CALIFORNIA COASTAL COMMISSION
45 FREMONT, SUITE 2000
SAN FRANCISCO. CA 94105-2219
VOICE AND TOD (415) 904- 5200
FAX (415) 904- 5400

Th16a

Date Filed:	September 5,2007
49th Day:	October 24,2007
180th Day:	March 3,2008
Staff:	TRL-SF
Staff Report:	September 26,2007
Hearing Date:	October 11,2007

STAFF REPORT: REGULAR CALENDAR

APPLICATION FILE NO.:	**E-07-005**
APPLICANT:	**Pacific Gas and Electric Company**
PROJECT LOCATION:	At the Humboldt Bay Power Plant near the community of King Salmon on shoreline of Humboldt Bay, in the County of Humboldt.
PROJECT DESCRIPTION:	Construct two modular office buildings, a parking area, and a transformer pad, and realign electrical lines for multiple future construction projects.
LOCAL APPROVALS:	None required.
EXHIBIT 1:	Area Map with Project Location
EXHIBIT 2:	Site Plan
EXHIBIT 3:	Wetland Impact Areas
EXHIBIT 4:	Proposed Wetland Mitigation Site

SUBSTANTIVE FILE DOCUMENTS:

- Coastal Development Permit Application from PG&E
- PG&E, Buhne Point Wetlands Preserve Mitigation and Monitoring Plan for Humboldt Bay Repowering Project (July 2007).
- PG&E, Preliminary Phase II Environmental Site Assessment – Humboldt Bay Repowering Project, Eureka, California (April 2007).

SUMMARY

The proposed project entails constructing two office buildings and a parking area on the site of two "clean-closed" effluent storage structures, which will be partially demolished and filled to create a building pad. The project also includes constructing a transformer pad, relocating an electrical line, and siting an equipment laydown area. The project purpose is to support several future projects at the site, including constructing a new power plant, demolishing the existing gas-fired power plant, and decommissioning existing nuclear facilities. Components of this proposed project would be used until the three power plant projects are completed, expected to be about 2015. The proposed new power plant is currently undergoing separate review by the California Energy Commission and the demolition of the two existing plants will require additional separate future reviews. The project would result in about 0.015 acres of direct wetland impacts, and about 0.405 acres of indirect wetland impacts, mostly to lower quality wetlands. PG&E proposes to mitigate for these impacts by creating, restoring, and enhancing 1.2 acres of relatively high quality wetlands at the east side of the power plant parcel. **Special Condition 1** would require PG&E to submit a restoration plan when it completes the three power plant projects and **Special Condition 2** would require PG&E to meet specific standards for its mitigation proposal.

Staff has determined that the proposal, as conditioned, will comply with Coastal Act sections 30231 and 30233(a) (wetland protection), 30232 (spill prevention and response), 30211 and 30212(a) (public access), and 30251 (scenic and visual resources). Staff therefore recommends that the Commission **approve** the proposed project, as conditioned.

1.0 RECOMMENDED MOTION AND RESOLUTION

The staff recommends approval of the permit application, subject to standard conditions.

Motion:

I move that the Commission approve Coastal Development Permit E-07-005 subject to conditions specified below.

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

Resolution:

The Commission hereby approves a Coastal Development Permit for the proposed development 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 complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that wouldsubstantially lessen any significant adverse impacts of the development on the environment.

2.0 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 applicant 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.

3.0 SPECIAL CONDITIONS

1. Site Restoration: Withing six months of completing its three currently proposed power plant projects (i.e., constructing its new gas-fired power plant, demolishing its existing gas-fired power plant, and decommissioning its nuclear power plant and storage facility), or no later than January 1, 2015, whichever comes first, PG&E shall submit to the Commission a request for an amendment to this permit that proposes removal of development associated with this project and restoration of the wetlands directly and indirectly affected by this project. PG&E shall thereafter implement removal and restoration in accordance with the approved amendment.

2. Wetland Mitigation: PG&E shall implement mitigation measures necessary to create, restore, and enhance 1.2 acres of wetlands described as Area MIT-2 and a portion of Area MIT-1 in the July 2007 Buhne Point Wetlands Preserve Mitigation and Monitoring Plan for Humboldt Bay Repowering Project (Wetland Plan), as applicable. PG&E shall implement all applicable measures in the Wetland Plan for mitigation sites MIT-1 and MIT-2, including:
   a) Goals, Objectives, and Performance Criteria: As described in Sections 3.2.1 and 3.3.1 of the Wetland Plan (and as further detailed in Section 4.3.1 of the Commission's Findings).
   b) Planting Plan: Plants to be used in the mitigation sites are limited to those included in Table 4 of the Wetland Plan.
   c) Timing: PG&E shall complete initial grading and planting of the mitigation site no later than October 31, 2008.
   d) Monitoring: No later than December 31, 2008, PG&E shall submit an "as-built" plan of the mitigation site, as described in Section 5 of the Wetland Plan. PG&E shall also submit annual monitoring reports for five years, as described in Section 5 of the Wetland Plan.

