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Statement of Searles Valley Minerals Inc. to the California Energy Commission
Re: The ACE Cogeneration Company's Decommissioning Plan

June 10, 2015

Thank you for this opportunity to address the Commission concerning ACE's Decommissioning Plan. I am Ross May, Searles Valley Minerals' Director of Environmental and Safety.

SVM acts as the host for ACE's cogeneration plant and is the owner of that site. SVM continues to support its prior written comments submitted to Commission Staff. I would like to focus on the scope of the proposed demolition of only some of the buildings, and the retention of other buildings and infrastructure for use by a new party. SVM is very concerned that the Plan does not require removal of all infrastructure.

Section 1.1 of the Plan states that ACE reached an agreement on November 24, 2014, to transfer its lease and sell some of its equipment and structures to Sabco. Sections 1.2 and 4.1 of the Plan list the buildings and equipment that are to be retained for use by Sabco, including tanks, cooling tower, petroleum coke handling equipment and concrete foundations of demolished buildings.

ACE agrees that SVM's prior written consent is required for any lease assignment. The site, absent SVM's prior written consent, must only be used for operating a steam and electricity generating plant. No consents have been given by SVM.

ACE has not provided any information about Sabco and ACE admits that it does not know Sabco's intended use of the site. The Plan, if approved, would allow ACE to preserve some buildings and the foundations of demolished buildings for an unknown purpose at some undefined future time – all on SVM's property. Why will Sabco need the foundations of demolished buildings or, for example, a petroleum coke handling facility?

If the site is only partly demolished and the foundations and piping are left in the ground, it will decrease the possibility that the site will be usable for future industrial uses without additional significant expense by SVM or a new tenant. Public policy in California should encourage the total cleanup of old industrial sites so they may be used for new purposes, creating new jobs.

SVM requests that the Commission order ACE to completely demolish the entire plant or, in the alternative, to fully remove the foundations of buildings, structures and piping that ACE is demolishing or abandoning.