediation" should be changed to read:

Some tank bottoms (4) will be left in place for removal during the belowground demolition project."

12. Proposed Project Activities, Page 12. The Staff report correctly states on page 12 that the existing SDG&E switchyard will remain, "though Dynegy's equipment will be removed." Please note that all Dynegy equipment has already been removed from the

switchyard. In addition, SDG&E's two gas regulator stations (which are no longer in service) will also remain.

13. **Other Agency Approvals & Consultations, Pages 13-14.** The discussion that begins at the bottom of page 13 and ends at the bottom of page 14 is not germane to this Project. There is no remediation proposed as part of this Project, nor is any anticipated by Dynegy at some later date based on our current understanding of site conditions.

14. **The "no project" alternative, Page 21.** Dynegy acknowledges that CEQA analysis requires consideration of the "no project" alternative. In the circumstances, the "no project" alternative is not feasible because it would result in the continuing adverse presence of the power plant along the shoreline and would prevent Dynegy from fulfilling its contractual obligation under its lease with the Port to demolish the power plant. The demolition obligation arises out of a commitment originally made by the Port to SDG&E in 1998 when the plant was sold to the Port. CEQA review of the Port's acquisition of the plant and its eventual demolition, was conducted by the Public Utilities Commission in 1998. A copy of the prior CEQA document was included in Dynegy's CDP Application.

Dynegy does not believe there is any factual basis for the Staff Report's assertion near the bottom of page 21 that the "no project alternative" "would preclude the planned completion of soil and groundwater remediation at the site. The lack of remediation would likely result in continuing and more substantial long-term impacts associated with migration of the site's soil and groundwater contamination to South San Diego Bay and nearby sensitive habitats." The Staff Report contains no information to support this assertion, and it should be deleted.

15. **California Environmental Quality Act, Page 23.** As acknowledged throughout the Staff Report, the Project as proposed included numerous design features to ensure that the Project will have no potentially significant impacts on the environment. We are confident that the numerous plans that have been developed by Dynegy or our demolition contractor will accomplish this objective.

Comments regarding Future Activities at SBPP (unrelated to this Project)

There is one remaining issue we would like to address relating to the Staff Report's discussion of future remediation and restoration at SBPP. As you know, the Project is being conducted as part of Dynegy's contractual obligation to demolish the SBPP. The primary purpose of the Project is to remove from the "viewshed" large, aboveground structures that are considered by many to be an eyesore and blight upon the landscape. While Dynegy's demolition obligation extends to belowground structures (to a depth of four feet), Dynegy's willingness to proceed only with the aboveground demolition project at this juncture was based on our understanding that it was vitally important to the Port, the City of Chula Vista and other stakeholders that the plant be removed so that the uninterrupted views over the bay could be restored, pending resolution of the complex, long-term planning issues that need to be addressed in the context

of the overall Bayfront Master Plan Redevelopment Project. Contrary to what is stated at the top of page 14 of the Staff Report, the demolition activities are not being implemented pursuant to the May 2010 Chula Vista Bayfront Master Plan Settlement Agreement, to which Dynegy is not a party. Accordingly, we believe that the eventual site remediation and redevelopment that are discussed in the Staff Report are more aptly characterized as secondary benefits of the demolition project, rather than the primary reasons for the project. We also note that a need for further remediation at the SBPP site has not yet been established, and that it is premature to characterize the aboveground demolition project as "a necessary precursor to site remediation and potential site redevelopment."

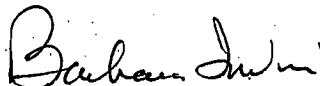
It is also important to note that Dynegy's obligations at the site are defined exclusively by contracts with the Port and San Diego Gas & Electric Company ("SDG&E"). Under the relevant contracts, both the Port and SDG&E have remedial obligations at the site, depending on when and where the release occurred and whether actionable levels of contamination still remain at the site. Dynegy's remedial obligations are also described by contract and, at this point, we are not aware of any cleanup that falls within the scope of our contractual obligation. Similarly, our responsibilities for coastline restoration are defined by contract and extend only to removal of certain in-water structures located within the intake and discharge channels. A more extensive restoration may be undertaken at a later date by other interested parties or agencies. Dynegy looks forward to fulfilling its contractual obligations as soon as it is safely and practically possible so that the community and interested parties can move forward with their plans for the site.

* * * * *

We appreciate the opportunity to submit these comments and look forward to revision of the permit conditions as requested and issuance of the CDP as so modified.

Thank you for your consideration.

Very truly yours,



Barbara Irwin
Director Environmental
Dynegy South Bay, LLC

Enclosures

cc: Larry Randel – Dynegy South Bay
Meg Rosegay – Pillsbury
Rick Gusman - Silverado



Port of San Diego

(619) 686-6201 • P. O. Box 120488, San Diego, California 92112-0488
www.portofsandiego.org

June 7, 2012

Ms. Laura Hunter
Environmental Health Coalition
2727 Hoover Ave., Suite 202
National City, CA 91950

Subject: South Bay Power Plant

Dear Ms. Hunter:

This letter serves to reconfirm the San Diego Unified Port District's commitment to Section 5.4 of the Chula Vista Bayfront Master Plan Settlement Agreement with the Bayfront Coalition member organizations, dated May 4, 2012, which reads as follows:

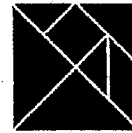
"The District will perform an analysis of the appropriate level and method for environmental restoration of the intake/discharge channels associated with the South Bay Power Plant in the environmental review document for the demolition of the power plant."

The District will perform and make available this analysis in connection with any application for a Coastal Development Permit ("CDP") or other comparable permit for the demolition of the sub-surface structures of the South Bay Power Plant, regardless of whether the CDP applicant is Dynegy LLC South Bay or other party. The analysis will be performed within an appropriate timeframe to inform consideration of the CDP by the California Coastal Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Darbeau".
Wayne Darbeau

Dynegy Inc.
601 Travis Street, Suite 1400
Houston, Texas 77002
Phone 713.507.6400



June 11, 2012

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

RE: CDP Application No. E-11-027 Demolition of Aboveground Structures at South Bay Power Plant

Dear Mr. Luster:

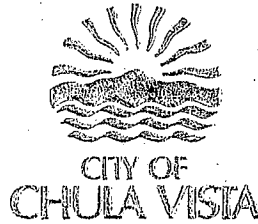
As you know, on June 14th, the CCC will consider Dynegy South Bay, LLC's (Dynegy) CDP application related to demolition of the aboveground structures located at the South Bay Power Plant (SBPP). The scope of this project is to focus on removal of the plant's large boiler structures and other aboveground structures that negatively impact views of south San Diego Bay. We understand that there are many stakeholders -- including the Port, the City of Chula Vista, the natural resource agencies and local environmental groups -- who have a keen interest in the future of the site, well beyond the limited scope of this CDP application. While we do not believe it is appropriate to address issues relating to the restoration and future redevelopment of the site in the current CDP permit proceeding, we wish to acknowledge the importance of these issues.

The SBPP site presents many opportunities for the future. These include restoration of sweeping views over south San Diego Bay, relocation of the SDG&E Switchyard, demolition and removal of subsurface structures, removal of in-water structures located within the intake and discharge channels, remediation of soil and groundwater (to the extent further cleanup is necessary, beyond the significant work already completed by SDG&E), and eventually restoration and redevelopment of the site for a higher and better use. For each of these goals there are multiple participants and interested parties, each with different areas of responsibility and differing levels of participation. The CDP application currently under consideration deals with the first of these goals, removal of the plant from the viewshed, and includes no discussion of the myriad issues that are integral to the longer-term goal of site restoration and redevelopment. In any event, the Commission and the public may be assured that Dynegy will safely and efficiently fulfill all of its contractual obligations at the SBPP site.

Regards,

Martin Daley
Vice President and General Manager
Dynegy Power LLC

Under service agreements, Dynegy Inc. and its subsidiaries Dynegy Administrative Services Company and Dynegy Operating Company provide services to and are authorized to act on behalf of certain indirect subsidiaries of Dynegy Inc., including the following: Dynegy Gas Investments Holdings, LLC, Dynegy Power, LLC, Dynegy Kendall Energy, LLC, Ontelaunee Power Operating Company, LLC, Dynegy Power Generation, Inc., Blue Ridge Generation LLC, Black Mountain CoGen, Inc., Sithe Energies, Inc., Sithe/Independence Power Partners, L.P., Sithe/Independence LLC, Sithe/Independence Funding Corp., Dynegy Oakland, LLC, Dynegy South Bay, LLC, Dynegy Morro Bay, LLC, Dynegy Moss Landing, LLC, Casco Bay Energy Company, LLC, Dynegy Coal Investments Holdings, LLC, Dynegy Midwest Generation, LLC, Havana Dock Enterprises, LLC, Dynegy Power Marketing, LLC, Dynegy Coal Trading & Transportation, LLC, and Dynegy Marketing and Trade, LLC.



OFFICE OF THE CITY MANAGER

May 15, 2012

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

Dear Commissioners:

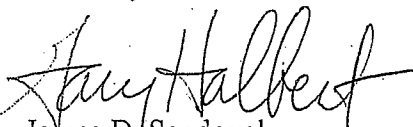
Re: Coastal Development Permit Application No. E-11-027 Demolition of South Bay Power Plant Above Ground Structures

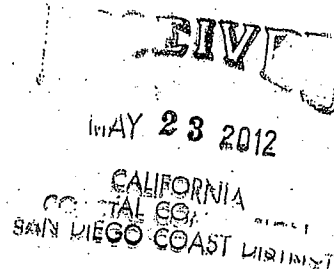
The City of Chula Vista (City) eagerly awaits the demolition of the above ground structures of the South Bay Power Plant (SBPP) thereby eliminating the visual blight that has dominated the Chula Vista skyline for more than five decades. The City of Chula Vista has been aggressively pursuing, with the Port of San Diego and Dynegy, the removal of the structure since the termination of the Reliability Must Run (RMR) by the California Independent Systems Operator (CALISO) on December 31, 2010.

As you are aware Dynegy applied for a Coastal Development Permit for removal of the above ground structures and the City fully supports this application and the demolition of the SBPP.

We hope the California Coastal Commission has the opportunity to hear this item at their June 2012 hearing and will agree with the citizens of Chula Vista that the removal of the SBPP is long overdue.

Sincerely,

for 
James D. Sandoval
City Manager



May 25, 2012

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

Subject: Coastal Development Permit No. E-11-027 Demolition of the South
Bay Power Plant Above Ground Structures

Dear Mr. Luster:

The San Diego Unified Port District (District) is in receipt of the Coastal Development Permit (CDP) Application No. E-11-027 that Dynegy South Bay, LLC (Dynegy) has submitted to the California Coastal Commission (CCC). Dynegy under its contractual agreements with the District is required to perform end of term actions including the decommissioning, demolition, and dismantling of the existing South Bay Power Plant (SBPP).

The District has reviewed Dynegy's CDP application and has no issues with the demolition of the SBPP. The District fully supports and approves the above-ground demolition of the SBPP, subject to the conditions of approval as may be set forth by the CCC in its issuance of the CDP.

The District appreciates the efforts of your staff and we look forward to continued collaboration with CCC staff on this very important project to the District. Should you have any questions, please contact me at (619) 686-6507 or via email to kzortman@portofsandiego.org.

Sincerely,



Kristine A. Zortman
Area Real Estate Manager
Maritime Properties

SDUPD Docs No. 525025

Dynegy South Bay, LLC
990 Bay Blvd
Chula Vista, CA 91911-1651
Phone 619.476-1547 ext 303



DYNEGY

June 5, 2012

RECEIVED

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

JUN 07 2012

CALIFORNIA
COASTAL COMMISSION

**Re: Comments on Staff Report for CDP Permit Application No. E-11-027
Demolition of Aboveground Structures at South Bay Power Plant**

Dear Mr. Luster:

This letter provides our comments on the Staff Report prepared in connection with our application for a Coastal Development Permit for demolition of aboveground structures located at the South Bay Power Plant (SBPP or the plant). With the exception of relatively minor comments relating to Special Condition #2 (dealing with the sequencing of permits and approvals) and Special Condition #3 (dealing with the requirements for control of runoff and storm water management), Dynegy agrees with and supports the Staff Report and its recommendation for issuance of the Coastal Development Permit. Dynegy appreciates staff's efforts on this Project and looks forward to issuance of the permit.

Specific Comments

1. **Project Description, Pages 1-2.** The first paragraph should be revised as follows:

The proposed project involves ~~demolishing the demolition of most of the aboveground structures at the South Bay Power Plant (SBPP) and associated structures, located along the San Diego Bay shoreline on a site owned by the Port of San Diego. The power plant operated from the 1950s 1960s until it was decommissioned in 2010. The applicant, Dynegy South Bay, LLC, operated the power plant pursuant to a lease from the Port from April 2007 until December 2010. The currently proposed activities are intended to fulfill a portion of Dynegy's leasehold obligation to demolish the power plant and to remove the power plant from the south San Diego Bay viewshed to allow the Port and other involved parties to fully characterize known and potential soil and groundwater contamination at the site and to determine what measures are needed any to remediate those contaminants. The project site is also within an area being considered for future development as part of the proposed Chula Vista Bayfront Master Plan; which would include this and several other sites extending north along the San Diego Bay shoreline. Removal of the aboveground structures will also allow the Port and other responsible parties to more easily determine what, if any, additional remediation may be needed at the site prior to redevelopment of the area consistent with the Bayfront Master Plan.~~

2. Project Description, Page 2. Special Condition 2 requires that the following permits be obtained prior to issuance of the CDP: (1) final Demolition Permit (with incorporated Waste Management Plan) from the City of Chula Vista; (2) approvals from the San Diego County Air Pollution Control District (APCD); and (3) approved Tenant Application from the Port of San Diego. With the exception of the Tenant Application which has been approved as confirmed by the Port's May 25, 2012 letter to the Commission (copy attached), the City of Chula Vista Demolition Permit and the APCD permits or other approvals cannot be obtained until after the CDP has been issued. As drafted, the Staff Report places us in a "Catch 22." Special Condition 2 should be revised to state that these other approvals must be obtained prior to Project-related staging or demolition activities, rather than prior to issuance of the CDP.

3. Motion & Resolution, Page 4. This section refers to a permit amendment in three separate locations. The word "application" should be substituted for "amendment."

4. Special Condition #2, Other Approvals, Page 5. See comment #2 above.

5. Special Condition #3, Runoff and Storm Water Management Plan, Pages 5-6.

Dynegy has prepared a Construction Storm Water Pollution Prevention Plan (SWPPP) in accordance with the National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities, Water Quality Order 2009-0009-DWQ, General Permit NO. CA000002, adopted by the State Water Resources Control Board on September 2, 2009, and effective as of July 1, 2010 for this Project. A copy of the SWPPP is provided in Attachment 1.

Considerable attention has been given to identifying all reasonable measures that can be taken to ensure that the proposed demolition activities will pose as little risk to the adjoining water bodies and land surfaces as possible. This goal will be achieved through the use of Best Management Practices (BMPs) and Best Available Technologies (BATs) to meet or exceed the Maximum Extent Practicable (MEP) standard established by the permit. We believe that the SWPPP as drafted covers many of the detailed BMP's listed in Condition #3. However, given that fact that the SBPP falls under Risk Level #1 based on the Risk Level Determination criteria, some of the measures that are referenced in Condition #3 are likely unnecessary and are therefore not included in the SWPPP. However, should circumstances change, we will modify the SWPPP to include these additional measures so as to prevent any potential undesired discharge. We have also attached detailed comments on Condition #3 that were prepared by John Gentillon, The Land Stewards, who is the QSD/P for this Project's Construction SWPPP (see Attachment 2).

6. Special Condition #4, Dust Control and Air Monitoring Plan, Page 6-7. A copy of the Dust Control and Air Monitoring Plan is attached (see Attachment 3).

7. Special Condition #5, Spill Prevention & Response, Page 7. A copy of the Spill Prevention & Response Plan is attached (see Attachment 4).

8. Special Condition #6, Noise Reduction & Mitigation, Page 8. A copy of the Noise Reduction and Mitigation Plan is attached (see Attachment 5).

9. Findings and Declarations, Background and Site Conditions, Page 8-9. SDG&E sold the South Bay Power Plant to the Port in 1998, not in 1996 as indicated in the Staff Report. Site use for generation of power commenced in the 1960s, not the 1950s.

We also believe the first full paragraph on page 9 should be deleted, with the exception of the first sentence. This description of "constituents of concern" does not reflect significant remediation conducted at the site by SDG&E over the past several years, and leaves the reader with an inaccurate understanding of current site conditions. The first sentence should be moved to the succeeding paragraph, so that the Staff Report would read as follows:

The site's use since the 1960s for power plant operations, fuel storage, and other similar industrial purposes has resulted in groundwater and soil contamination. The entities involved in facility ownership or operations, including SDG&E, Duke Energy, the Port, and Dynegy, have conducted several site investigations, sampling efforts and interim cleanup measures. . . .

In addition, the third full paragraph on Page 9 states that "Additionally, and as described below in Section IV.C. of these findings, parts of the **proposed** site remediation and restoration will also be subject to conditions of a Settlement Agreement between the City, the City's Redevelopment Agency, the Port, and the Bayfront Coalition." (Emphasis added). Please note that Dynegy is not proposing to conduct any site remediation as part of this Project, or as part of any future project except to the extent required by applicable contracts. Similarly, Dynegy is not proposing to conduct any site restoration activities beyond those that will be conducted as part of the demolition project. Dynegy is not a party to the Bayfront Settlement Agreement and is not bound by that agreement.

10. Proposed Project Activities, Power Block, Page 10. The section pertaining to the Power Block states that "some tank bottoms will remain to be removed during the next phase of site remediation." There will be no tanks or tank bottoms remaining in the power block. This sentence should be deleted.

11. Proposed Project Activities, Tanks and ancillary equipment, Page 11. The statement that "[s]ome tank bottoms will be left in place for removal during subsequent phases of site remediation" should be changed to read:

Some tank bottoms (4) will be left in place for removal during the belowground demolition project."

12. Proposed Project Activities, Page 12. The Staff report correctly states on page 12 that the existing SDG&E switchyard will remain, "though Dynegy's equipment will be removed." Please note that all Dynegy equipment has already been removed from the

switchyard. In addition, SDG&E's two gas regulator stations (which are no longer in service) will also remain.

13. Other Agency Approvals & Consultations, Pages 13-14. The discussion that begins at the bottom of page 13 and ends at the bottom of page 14 is not germane to this Project. There is no remediation proposed as part of this Project, nor is any anticipated by Dynegy at some later date based on our current understanding of site conditions.

14. The "no project" alternative, Page 21. Dynegy acknowledges that CEQA analysis requires consideration of the "no project" alternative. In the circumstances, the "no project" alternative is not feasible because it would result in the continuing adverse presence of the power plant along the shoreline and would prevent Dynegy from fulfilling its contractual obligation under its lease with the Port to demolish the power plant. The demolition obligation arises out of a commitment originally made by the Port to SDG&E in 1998 when the plant was sold to the Port. CEQA review of the Port's acquisition of the plant and its eventual demolition, was conducted by the Public Utilities Commission in 1998. A copy of the prior CEQA document was included in Dynegy's CDP Application.

Dynegy does not believe there is any factual basis for the Staff Report's assertion near the bottom of page 21 that the "no project alternative" "would preclude the planned completion of soil and groundwater remediation at the site. The lack of remediation would likely result in continuing and more substantial long-term impacts associated with migration of the site's soil and groundwater contamination to South San Diego Bay and nearby sensitive habitats." The Staff Report contains no information to support this assertion, and it should be deleted.

15. California Environmental Quality Act, Page 23. As acknowledged throughout the Staff Report, the Project as proposed included numerous design features to ensure that the Project will have no potentially significant impacts on the environment. We are confident that the numerous plans that have been developed by Dynegy or our demolition contractor will accomplish this objective.

Comments regarding Future Activities at SBPP (unrelated to this Project)

There is one remaining issue we would like to address relating to the Staff Report's discussion of future remediation and restoration at SBPP. As you know, the Project is being conducted as part of Dynegy's contractual obligation to demolish the SBPP. The primary purpose of the Project is to remove from the "viewshed" large, aboveground structures that are considered by many to be an eyesore and blight upon the landscape. While Dynegy's demolition obligation extends to belowground structures (to a depth of four feet), Dynegy's willingness to proceed only with the aboveground demolition project at this juncture was based on our understanding that it was vitally important to the Port, the City of Chula Vista and other stakeholders that the plant be removed so that the uninterrupted views over the bay could be restored, pending resolution of the complex, long-term planning issues that need to be addressed in the context

of the overall Bayfront Master Plan Redevelopment Project. Contrary to what is stated at the top of page 14 of the Staff Report, the demolition activities are not being implemented pursuant to the May 2010 Chula Vista Bayfront Master Plan Settlement Agreement, to which Dynegy is not a party. Accordingly, we believe that the eventual site remediation and redevelopment that are discussed in the Staff Report are more aptly characterized as secondary benefits of the demolition project, rather than the primary reasons for the project. We also note that a need for further remediation at the SBPP site has not yet been established, and that it is premature to characterize the aboveground demolition project as "a necessary precursor to site remediation and potential site redevelopment."

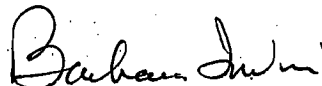
It is also important to note that Dynegy's obligations at the site are defined exclusively by contracts with the Port and San Diego Gas & Electric Company ("SDG&E"). Under the relevant contracts, both the Port and SDG&E have remedial obligations at the site, depending on when and where the release occurred and whether actionable levels of contamination still remain at the site. Dynegy's remedial obligations are also described by contract and, at this point, we are not aware of any cleanup that falls within the scope of our contractual obligation. Similarly, our responsibilities for coastline restoration are defined by contract and extend only to removal of certain in-water structures located within the intake and discharge channels. A more extensive restoration may be undertaken at a later date by other interested parties or agencies. Dynegy looks forward to fulfilling its contractual obligations as soon as it is safely and practically possible so that the community and interested parties can move forward with their plans for the site.

* * * * *

We appreciate the opportunity to submit these comments and look forward to revision of the permit conditions as requested and issuance of the CDP as so modified.

Thank you for your consideration.

Very truly yours,



Barbara Irwin
Director Environmental
Dynegy South Bay, LLC

Enclosures

cc: Larry Randel – Dynegy South Bay
Meg Rosegay – Pillsbury
Rick Gusman - Silverado



Port of San Diego

(619) 686-6201 • P. O. Box 120488, San Diego, California 92112-0488
www.portofsandiego.org

June 7, 2012

Ms. Laura Hunter
Environmental Health Coalition
2727 Hoover Ave., Suite 202
National City, CA 91950

Subject: South Bay Power Plant

Dear Ms. Hunter:

This letter serves to reconfirm the San Diego Unified Port District's commitment to Section 5.4 of the Chula Vista Bayfront Master Plan Settlement Agreement with the Bayfront Coalition member organizations, dated May 4, 2012, which reads as follows:

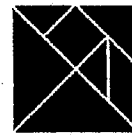
"The District will perform an analysis of the appropriate level and method for environmental restoration of the intake/discharge channels associated with the South Bay Power Plant in the environmental review document for the demolition of the power plant."

The District will perform and make available this analysis in connection with any application for a Coastal Development Permit ("CDP") or other comparable permit for the demolition of the sub-surface structures of the South Bay Power Plant, regardless of whether the CDP applicant is Dynegy LLC South Bay or other party. The analysis will be performed within an appropriate timeframe to inform consideration of the CDP by the California Coastal Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Darbeau".
Wayne Darbeau

Dynegy Inc.
601 Travis Street, Suite 1400
Houston, Texas 77002
Phone 713.507.6400



June 11, 2012

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

RE: CDP Application No. E-11-027 Demolition of Aboveground Structures at South Bay Power Plant

Dear Mr. Luster:

As you know, on June 14th, the CCC will consider Dynegy South Bay, LLC's (Dynegy) CDP application related to demolition of the aboveground structures located at the South Bay Power Plant (SBPP). The scope of this project is to focus on removal of the plant's large boiler structures and other aboveground structures that negatively impact views of south San Diego Bay. We understand that there are many stakeholders -- including the Port, the City of Chula Vista, the natural resource agencies and local environmental groups -- who have a keen interest in the future of the site, well beyond the limited scope of this CDP application. While we do not believe it is appropriate to address issues relating to the restoration and future redevelopment of the site in the current CDP permit proceeding, we wish to acknowledge the importance of these issues.

The SBPP site presents many opportunities for the future. These include restoration of sweeping views over south San Diego Bay, relocation of the SDG&E Switchyard, demolition and removal of subsurface structures, removal of in-water structures located within the intake and discharge channels, remediation of soil and groundwater (to the extent further cleanup is necessary, beyond the significant work already completed by SDG&E), and eventually restoration and redevelopment of the site for a higher and better use. For each of these goals there are multiple participants and interested parties, each with different areas of responsibility and differing levels of participation. The CDP application currently under consideration deals with the first of these goals, removal of the plant from the viewshed, and includes no discussion of the myriad issues that are integral to the longer-term goal of site restoration and redevelopment. In any event, the Commission and the public may be assured that Dynegy will safely and efficiently fulfill all of its contractual obligations at the SBPP site.

Regards,

Martin Daley
Vice President and General Manager
Dynegy Power LLC

Under service agreements, Dynegy Inc. and its subsidiaries Dynegy Administrative Services Company and Dynegy Operating Company provide services to and are authorized to act on behalf of certain indirect subsidiaries of Dynegy Inc., including the following: Dynegy Gas Investments Holdings, LLC, Dynegy Power, LLC, Dynegy Kendall Energy, LLC, Ontelaunee Power Operating Company, LLC, Dynegy Power Generation, Inc., Blue Ridge Generation LLC, Black Mountain CoGen, Inc., Sithe Energies, Inc., Sithe/Independence Power Partners, L.P., Sithe/Independence LLC, Sithe/Independence Funding Corp., Dynegy Oakland, LLC, Dynegy South Bay, LLC, Dynegy Morro Bay, LLC, Dynegy Moss Landing, LLC, Casco Bay Energy Company, LLC, Dynegy Coal Investments Holdings, LLC, Dynegy Midwest Generation, LLC, Havana Dock Enterprises, LLC, Dynegy Power Marketing, LLC, Dynegy Coal Trading & Transportation, LLC, and Dynegy Marketing and Trade, LLC.

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE (415) 904-5200
FAX (415) 904-5400
TDD (415) 597-5885



Th16a

Filed:	5/10/12
180 th Day:	11/17/12
Staff:	T. Luster-SF
Staff Report:	5/24/12
Hearing Date:	6/14/12

STAFF REPORT: REGULAR CALENDAR

Application No.:	E-11-027
Applicant:	Dynegy South Bay LLC
Location:	South Bay Power Plant 990 Bay Boulevard Chula Vista, CA 91911 (APN# 571-160-800, 571-240-100, 617-011-800)
Project Description:	Demolition of decommissioned power plant and associated above-ground structures and infrastructure.
Staff Recommendation:	Approval with Conditions

SUMMARY OF STAFF RECOMMENDATION

Project Description: The proposed project involves demolishing the South Bay Power Plant (SBPP) and associated structures, located along the San Diego Bay shoreline on a site owned by the Port of San Diego. The power plant operated from the 1950s until it was decommissioned in 2010. The applicant, Dynegy South Bay, LLC, operated the power plant pursuant to a lease from the Port. The currently proposed activities meant to allow the Port and other involved parties to fully characterize known and potential soil and groundwater contamination at the site and to determine what measures are needed to remediate those contaminants. The project site is also

within an area being considered for future development as part of the proposed Chula Vista Bayfront Master Plan, which would include this and several other sites extending north along the San Diego Bay shoreline.

Activities described and evaluated in these Findings are focused solely on removing most of the site's above-grade and land-based structures. The standard of review is the Chapter 3 policies of the Coastal Act. These demolition activities are a necessary precursor to site remediation and potential site redevelopment; however, remediation and redevelopment will be subject to future, separate Commission review and approval.

Proposed demolition activities will take place on already developed parts of the SBPP, but they will be adjacent to, and could affect, nearby coastal waters and areas of sensitive habitats. Dynergy has included as part of the project a number of measures meant to avoid and reduce potential impacts; however, Commission staff recommend several Special Conditions to ensure those potential impacts are further avoided and reduced. The project will be subject to other permits and approvals that will address air quality, waste management, noise, and other issues, and [Special Condition 2](#) would require that Dynergy provide copies of those permits prior to issuance of the coastal development permit. To ensure project activities do not produce runoff harmful to nearby coastal waters, [Special Condition 3](#) would require Dynergy to provide a Runoff and Stormwater Management Plan that includes Best Management Practices meant to avoid and minimize potential impacts. Additionally, although Dynergy provided a proposed Dust Control and Air Monitoring Plan with its application (see Exhibit 4), [Special Condition 4](#) would require submittal of a revised Plan that includes additional information about the dust and air quality standards to be met, along with the methods and locations of dust and air monitoring during the project. It also requires monitoring results be provided to the Executive Director and that if monitoring shows exceedances of required standards, that additional mitigation measures can be incorporated into the Plan. To reduce the potential for spills that might affect coastal waters and nearby sensitive habitat areas, [Special Condition 5](#) would require several additional spill prevention and response measures in addition to those already in place for the SBPP facility. To reduce potential noise-related impacts to birds and other species in nearby sensitive habitat areas, [Special Condition 6](#) would require the proposed implosion of the power block occur outside of the nesting season and would require noise monitoring during project activities. Finally, to reduce potential visual effects along the shoreline, [Special Condition 7](#) requires project-related lighting to be directed downward and away from offsite areas to the extent allowed pursuant to human health and safety requirements.

Recommendation: The Commission staff believes the project, as conditioned, would conform to applicable Coastal Act policies, and therefore recommends **approval** of coastal development permit application E-11-027.

TABLE OF CONTENTS

I.	MOTION & RESOLUTION	4
II.	STANDARD CONDITIONS	4
III.	SPECIAL CONDITIONS	5
IV.	FINDINGS & DECLARATIONS	8
	A. PROJECT DESCRIPTION	8
	B. COMMISSION JURISDICTION	13
	C. OTHER AGENCY APPROVALS & CONSULTATIONS	13
	D. WATER QUALITY PROTECTION AND SPILL PREVENTION AND RESPONSE	15
	E. ENVIRONMENTALLY SENSITIVE HABITAT AREAS	18
	F. VISUAL RESOURCES	20
	G. PROJECT ALTERNATIVES	21
	H. CALIFORNIA ENVIRONMENTAL QUALITY ACT	23

APPENDICES

Appendix A – Substantive File Documents

Appendix B – Correspondence Received: letters of support from Port of San Diego, City of Chula Vista, and San Diego Gas & Electric Company

EXHIBITS

Exhibit 1 – Location Map

Exhibit 2 – Site Plan

Exhibit 3 – SBPP Power Block

Exhibit 4 – Proposed Dust Control and Air Monitoring Plan

Exhibit 5 – Nearby Coastal Waters and Wetland Areas

I. MOTION & RESOLUTION

Motion:

*I move that the Commission **approve** Coastal Development Permit Amendment No. E-11-027 pursuant to the staff recommendation.*

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in approval of the amendment as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution:

The Commission hereby approves the coastal development permit and adopts the findings set forth below on grounds that the development, as conditioned, will be in conformity with the policies of Chapter 3 of the Coastal Act. Approval of the permit amendment complies with the California Environmental Quality Act because feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment.

II. STANDARD CONDITIONS

This permit is subject to the following standard conditions:

1. **Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the Permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. **Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. **Interpretation.** Any questions of intent of interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the Permittee to bind all future owners and possessors of the subject property to the terms and conditions.

III. SPECIAL CONDITIONS

1. **Assumption of Risk.** By acceptance of this permit, the Permittee acknowledges and agrees (i) that the site may be subject to hazards from wildfire and erosion; (ii) to assume the risks to the Permittee and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.
2. **Other Approvals.** PRIOR TO ISSUANCE OF THIS PERMIT, the Permittee shall provide to the Executive Director a copy of each of the following permits and approvals, or evidence that the permit or approval is not needed:
 - a. Final Demolition Permit (with incorporated Waste Management Plan) issued by the City of Chula Vista;
 - b. Approval(s) for project activities from the San Diego Air Pollution Control District; and,
 - c. Approved Tenant Application from the Port of San Diego.

The Permittee shall inform the Executive Director of any changes to the project required by these permits or approvals. Such changes shall not be incorporated into the project until the Permittee obtains a Commission amendment to this coastal development permit, unless the Executive Director determines that no amendment is legally required.

3. **Runoff and Stormwater Management Plan.** PRIOR TO PROJECT-RELATED STAGING OR DEMOLITION ACTIVITIES, the Permittee shall provide for the Executive Director's review and approval a Runoff and Stormwater Management Plan that describes all structural and non-structural measures the Permittee will implement to avoid and minimize project-related impacts to wetlands and coastal waters. The Permittee shall implement the Plan as approved by the Executive Director.

The Plan will identify Best Management Practices (BMPs) that will be implemented during project activities to protect wetlands and coastal waters in conformance with the following:

- a. Peak runoff rates and average volumes shall not exceed existing conditions.
- b. Appropriate structural and non-structural BMPs shall be designed to treat, infiltrate, or filter the runoff from all surfaces and activities on the development site.
- c. Structural BMPs (or suites of BMPs) shall be designed to treat, infiltrate or filter the amount of runoff generated by the project's water use, as well as stormwater runoff produced by all storms up to and including the 85th percentile, 24-hour storm event for

- volume-based BMPs, and/or the 85th percentile, 1-hour storm event, with an appropriate safety factor (i.e., 2 or greater), for flow-based BMPs.
- d. Runoff from all project activity areas shall be collected and directed through a system of structural BMPs of gravel filter strips or other vegetated or media filter devices. The filter elements shall be designed to 1) trap sediment, particulates and other solids and 2) remove or mitigate contaminants through infiltration and/or biological uptake. The BMPs shall also be designed to convey and discharge runoff in excess of this standard from the building site in a non-erosive manner.
 - e. The Plan shall provide for the treatment of runoff from parking and staging areas using appropriate structural and non-structural BMPs designed specifically to minimize vehicular contaminants (oil, grease, automotive fluids, and heavy metals), sediments, and floatables and particulate debris.
 - f. All BMPs shall be operated, monitored, and maintained for the duration of project activities requiring the use of the BMPs. At a minimum, all structural BMPs shall be inspected, cleaned-out, and where necessary, repaired at least twice per month between October 15 and April 15 of each year and at least once per month between April 15 and October 15 of each year.
 - g. The Plan shall identify measures the Permittee will implement to store and/or contain materials, soils, and debris originating from the project in a manner that precludes their uncontrolled entry and dispersion into nearby coastal waters or wetlands. Any debris that inadvertently enters coastal waters or wetlands shall be removed immediately.
 - h. Prior to starting staging or demolition activities, the Permittee shall install construction fencing between the areas identified for such activities and the nearest coastal waters. The Permittee shall maintain the fencing for the duration of the project activities.
 - i. Staging and demolition activities shall not begin until all runoff control measures have been properly installed in and around active work areas consistent with the final plan as approved by the Executive Director.
 - j. The Plan shall include measures for reporting any events where BMPs did not prevent adverse impacts to wetlands or coastal waters and the measures taken in response to these events.

Prior to implementing any new or modified project developments, facility locations, or BMPs not included in the initial Plan, the Permittee shall submit for Executive Director review and approval proposed modifications needed to incorporate these project components into the Plan.

- 4. **Revised Dust Control and Air Monitoring Plan:** PRIOR TO THE START OF STAGING OR DEMOLITION ACTIVITIES, the Permittee shall submit, for Executive Director review and approval, a revised Dust Mitigation and Air Monitoring Plan that is consistent with the plan submitted May 10, 2012 with the following additional components:
 - a. A description of applicable opacity regulations and the expected levels of project-related dust compared to those opacity limits;

- b. A description of the predominant wind directions and maximum allowable wind speeds under which demolition activities will take place to ensure airborne dust does not enter coastal waters and does not exit the property;
- c. A copy of any approvals needed from the local Air Pollution Control District for project operations.
- d. A description of the air monitoring devices to be used, including confirmation that they are able to determine whether the above-referenced opacity or air quality regulations are met or exceeded.
- e. A site plan showing the proposed location of the air monitoring devices. The locations shall be 500 feet downwind from the power block and at the nearest downwind property fenceline.
- f. A description of monitoring results to be obtained after each implosion and confirmation that those results will be provided for Executive Director review.

If monitoring results from the first implosion shows exceedances above applicable opacity or air quality requirements, the Permittee shall propose additional mitigation measures for Executive Director review and approval to ensure subsequent activities do not cause exceedances.

5. **Spill Prevention and Response:** Prior to each day's work, all equipment, materials, and vehicles to be used for project activities shall be inspected for oil, fuel, or hazardous substance leaks. This inspection, and all fueling, shall take place within paved areas of the SBPP site with sufficient controls to contain any leaks that may occur. During project activities, project personnel shall have immediately available: (a) an estimate of a reasonable worst case release of fuel from project equipment and vehicles, (b) specific protocols to follow to contain any spills that may occur and sufficient materials such as booms, absorptive pads, etc., to contain those spills, (c) a telephone contact list of all regulatory and public trustee agencies having authority over the development and/or the project site and its resources to be notified in the event of a spill, and (d) a designated on-site person responsible for implementing the protocols and making the necessary contacts. ***Prior to the start of project activities***, the Permittee shall provide for Executive Director review and approval, a plan describing all of the above measures.

- a. In the event that a spill or accidental discharge of fuel or hazardous materials occurs during project construction or operations, all non-essential project construction and/or operation shall cease and the Permittee shall implement spill response measures of the approved Plan, including notification of Commission staff. Construction and operation shall not start again until authorized by Commission staff.
- b. If project construction or operations result in a spill or accidental discharge that causes adverse effects to coastal water quality, ESHA, or other coastal resources, the Permittee shall submit an application to amend this coastal development permit, unless the Executive Director determines no amendment is legally required. The amendment application shall identify proposed measures to prevent future spills or releases and shall include a proposed restoration plan for any coastal resources adversely affected by the spill or release.

6. **Noise Reduction and Mitigation:** Prior to the start of staging or demolition activities, the Permittee shall provide for Executive Director review and approval a Noise Control Plan that includes the following:
 - a. Ensures that implosion of the SBPP boiler structure occurs outside of the March 15 to September 15 bird nesting season.
 - b. Identifies all noise reduction and noise monitoring measures to be implemented during the project. Monitoring measures are to specify the type and location of the equipment to be used and the location and distance to nearby sensitive receptors, including the coastal waters and marsh areas closest to project activities.
 - c. Includes any required local permits or approvals that address noise-related concerns, including the City of Chula Vista Demolition Plan Approval, or evidence that these approvals are not needed.
7. **Visual Resources.** All lighting structures and fixtures installed for use during the project and visible from public areas, including shoreline areas of San Diego Bay, shall be painted or otherwise finished in neutral tones that minimize their visibility from those public areas. Lighting used for project activities shall be directed downward and away from offsite areas to the extent allowed pursuant to applicable human health and safety requirements.

IV. FINDINGS & DECLARATIONS

A. PROJECT DESCRIPTION

The proposed project involves demolition of the South Bay Power Plant (SBPP) and associated structures, located along the shoreline of southern San Diego Bay in the City Chula Vista (the City), San Diego County (see Exhibit 1 – Location Map). The power plant site is owned by the Port of San Diego (the Port) and covers about 158 acres of land and about 240 acres within the Bay (see Exhibit 2 – Site Plan).

The currently proposed activities are focused solely on removing the site's above-grade land-based structures. This is meant to allow the Port and other involved parties to fully characterize the site's known and potential soil and groundwater contamination and to determine what measures are needed to remediate those contaminants.

Background and Site Conditions

The power plant was built starting in 1958 and eventually consisted of four generating units and a gas turbine.¹ It was originally owned by San Diego Gas & Electric Company (SDG&E), which sold the facility in 1996 to the Port. The plant was operated under a lease from the Port by several entities, including Duke Energy South Bay, LLC, LS Power, and most recently Dynergy

¹ Although parts of the facility are more than 50 years old, it does not appear to meet the criteria for listing as an historic resource (see JRP Historical Consulting, *California Energy Commission (CEC) Cultural Resources Compliance for Demolition of the South Bay Power Plant, Chula Vista, San Diego County, California*, February 26, 2006).

South Bay, LLC. The plant operated for many years under California Independent System Operator (CAISO) “Reliability Must Run” (RMR) status to ensure grid reliability in the south San Diego County region. In 2010, CAISO terminated the facility’s RMR status, which allowed the Port and Dynergy to begin the decommissioning process.

The site’s use since the 1950s for power plant operations, fuel storage, and other similar industrial purposes has resulted in groundwater and soil contamination. Constituents of concern identified by the California Department of Toxic Substances Control (DTSC) include metals, volatile organics, semi-volatile organics, petroleum hydrocarbons, polycyclic aromatic hydrocarbons (PAHs), BTEX (which includes benzene, toluene, ethylbenzene, and xylenes), corrosives, and polychlorinated biphenyls (PCBs), all of which can be hazardous to human health and wildlife. Between 1986 and 2001, the facility reported several spills or releases of diesel, fuel oil, or other similar products.²

The entities involved in facility ownership or operations, including SDG&E, Duke Energy, the Port, and Dynergy, have conducted several site investigations, sampling efforts, and interim cleanup measures. These involved parties have not yet fully identified the type and extent of site contamination and have not yet negotiated a final cleanup agreement, due in part to the continued presence of the power plant and other structures on the site. DTSC has stated that full site cleanup relies in part on removal of the power plant and its associated structures. After the currently proposed removal of above-grade structures, the Port and other involved parties plan to conduct further site characterization, remove below-grade and inwater structures, and implement necessary site remediation measures.

The project site is within an area being considered for future development as part of the proposed Chula Vista Bayfront Master Plan, which would include this and several other sites totaling about 560 acres and extending to the north along the San Diego Bay shoreline. This Bayfront Master Plan is the subject of proposed amendments to the Port’s Master Plan and City’s Local Coastal Program, which are currently scheduled to come before the Commission in July 2012. Additionally, and as described below in Section IV.C of these Findings, parts of the proposed site remediation and restoration will also be subject to conditions of a Settlement Agreement between the City, the City’s Redevelopment Agency, the Port, and the Bayfront Coalition.

While the currently proposed demolition activities are a necessary precursor to potential site redevelopment, the primary purpose of the current proposal is to remove the decommissioned structures to allow full site characterization and determine necessary remediation measures. These Findings do not evaluate or permit future potential site remediation, redevelopment, or restoration activities.

Site Description

The SBPP site is located along the eastern shoreline of southern San Diego Bay. Most of the site consists of fill placed on former tide flats, with site elevations ranging up to about 20 feet above mean sea level. The SBPP complex includes the power plant and several dozen ancillary buildings, tanks, and other structures, along with intake and discharge canals that extend into San

² See EIR for Chula Vista Bayfront Master Plan, Section 4.12 – Hazards and Hazardous Materials/Public Safety.

Diego Bay. The shoreline portion of the site is riprapped or otherwise hardened. Upland portions of the site away from the shoreline are largely developed and paved, though there are some areas of wetlands and some scattered areas with ornamental, landscape, or ruderal vegetation. The site is bisected by Telegraph Creek, which is largely a concrete-lined channel until it reaches the western part of the site, and is bounded on the north and northeast by the J Street Canal. Both flow into the J Street Marsh on the site's western boundary.

The adjacent open water, salt marsh and mudflats of San Diego Bay provide areas of exceptional habitat for shorebirds, marine life, and other wildlife. South San Diego Bay is recognized by the American Bird Conservancy as a Globally Important Bird Area and is designated a Western Hemisphere Shorebird Reserve Network site. About 3000 feet directly west of the site within San Diego Bay is the Chula Vista Wildlife Reserve, which provides breeding and nesting habitat for the federally-endangered California least tern (*Sterna antillarum browni*) and osprey (*Pandion haliaetus*). The U.S. Fish and Wildlife Service is conducting restoration within the Reserve as well as other parts of the South Bay. The J Street Marsh consists of intertidal mudflats, low salt marsh, and upland transitional habitat and currently provides habitat for the state-endangered light-footed clapper rail (*Rallus longirostris levipes*). The marsh is slated for enhancement and restoration as part of the proposed Chula Vista Bayfront Master Plan. Other coastal birds found nearby include the state-endangered Belding's savannah sparrow (*Passerculus sandwichensis beldingi*), the common sandpiper (*Actitis hypoleucos*), great blue heron (*Ardea herodias*), and black-necked stilt (*Himantopus mexicanus*). Birds occasionally use the power plant site for roosting, and raptors, including the protected American peregrine falcon (*Falco peregrinus anatum*), have been observed hunting within the site.

Proposed Project Activities

The proposed project includes demolishing and removing all of the above-ground components of the power plant and most of the associated above-ground structures at the SBPP site, including storage tanks, pipes, and ancillary buildings. Demolition and removal will occur within several subareas of the SBPP site identified on Exhibit 2 as the Plant Area, North and South Tank Farm Areas, Gas Turbine/Gas Metering Area, the current and former Wastewater Treatment Plant Areas, Channel Area, and Main Gate Area.

The main structures to be removed include:

- **Power block:** The power block consists of two relatively massive structures that contain the power plant's boiler and turbine generator (see Exhibit 3 – SBPP Power Block). The boiler structure is a steel framework structure about 165 feet high, and the turbine generator is within a concrete structure about 48 feet high. Dynegy would first remove any remaining hazardous materials (e.g., asbestos, petroleum products, etc.) and the remaining equipment within these structures, such as piping, lights, controls, duct work, and tanks. Some of this equipment may be salvaged rather than demolished, and some tank bottoms will remain to be removed during the next phase of site remediation. Dynegy has already completed asbestos removal through an asbestos abatement plan pursuant to Air Pollution Control District requirements, so very little asbestos is expected to be present.

Due to its heavy steel framework, the boiler structure would be demolished using implosion. This would involve placing a number of small, controlled explosive charges within the structure to bring it down quickly. To reduce the area of disturbance and the amount of dust that would be generated, Dynergy's contractor has proposed imploding the structure in phases. The contractor would first use conventional methods to demolish smaller buildings on either side of the boiler structure. Once materials are removed from those buildings, the contractor would implode the outer two boiler and generating units into the footprint of the demolished buildings. Then, once materials from those units are dismantled and removed, the two inner boiler and generating units would be imploded into the footprints of the outer two units. This weblink provides a video example of a similar power block implosion at the El Segundo Generating Station in El Segundo, California (though it shows a single implosion rather than a two-phase implosion): <http://www.youtube.com/watch?v=CXoi2KF2N9k>

Once imploded, heavy equipment would be used to cut up the boilers and other materials and segregate the various components for recycling or landfill. The concrete turbine building would be dismantled using heavy equipment and jackhammers, with steel beams and rebar being removed for recycling. Most of the power block's cement foundation would be removed, with the below-grade portions remaining for the next phase of site remediation.

- **Other buildings:** Dynergy would salvage, dismantle, or demolish ten other buildings, including warehouses, storage buildings, and structures that house various types of electrical equipment. These structures are all less than 40 feet high and are constructed of concrete, metal, wood, and/or stucco-type materials. Demolition would be done using excavators or other heavy equipment equipped with hydraulic hammers, shears, or similar attachments, with emphasis on maximizing the amount of material available for recycling.
- **Tanks and ancillary equipment:** The project includes salvaging or demolishing about twenty-nine tanks and associated pumps or pipelines that were used for water, fuel, chemical, or other storage. The tanks have been emptied and cleaned in accordance with County Environmental Health requirements. Some tank bottoms will be left in place for removal during subsequent phases of site remediation. The largest tanks, which are up to about 50 feet high, would be demolished using a hydraulic shear to cut away sections from the top down.
- **Other removals:** The project also includes removal of much of the vegetation within the developed areas of the site. As noted above, the vegetation consists of ornamental, landscape, or ruderal species, and provide only marginal wildlife habitat.

Several above-ground structures will remain following the currently proposed demolition activities, including five buildings that Dynergy will continue to use – the White House Building, the Assembly Building, the Schoolhouse, the guard shack at the plant entrance, and the hazardous materials storage building, which would be used for short-term storage of such materials that might be found during demolition. Also remaining will be several building foundations, roadways, storm drains and channels, perimeter fencing, and lighting. The surface completions of below-ground utilities will be cut and capped, though the below-ground

structures will not be disturbed during the currently proposed activities. The current proposal does not include grading or removal of existing berms at the site. The existing SDG&E switchyard will remain, though Dynergy's equipment will be removed.³

The structures remaining after the current proposed activities are expected to be removed during subsequent site remediation and restoration. These Findings do not address these future activities, though several are addressed in the above-referenced May 2010 Settlement Agreement. The Settlement Agreement, which is described in further detail in Section IV.C of these Findings, includes provisions ensuring that future activities will evaluate removal of inwater and shoreline structures and will result in restoration of the SBPP shoreline, creation of wildlife habitat areas and public access, and other features.

Project timing, staging, and work effort

Demolition activities are expected to take place over about a 12-month period, starting in July 2012. Work will require up to about 30 to 40 workers on site, and will occur on weekdays between 7:00 a.m. and 7:00 p.m. To avoid potential impacts to nesting birds, the power block implosion will occur outside of nesting season only – i.e., between September 15 and March 15 of any year. Similarly, vegetation removal will be done only outside of nesting season unless a qualified biologist determines nesting birds are not present.

Work would be conducted using various types of heavy equipment, including cranes, bulldozers, backhoes and excavators, cutting torches, etc. Staging areas will be on site within paved areas adjacent to the power block. Staging activities will include bringing in equipment and supplies, installing temporary construction trailers, and installing protective sheathing around the SDG&E switchyard adjacent to the power plant. Dynergy will remove any combustible or hazardous materials within the power block or other structures before the start of demolition, though will also implement fire prevention measures, including having dust suppression water and fire extinguishers immediately available and maintaining a “fire watch” during any operations that use an open flame. Most of the known hazardous materials have been removed from the site, though Dynergy expects to generate up to about 2100 tons of hazardous materials, such as used oil, liquid wastes, ballasts, and other similar materials. Any hazardous wastes found during the project will be stored in the existing SBPP hazardous waste storage structure for no more than 90 days before being transported offsite subject to relevant waste management and transport requirements. Dynergy has already completed asbestos abatement at the plant, though a small amount is expected to be generated during demolition.

The project is expected to generate about 20,000 tons of recyclable ferrous metals (e.g., iron, steel, etc.) and about 1,000 tons of non-ferrous metals (e.g., aluminum, copper, zinc, etc.). It may also generate up to about 3400 tons of other non-hazardous waste, such as wood and plastic, which will also be recycled when feasible. These materials will be temporarily stockpiled on site for later removal. Dynergy estimates that hauling these materials offsite for recycling or to a landfill will require about 3150 truck trips, with an average of about 12 trips per day and a

³ Switchyard relocation is the subject of a separate proceeding before the California Public Utilities Commission (#A-10-06-007) and will require separate review and approval by the Coastal Commission.

maximum of about 30 per day (at a rate of three to four per eight hour work day). The trucks used for hauling will be standard highway rigs that can carry up to 20 tons each.

Dynergy's analysis of expected greenhouse gas emissions for the demolition project, including CO₂ equivalents (CO₂e), provides an estimate about 5,421 tons CO₂e, with about 1,663 tons emitted from heavy equipment on site. This is below the California Air Resources Board current interim threshold for industrial projects of 10,000 tons CO₂e per year.

B. COMMISSION JURISDICTION

The proposed development is within the Commission's permit jurisdiction and the standard of review is Chapter 3 of the Coastal Act.

Background

Until 1998, the SBPP site had been owned by SDG&E and located within the City of Chula Vista and subject to the City's Local Coastal Program. In 1998, the Port acquired much of the SBPP site from SDG&E, including parcels within the site that had been purchased with public trust funds and subject to the public trust. In January 1999, the State Lands Commission (SLC) approved a land exchange that included those portions of the site. In 2010, the Port, SDG&E, and SLC approved another land exchange to convey additional lands to the Port and SLC and to allow relocation of the SDG&E substation.

The site is now owned by the Port. The Port has a certified Port Master Plan, but it has not yet been amended to incorporate the SBPP site. Pursuant to Coastal Act Section 30715, the site is therefore within the Commission's jurisdiction and the standard of review is Chapter 3 of the Coastal Act.

C. OTHER AGENCY APPROVALS & CONSULTATIONS

The project is subject to permits and approvals from the following:

- San Diego Air Pollution Control District: Asbestos Abatement and Demolition Notification (July 2011) and Equipment Registration/Permit
- San Diego Regional Water Pollution Control Board: Construction Stormwater Permit and Stormwater Pollution Prevention Plan
- Cal-OSHA: Construction Activity Permit
- Port of San Diego: Tenant Application
- City of Chula Vista: Demolition Permit (incorporates Waste Management Plan)
- U.S. EPA: Lead Notification

Regarding site remediation, the currently proposed activities are not subject to review or oversight by the Department of Toxic Substances Control (DTSC). As noted above, the Port and SDG&E have conducted some soil and groundwater sampling and interim remediation activities at the site, but all parties are waiting for removal of the above-ground structures to complete the sampling and site characterization needed to determine remediation requirements.

The project is subject to conditions of the lease between the Port and Dynegy and will require an approved Tenant Application from the Port. [Special Condition 2](#) requires Dynegy to submit the Port's final project approval prior to issuance of this coastal development permit. Additionally, and as noted above, the demolition activities are being implemented in part pursuant to the May 2010 Chula Vista Bayfront Master Plan Settlement Agreement, which also governs much of the future restoration and redevelopment expected at this and other nearby sites. The Settlement Agreement is between the City of Chula Vista (City), the City's Redevelopment Agency (RDA), the Port of San Diego (Port), and the Bayfront Coalition (Coalition). The Bayfront Coalition includes representatives from the Environmental Health Coalition, San Diego Audubon Society, San Diego Coastkeeper, Coastal Environmental Rights Foundation, Southwest Wetlands Interpretive Association, Surfrider Foundation, and Empower San Diego.

The Settlement Agreement requires the City, RDA, and Port to prepare a Natural Resources Management Plan (NRMP) meant to restore and protect wildlife habitat adjacent to areas of National Wildlife Refuge lands in South San Diego Bay. The Settlement Agreement identifies a number of management objectives such as long-term protection and enhancement of wetland, coastal sage, and upland habitats, preservation of Bayfront habitats for birdlife, improvement of water quality, and others. It also establishes the "South Bay Wildlife Advisory Group", which is meant to advise the Port and the City on NRMP creation and implementation. This group consists of representatives from the Coalition, along with representatives of several community groups, developers, a nearby school, the Chula Vista Nature Center, and state and federal resources agencies, including the U.S. Fish and Wildlife Commission, National Marine Fisheries Service, California Department of Fish and Game, Regional Water Quality Control Board, and the Coastal Commission.

At the time the Settlement Agreement was signed and the Bayfront Master Plan FEIR was certified, the power plant was operating under its Reliability Must Run status and the adjacent switchyard was within a permanent easement held by SDG&E. The FEIR addressed this uncertainty about the site's future restoration and redevelopment potential by anticipating the eventual decommissioning of the power plant and relocation of the switchyard, and provided a programmatic level evaluation of possible site redevelopment. That evaluation identified mixed uses consisting of an industrial business park, recreational vehicle park, open space, a passive activities park, stormwater retention basins, a bike path and pedestrian trails, and new roadways, with areas near the shoreline reserved for habitat restoration, ecological buffer areas, and public access. The Settlement Agreement identifies certain parcels in and near the site that will be used for wildlife enhancement, habitat restoration, and other similar uses. It also commits the Port to analyze, as part of the Port's CEQA evaluation of the proposed demolition, the wetland and marine life restoration options of the power plant's intake and discharge structures. The Port is not conducting CEQA review for the currently proposed activities, but is expected to as part of subsequent demolition, restoration, and redevelopment proposals.

D. WATER QUALITY PROTECTION AND SPILL PREVENTION AND RESPONSE

Coastal Act Section 30230 states:

Marine resources shall be maintained, enhanced, and, where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

Coastal Act Section 30231 states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface waterflow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

Coastal Act Section 30232 states:

Protection against the spillage of crude oil, gas, petroleum products, or hazardous substances shall be provided in relation to any development or transportation of such materials. Effective containment and cleanup facilities and procedures shall be provided for accidental spills that do occur.

These Coastal Act policies generally require that development protect coastal waters and not result in adverse effects to those waters and associated coastal resources. They also require protection against spills of hazardous substances and effective management of spills should they occur. Without necessary mitigation measures, the proposed project activities could adversely affect these coastal resources.

The SBPP site includes, or is adjacent to, several areas of coastal waters. The site is bisected by Telegraph Creek, is adjacent to the J Street Channel and San Diego Bay, and includes several areas with wetland characteristics (see Exhibit 5 – Nearby Coastal Waters and Wetlands). Most of the reach of Telegraph Creek within the site consists of a concrete-lined channel that provides minimal habitat values, though the westernmost several hundred feet of the reach closest to San Diego Bay provides higher-quality salt marsh habitat. The J Street Channel is similarly hardened and riprapped along most of the site boundary, though with higher quality marsh habitat at its western end near the Bay. The Port has also identified the westernmost reach of both the Creek

and the Channel as candidates for restoration.⁴ Both waterways flow into the J Street Marsh and San Diego Bay, which, as noted in Section IV.A above, provide relatively high-quality nesting and foraging habitat for a number of species. The North Tank Farm area of the site includes several areas of wetland within four soil remediation pits that remained after tanks were removed and the soil underneath was remediated. Some of these areas exhibit hydric soils and one includes cattails (*Typha sp.*), a hydrophite and wetland obligate species. The four pit areas total about 1.1 acres.

Project activities and impacts that could adversely affect coastal water quality and habitat are described below, along with mitigation measures necessary to avoid and minimize potential adverse impacts.

Avoiding Direct Impacts to Coastal Waters

The project is not expected to result in direct effects on coastal waters as Dynergy plans to conduct the proposed demolition activities at some distance from these areas. The closest activity to coastal waters will be demolition of the engineering building, which is on a paved surface about 50 feet from the intake/discharge channel and the San Diego Bay shoreline. The power block, where the single largest set of demolition activities will occur, is about 350 feet from the channel and 450 feet from the shoreline. Most other activities are several hundred feet further from coastal waters. Dynergy provided the following table showing approximate distances between key structures and water features:

Table 1: Distances (in feet) from key structures to nearby water features					
Structure	To San Diego Bay	To Intake or Discharge Channel	To Telegraph Creek	To North Tank Farm	To Bay Blvd
Power Block	458	350	776	1055	1350
Administration Building	220	380	640	950	1600
Engineering Building	50	50	980	1100	1690
South Tank Farm Tank 1	200	140	1600	1850	1380

To ensure project activities remain outside coastal waters, [Special Condition 3](#) requires Dynergy, prior to the start of project staging or demolition activities, to install construction fencing between the areas identified for staging or demolition and the nearest coastal waters, and to maintain this fencing for the duration of the project. It also requires Dynergy to instruct all project personnel to conduct project activities within the fenced areas and away from coastal waters. With [Special Condition 3](#), the project is not expected to result in any direct impacts to, or fill within, coastal waters.

⁴ See Port of San Diego, *Restoration & Enhancement Plan: To Benefit the Bay's Natural Resources*, November 2008.

Indirect Impacts – Control of Project-related Dust

One of the project's main potential impacts to coastal waters is from dust generated during implosion and demolition of the various structures or during movement and operation of heavy equipment. The project site is relatively open and in an area where strong winds could transport dust some distance from the project activities. Large amounts of dust could adversely affect water quality and habitat values of nearby coastal waters.

The project includes several measures to reduce dust generation. Dynergy submitted with its application a Dust Control and Air Monitoring Plan meant to meet requirements of the California Air Resources Board and the San Diego Air Pollution Control District and to minimize the emission of dust and particulates during demolition and dismantling activities (see Exhibit 4 – Dust Control and Air Monitoring Plan). Dynergy's stated dust control goal is to "manage dust so that it does not exit the property, exceed opacity regulations or create a public nuisance." The Plan identifies the project activities likely to generate dust and the measures to prevent and suppress dust generation, such as using water sprays during implosion and demolition activities, operating on paved rather than non-paved surfaces where possible, keeping traffic and equipment use areas clean with a street sweeper or water sprays, keeping debris piles moist if they become a source of dust, monitoring wind direction, speed, and dust levels, and others. To minimize harmful constituents in project-generated dust, Dynergy will remove all known hazardous or flammable materials from the various structures before conducting implosion or demolition activities. For several major activities, including the boiler structure implosion, the contractor will spray atomized water on structures and the surrounding area before and during dismantling. The atomized water consists of very small water droplets that cause dust particles to clump and become less likely to remain airborne. Based on previous similar projects, the contractor estimates that dust from the implosions will remain within about two hundred feet of the structure. To ensure implosion-generated dust does not enter coastal waters and does not exit the project site, the implosion will occur only when wind speeds are 15 mph or less and from the west. To monitor dust generated by the implosions, the contractor will establish monitoring stations 500 feet downwind and at the downwind project site fenceline, and will conduct monitoring the day before each implosion, during each implosion, and the day following each implosion to compare ambient dust conditions with dust generated during the implosions.

To further reduce potential dust-related impacts and to ensure the project's dust control objectives are met, [Special Condition 2](#) requires Dynergy to submit the final Demolition Plan and Waste Management Plan as approved by the City of Chula Vista. Additionally, [Special Condition 4](#) requires Dynergy to submit a modified Dust Control and Air Monitoring Plan that adds several components to the submitted Plan, including descriptions of the type, sensitivity, and location of monitoring equipment to be used and the wind conditions under which the implosions will be conducted that ensure airborne dust does not enter coastal waters or exit the property. [Special Condition 4](#) also requires the Permittee to provide monitoring results to the Executive Director, and if those results show exceedances of applicable air quality or opacity requirements, to propose additional measures that would prevent future exceedances. With mitigation measures included in the project description and with those required through [Special Condition 4](#), project-related dust is not expected to adversely affect coastal waters.

Controlling Project-related Runoff and Stormwater

Project activities could also mobilize dust or contaminants through surface water runoff. Although the site has a functioning stormwater management system, project-related activities could increase the types and volumes of contaminants the system may need to handle. To address potential water quality and habitat impacts that may arise from project-related runoff, Dynergy will implement various Best Management Practices (BMPs) and prepare a Project Runoff and Stormwater Management Plan to ensure runoff from project activities do not adversely affect nearby coastal waters. To further ensure that adverse effects of runoff are minimized, [Special Condition 3](#) requires that Dynergy, prior to starting staging or construction activities, provide that Runoff and Stormwater Management Plan for Executive Director review and approval. That Project Runoff and Stormwater Management Plan is to specify the type and locations of BMPs Dynergy will implement to meet the protective standards required by the Special Condition – for example, ensuring that structural and non-structural BMPs are designed to treat, infiltrate, or filter all runoff generated during project activities up to the 85th percentile 24-hour storm event, that BMPs in equipment staging areas are selected to treat or filter vehicular contaminants, such as oil or grease, and others.

Spill Prevention and Response

Regarding spills, the project activities are within the SBPP site and subject to the SBPP's approved spill prevention and response plan. However, to provide further protection against spills related to project activities and to ensure the necessary response to any spills that may occur, [Special Condition 5](#) additionally requires Dynergy to implement specific spill prevention and response measures for the project, including daily vehicle and equipment inspections for leaks, identification of all materials that will be immediately available to respond to project-related spills, necessary telephone contacts for spill notifications, and others.

Conclusion

For the reasons described above, the Commission finds that the proposed project, as conditioned, will be carried out in a manner that is protective of coastal waters and will prevent or respond to potential spills and is therefore consistent with Coastal Act Sections 30230-30232.

E. ENVIRONMENTALLY SENSITIVE HABITAT AREAS

Coastal Act Section 30240 states:

- a) *Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.*
- b) *Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*

Consistency Analysis

There are no identified environmentally sensitive habitat areas (ESHAs) within those areas of the SBPP site where project activities will occur; however, project activities could adversely affect species using nearby sensitive marsh habitats in the adjacent San Diego Bay or the J Street Marsh. At least two sensitive bird species – the Belding’s savannah sparrow (*Passerculus sandwichensis beldingi*) and the light-footed clapper rail (*Rallus longirostris levipes*) have been known to occupy the Telegraph Creek estuary and J Street Marsh and Channel on the north and northwest side of the site. The Chula Vista Wildlife Refuge is about 3000 feet to the west of the site on a peninsula that extends into San Diego Bay. It provides nesting habitat for the California least tern (*Sterna antillarum browni*) and osprey (*Pandion haliaetus*).

The main potential adverse effects to these areas are those related to dust and runoff, which are addressed above in Section IV.D and in [Special Conditions 2-5](#), and those that would result from project noise, as discussed below.

There will be two main sources of project-related noise:

- **Implosion:** Implosion of the boiler structure will be done in two stages several weeks apart. Each will involve controlled explosions lasting a few seconds that are expected to generate about 120 decibels at a 50-foot distance.
- **Standard demolition and associated operations:** The ongoing demolition work is expected to generate sound levels in a range of about 70 to 90 decibels at a 50-foot distance from the equipment. Other associated activities, such as staging, equipment operation, transportation, etc., will result in similar sound levels.

Most activities will take place at a sufficient distance from nearby ESHA that sound levels will attenuate before reaching those areas and any sensitive species that may be present. Sound levels decrease about six decibels with every doubling of distance from the sound source, and can be further reduced or have less effect due to wind direction, the relative ambient sound levels, and other factors. Ambient sound levels at and near the project site will likely “mask” some of the project noise and reduce potential impacts. Other nearby sound sources include Interstate 5, a marina, and jet and helicopter operations from the U.S. Navy Base across the Bay. Additionally, most of the project noise, including most of that generated from the demolition activities other than the two implosions, will be within the range previously generated by the power plant. Monitoring data at and near the site during power plant operations showed ambient sound levels at shoreside locations ranging from about 45 to 80 decibels.⁵

⁵ See, for example LS Power, *Application for Certification #06-AFC-03 for South Bay Power Plant*, to the California Energy Commission, 2005, and the Port of San Diego *EIR for the Chula Vista Bayfront Master Plan*, 2010.

Most of the project-related noise will be within, or close to, this range of ambient sound levels. Noise from the implosions will be initially higher, but will decay to about 100 decibels at 500 feet, which is the approximate distance from the boiler structure to the nearest marsh area. At the California least tern nesting area on the peninsula about 3000 feet west of the power plant, sound levels would decay to about 85 decibels, which is about the same as the sound levels from heavy street traffic or a diesel truck. Of the remaining conventional demolition activities, those closest to the nearby marsh areas will be about 200 feet away. Those would result in noise levels of about 58 to 78 decibels at the Bay shoreline and about 35 to 55 decibels at the least tern nesting area.

The project includes several mitigation measures to further avoid and reduce any short-term impacts from the implosion sound levels or minor impacts from the other demolition activities. To avoid the potential to disturb nesting birds, the two proposed implosions will occur outside of the March 15 to September 15 nesting season. Work would be subject to the Noise Abatement and Control requirements of San Diego Municipal Code Chapter 9.32, 425, which limits the degree and timing of noise generated during these types of activities. Most work will occur between 7 am and 7 pm Monday through Friday only. Dynegy's contractor has also developed a demolition approach that reduces the amount of handling needed for the demolition debris, which will also reduce the amount of noise generated during the project. To minimize truck traffic and the resulting noise, the contractor will install a truck scale to ensure loaded trucks are leaving the site at or near their maximum load limit. Dynegy also plans to prepare a Noise Monitoring Plan, which will identify nearby receptors and monitoring locations to ensure project-generated noise levels are within expected ranges. [Special Condition 6](#) ensures these and other noise-reduction measures are incorporated into the project. It requires that implosion occur outside of nesting season, requires submittal of a Noise Control Plan, and requires submittal of other local permits that may be needed to address noise-related concerns.

Conclusion

For the reasons described above, the Commission finds that the proposed project, as conditioned, will be carried out in a manner that is protective of environmentally sensitive habitat areas and is therefore consistent with Coastal Act Section 30240.

F. VISUAL RESOURCES

Coastal Act Section 30251 states:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

Consistency Analysis

The existing SBPP facilities, and particularly the 165-foot tall boiler structure, assert a strong visual presence along this area of the South San Diego Bay shoreline, with many of the structures and associated infrastructure visible from nearby Bay Boulevard and Interstate 5. The visual impacts of these facilities are moderated somewhat by the several hundred-foot wide buffer of industrial land between most of the structures and Bay Boulevard, which is the nearest public road. SBPP facilities are also visible from the Chula Vista Bayfront Park and Chula Vista Marina to the north of the site.

The proposed project will result in an overall improvement to the area's visual resources by removing large, decommissioned and partially dismantled industrial structures from near the shoreline. Additionally, the proposed demolition methods will reduce potential visual impacts of the project – by imploding the boiler structure and dismantling the large tanks on site, removing the structures will occur more quickly than allowed by other methods and will not require the use of high cranes. Finally, removal of the structures will allow the anticipated full site remediation and proposed restoration of portions of the site along the shoreline, which is likely to result in increased visual amenities. To further reduce potential visual impacts during the demolition project, [Special Condition 7](#) requires Dynergy to direct project-related lighting downward and away from offsite areas to the extent allowed pursuant to health and safety requirements.

Conclusion

Based on the above, the Commission finds that the proposed project, as conditioned, is consistent with the Coastal Act's visual resource policies of Section 30251.

G. PROJECT ALTERNATIVES

The analysis herein evaluates two types of project alternatives: first, the “no project” alternative to assess whether to do the project at all; and second, whether there is an alternative method of removing the structures that would reduce the expected environmental impacts.

The “no project” alternative

The current proposed project consists only of removing above-ground structures that are no longer in use; it does not include proposed future development. The “no project” alternative would therefore result in the site remaining as is. As described in previous sections of these Findings, the proposed project would result in some relatively short-term adverse environmental impacts; however, those adverse impacts are largely avoided and minimized through Dynergy's proposed mitigation measures and through the Commission's **Special Conditions**. Although the “no project” alternative would result in avoidance of those short-term impacts, it would also result in the continued presence of decommissioned and partially dismantled structures on the site and would preclude the planned completion of soil and groundwater remediation at the site. The lack of remediation would likely result in continuing and more substantial long-term impacts associated with migration of the site's soil and groundwater contamination to South San Diego Bay and nearby sensitive habitat areas. The “no project” alternative would also continue and increase the adverse visual impacts resulting from the presence of an aging and unmaintained decommissioned power plant at the site. Further, the “no project” alternative would also

preclude the potential wetland and estuarine restoration and improved public access planned for part of the site. The Commission therefore finds that the ongoing impacts resulting from the “no project” alternative are substantially greater than the short-term impacts expected to occur during the proposed project.

Alternative demolition methods

Dynergy provided for Commission staff’s evaluation several alternatives for demolishing site structures, with the primary focus being to determine the least environmentally damaging method to remove the relatively massive SBPP boiler structure. Demolishing the SBPP boiler structure, which is about 165 feet high and housed within an open steel frame, could be done using at least three methods:

- **Imploding, followed by conventional dismantling:** The main structure would be dropped using a number of small, timed explosive charges. Before imploding, several components would be removed to allow complete and accurate placement of the imploded structure. Implosion would occur in two phases – first, Dynergy would implode the outer two boiler units and then use heavy equipment to dismantle separate the various materials for salvage, recycling, or landfill; it would then implode the inner two units into the footprint left by the now-removed outer units, where it would then continue with the conventional dismantling described above.
- **Felling, followed by conventional dismantling:** This method would involve weakening the structure near its base and then pulling it down from the top so that it topples to one side. At that point, it would be conventionally dismantled in a manner similar to the above method.
- **Conventional dismantling only:** This would involve use of heavy equipment, cutting, etc., as described above, with structural pieces being lowered to the ground by crane to be separated in salvage, recycle, or landfill components.

Implosion/demolition would result in two short-term adverse impacts – from noise and dust – that are more substantial than those resulting from felling or conventional dismantling.

However, and as described previously, the mitigation measures included in the project and required pursuant to [Special Conditions 4](#) and [6](#) are expected to avoid or reduce the dust and noise dust impacts associated with this preferred method. Additionally, implosion/demolition provides several advantages and fewer long-term adverse impacts than the other two methods.

The main advantage of implosion/demolition is the reduced time needed to complete the project. Conventional dismantling is expected to take from seven to 15 months longer than implosion/demolition, and felling would take from three to five months longer. The reduced time for implosion/demolition results in substantially fewer long-term dust and noise impacts. Further, implosion would allow the follow-up dismantling to occur closer to ground level than that associated with felling or conventional dismantling. Dismantling at greater height during felling or conventional dismantling would result in the dust and noise from those activities travelling further and being more difficult to control. The reduced time for implosion also results in fewer long-term traffic impacts, and less overall risk to water quality and sensitive habitats and species.

The reduced heavy equipment operation required with implosion also significantly reduces the project's overall greenhouse gas emissions. In sum, the short-term dust and noise impacts of implosion would result in fewer overall and ongoing impacts from noise, dust, traffic, and emissions.

With the remaining structures, Dynergy is proposing to use conventional dismantling techniques, which will allow materials from the buildings, tanks, and other structures to be readily separated and then recycled or landfilled as appropriate. Dynergy considered two other options – for the buildings, the contractor could push them over with heavy equipment, and for the tanks, the contractor could use cutting torches to cut the tank walls into sections and then pull them to the ground. Neither of these alternative methods raise substantially different or increased potential impacts to coastal resources, and the methods Dynergy proposes to use offer increased benefits with regards to the ability to separate the materials for recycling and landfilling.

Based on the above, the Commission finds that Dynergy's proposed methods for demolishing and removing structures from the site, as conditioned herein, are the least environmentally damaging and feasible alternatives available.

H. CALIFORNIA ENVIRONMENTAL QUALITY ACT

In 2010, the Port certified a Final EIR for the proposed Chula Vista Bayfront Master Plan. The EIR was a combined project and programmatic EIR, with detailed analyses of short-term components of the Plan and more conceptual analyses of later phases of the Plan. The EIR presumed that SPBB would be decommissioned and removed and that, during the fourth of four Plan phases, the SPBB site would be redeveloped and restored.

Section 13096(a) of the Commission's administrative regulations requires Commission approval of coastal development permit applications to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

Because the proposed project has the potential to result in significant adverse environmental impacts, the Commission has identified and adopted seven special conditions necessary to avoid, minimize, or mitigate these impacts. With the inclusion of these special conditions, the Commission finds that, within the meaning of the California Environmental Quality Act of 1970, there are no further feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the proposed project may have on the environment. Therefore, the proposed project, as conditioned, has been adequately mitigated and is determined to be consistent with CEQA.

APPENDICES

Appendix A – Substantive File Documents

City of Chula Vista, *Chula Vista Multiple Species Conservation Plan*, prepared February 2003.

JRP Historical Consulting, *California Energy Commission (CEC) Cultural Resources Compliance for Demolition of the South Bay Power Plant, Chula Vista, San Diego County, California*, February 26, 2006.

Port of San Diego, *Port Master Plan*, certified by the California Coastal Commission in 1981, and amended in August 2004.

U.S. Department of the Navy, *San Diego Bay Integrated Natural Resources Management Plan*, September 2000.

U.S. Fish and Wildlife Service, *San Diego Bay National Wildlife Refuge, Sweetwater Marsh, and South San Diego Bay Units Draft Comprehensive Conservation Plan and Environmental Impact Statement*, July 2005.

Appendix B – Letters of Support



Port of San Diego

(619) 686-6201 • P. O. Box 120488, San Diego, California 92112-0488
www.portofsandiego.org

RECEIVED

MAY 16 2012

CALIFORNIA
COASTAL COMMISSION

May 9, 2012

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

Dear Commissioners:

RE: Coastal Development Permit Application No. E-11-027 Demolition of
South Bay Power Plant

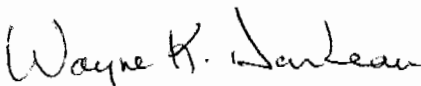
As you are aware the California Independent Systems Operator (CALISO) terminated the Reliability Must Run (RMR) designation of the South Bay Power Plant (SBPP) on December 31, 2010. The termination of the RMR status is key to clearing the way for the removal of the SBPP from the Chula Vista Bayfront.

To facilitate the removal of the SBPP, Dynegy South Bay, LLC (Dynegy) has submitted a Coastal Development Permit (CDP) application for the demolition of the above ground structures. In anticipation of the Commission approving Dynegy's CDP at its June 2012 meeting, the San Diego Unified Port District (District) fully supports the demolition of the SBPP. Granting Dynegy a CDP is the first step in removing the visual blight and public nuisance from the Chula Vista Bayfront.

The District, in collaboration with Dynegy, the City of Chula Vista, and other entities is ready to get the demolition of the SBPP underway. We enthusiastically support the issuance of a CDP for the demolition of the above ground structures at the SBPP.

The demolition of the SBPP will benefit the public and the environment for generations to come. We look forward to this momentous occasion.

Best Regards,


Wayne K. Darbeau
President/CEO



CITY OF
CHULA VISTA

OFFICE OF THE CITY MANAGER

May 15, 2012

RECEIVED

MAY 23 2012

CALIFORNIA
COASTAL COMMISSION

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

Dear Commissioners:


Re: Coastal Development Permit Application No. E-11-027 Demolition of South Bay Power Plant Above Ground Structures

The City of Chula Vista (City) eagerly awaits the demolition of the above ground structures of the South Bay Power Plant (SBPP) thereby eliminating the visual blight that has dominated the Chula Vista skyline for more than five decades. The City of Chula Vista has been aggressively pursuing, with the Port of San Diego and Dynegy, the removal of the structure since the termination of the Reliability Must Run (RMR) by the California Independent Systems Operator (CALISO) on December 31, 2010.

As you are aware Dynegy applied for a Coastal Development Permit for removal of the above ground structures and the City fully supports this application and the demolition of the SBPP.

We hope the California Coastal Commission has the opportunity to hear this item at their June 2012 hearing and will agree with the citizens of Chula Vista that the removal of the SBPP is long overdue.

Sincerely,

for 
James D. Sandoval
City Manager



San Diego Gas & Electric
5488 Overland Ave.
San Diego, CA 92123-1205

A  Semptra Energy utility™

May 17, 2012

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

RECEIVED
MAY 21 2012
CALIFORNIA
COASTAL COMMISSION

RE: South Bay Power Plant Boiler Structure Implosions


Dear Mr. Luster:

San Diego Gas & Electric (SDG&E) is submitting this letter in full support of the upcoming demolition of the South Bay Power Plant.

SDG&E operates and maintains an active substation located on the plant site and in close proximity to the power block. SDG&E is aware that demolition of the power block may include the implosion of the boiler support structures that are near the substation. SDG&E met with Dynegy on May 10, 2012 to discuss the project and possible measures to limit any potential damage to the substation or to limit any impact on the operation of SDG&E's electric transmission system as a result of the implosion. SDG&E and Dynegy have agreed to meet again and develop a mutually agreed upon plan to insure that any potential impacts to the substation would be minimized by the implosion. The implosion will also be coordinated with SDG&E's Electric Grid Operations ahead of time.

SDG&E is confident that the boiler structures can be imploded and with proper planning any impacts to the substation would be minimized as much as possible to a risk level acceptable to both parties. Once the project has been approved by the Coastal Commission and a demolition permit is received from the City of Chula Vista, SDG&E will meet with Dynegy to begin the planning process.

Sincerely,



Frank Johnson, P.E.

Substation Construction and Maintenance Manager

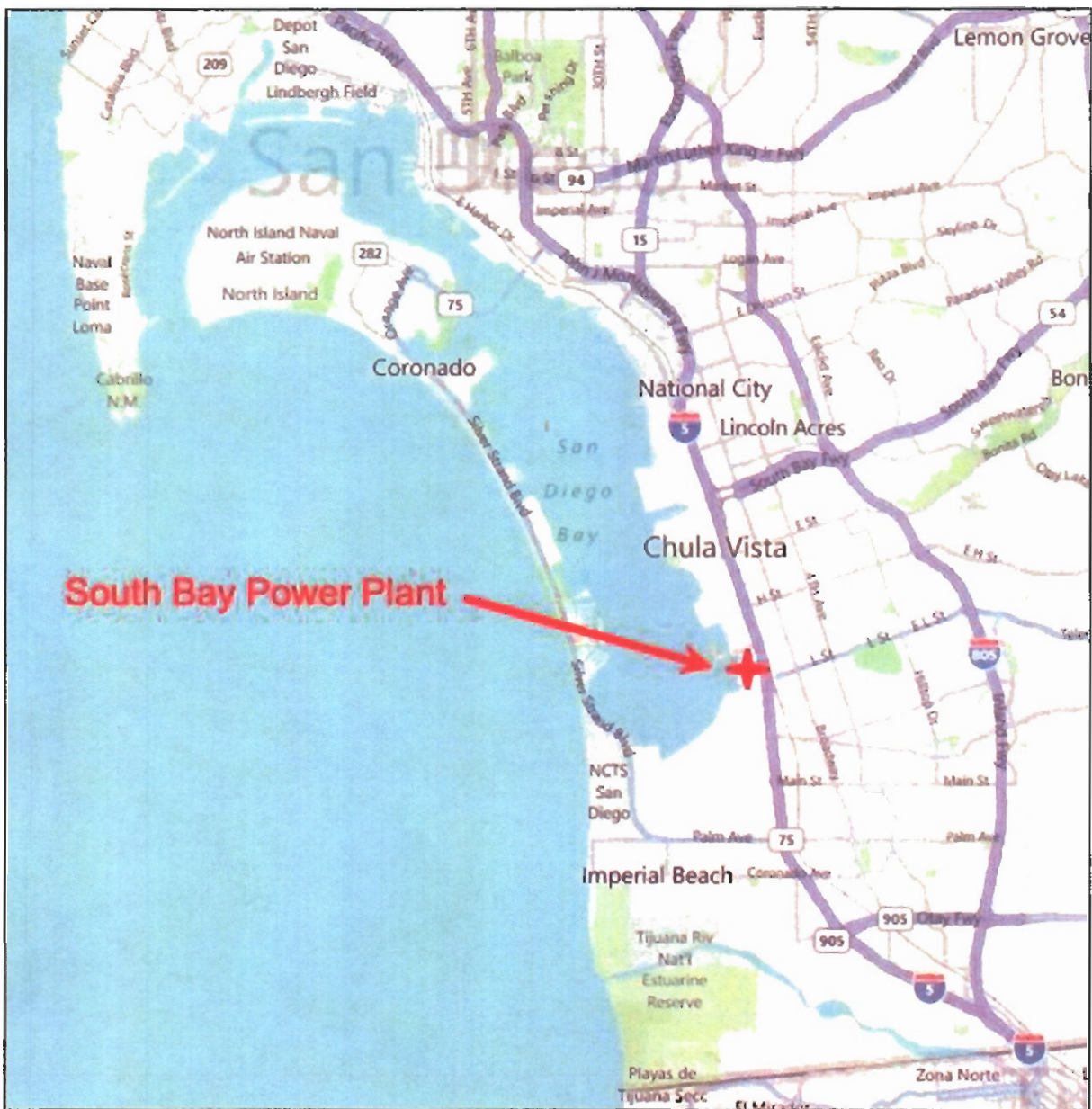
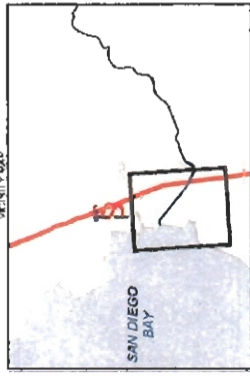


Figure 1. Regional location map for the South Bay Power Plant



LEGEND
 PROJECT SITES



Figure 2-1
 Site Map - General
 SOUTH BAY POWER PLANT CHULA VISTA

CH2MHILL



Power Block – Units 1 - 4



Demolition of the Aboveground Structures

SOUTH BAY POWER PLANT
990 Bay Blvd. Chula Vista, CA

Dust Control & Air Monitoring Plan

May 10, 2012

1. Introduction

In accordance with the California Air Resource Board and the San Diego Air Pollution Control District regulations, this Dust Control and Air Monitoring Plan has been prepared to address the control of fugitive and airborne dust emissions from the aboveground structure demolition work activities at the South Bay Power Plant (SBPP). This Plan will identify specific sources and activities that have the highest potential to produce or generate fugitive or airborne dust emissions and describe the engineering controls necessary to minimize and control dust emissions from the sources and activities of the demolition work.

2. Site Description

The SBPP is located at 990 Bay Boulevard in the City of Chula Vista, California and is situated along the southeastern shore of the San Diego Bay. The SBPP occupies approximately 108 acres of land and 35 acres of water (site). All operating equipment has been shut down and permanently removed from service. The aboveground demolition activities will affect the power block area and other designated ancillary support buildings. Asbestos containing materials are being currently removed by another contractor and all asbestos containing materials will be completely removed prior to the start of any building or structure demolition work.

3. Potential Fugitive Dust Sources

The following project work areas have been identified as potential sources of fugitive dust emissions. At a minimum, dust control techniques will be employed during the following demolition activities:



- a. The implosion of the Power Block Boiler Units (4 ea).
- b. The demolition of the Power Block Turbine/Generator concrete deck and pedestals.
- c. The demolition of the above ground steel Fuel Oil Tanks.
- d. The demolition of the Power Plant support and Ancillary Buildings.

4. Dust Control Mitigation Procedures

The following methods will be used to prevent conditions that generation dust:

- a. Apply atomized water to exterior boiler and/or building prior to dismantlement.
- b. Apply atomized water to boiler and/or building during dismantlement.
- c. All construction material shall be sufficiently wetted to prevent dust from becoming airborne before loading into trucks.
- d. Apply atomized water during truck load-out and/or debris stockpiling operations.
- e. Debris piles shall be moistened if dust is being emitted from the piles due to prevailing winds.
- f. Apply water to onsite haul routes.
- g. Install rumble strips at project boundary to intercept truck traffic.
- h. Install and use truck traps for offsite hauling.
- i. On site sweeping of impacted pavement roadways.
- j. As noted in the project description, all existing concrete and/or pavement surfaces shall remain in place thereby substantially reducing the dust impacts of disturbing soil activities.
- k. The project manager will conduct daily site safety meetings to reinforce the need for all workers to be cognizant and responsive to conditions or activities that generate dust.

5. Air Monitoring and Corrective Action

During the site demolition work activities, an air monitoring program will be implemented to identify and quantify any potential health hazards and airborne levels of dust particulates in accordance to safety regulations. The air sampling plan will be used to assure proper selection of engineering controls, work practices, and personal protective equipment for affected site workers, as well as evaluate the potential impact to adjacent properties. The air monitoring program will also include an on-site weather station.



Boiler Structure Implosion Dust Monitoring Special Conditions:

- The day prior to the implosion, monitoring the air for dust 500 feet from the boiler power block area and at the property fence line adjacent to Bay Boulevard.
- On the day of the boiler implosion monitor the air for dust 500 feet from the boiler power block area and at the property fence line adjacent to Bay Boulevard.
- The day after the implosion monitor the air for dust 500 feet from the Boiler Power Block and at the property fence line adjacent to Bay Boulevard.

Site Dust Air Monitoring During Daily Demolition Activities:

- Install air monitoring pumps at 500 feet from the work area and at the property fence lines, downwind from the project demolition activities.
- Record and document air monitoring sample results and current weather conditions.

Corrective Actions:

In the event that the air monitoring sampling results indicate high concentration of fugitive dust, the following correction actions will be implemented:

- Increase frequency, volume, and/or coverage of water misting, sprays, and foggers.
- Provide additional dust suppression systems and operating personnel during the task.
- Modify operating procedures and methods to eliminate problematic conditions.

Silverado's site Project Manager and Site Safety Officer have the responsibility to implement this Dust Control and Air Monitoring Plan.



Figure 6. Project features and biological resources on site