e) Deed Restriction: No later than March 1, 2008, PG&E shall submit to the Executive Director for review and approval documentation demonstrating that the applicant has executed and recorded against the parcel(s) governed by this permit a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that pursuant to this permit, the California Coastal Commission has authorized development on the subject property subject to terms and conditions that restrict the use and enjoyment of that property; and, (2) imposing the Special Conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The deed restriction shall include a legal description of the entire parcel or parcels governed by this permit. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.

The deed restriction shall establish a wetland mitigation site of no less than 1.2 acres and shall include limitations necessary to ensure development in or adjacent to the identified mitigation site does not diminish the site's wetland functions and values, including water quality improvement and native wildlife habitat.

Note: PG&E may submit the required deed restriction documentation as part of the deed restriction anticipated as being required through the California Energy Commission's review of PG&E's proposed Humboldt Bay Repowering Project. If that review is delayed beyond March 1, 2008, the Executive Director may, upon PG&E's request, provide a reasonable extension of this deadline.

4 FINDINGS AND DECLARATIONS

4.1 Project Purpose and Description

The proposed project involves several development activities at the site of the Humboldt Bay Power Plant (HBPP), next to Humboldt Bay near King Salmon, Humboldt County (see Exhibit 1). The proposed project consists primarily of partially demolishing two effluent containment structures, filling those structures to create a building pad, and then placing two modular office buildings and constructing 36 parking spaces at the site (see Exhibit 2). The project would also include constructing a transformer pad to be used to relocate an onsite transformer, relocating an existing power line, and siting a laydown area for equipment that would be used during several future construction projects. One of the office buildings would encompass about 5,040 square feet and the other would be about 4,200 square feet. Both would be about 12 feet high. These project components are needed to support several future projects at HBPP, including construction of a new gas-fired power plant, demolition of the existing gas-fired power plant, and decommissioning of the existing nuclear plant.[1]

The buildings and parking spaces would be built on the site of two "clean-closed" effluent containment ponds, which are lined concrete structures that cover an area of about 120 feet by 180 feet. These structures were used during power plant operations from the mid-1970s until 1996 to store and treat power plant effluent and metal cleaning waste. In 1997, they were "clean-closed" after extensive soil and groundwater sampling showed the surrounding area had not been subject to contamination above regulatory levels. The proposed project would remove components of these structures, including part of their concrete walls, their fabric liners, and various pipes and valves, down to about one foot below the existing grade. The remaining below-grade portion of the two structures would then be filled and graded to create a building pad for the office buildings and parking area.

The proposed project also includes constructing a transformer pad and relocating an existing transformer on site. The pad would be about 22 feet by 16 feet and would be located adjacent to the existing power plant. The proposed relocation of the existing power line is needed to provide power to the two new buildings and would require PG&E to install three 30-foot power poles and trench an area about 530 feet long by 12 to 18 inches wide within the power plant site.

Components of the project would be constructed over several months, with filling and grading of the effluent structures to be done during relatively dry weather conditions. Project elements would be used during the power plant construction, demolition, and decommissioning projects mentioned above, which are expected to be completed by 2015.

Humboldt County has determined that the proposed project is categorically exempt from CEQA requirements, pursuant to Section 15302(c) of the CEQA Guidelines. The County also determined the proposal meets applicable zoning requirements and needs no local permits other than building permits.

---

[1] The California Energy Commission is currently reviewing the proposed new power plant. The demolition and decommissioning of the two existing plants will be subject to future reviews by the Coastal Commission and by the federal Nuclear Regulatory Commission.

4.2 Coastal Commission Jurisdiction and Standard of Review

The proposed project is within the Commission's retained jurisdiction. The standard of review is whether the project complies with the policies of Chapter 3 of the Coastal Act. The Commission may use the Humboldt County Local Coastal Program (LCP) as guidance.

4.3 Conformity to Applicable Coastal Act Policies

4.3.1 Wetland Protection

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 30233(a) states, in relevant part:

> *The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division, where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:*
> *(1) New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities.*
> *(2) Maintaining existing, or restoring previously dredged, depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.*
> *(3) In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities.*
> *(4) Incidental public service purposes, including, but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines.*
> *(5) Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas.*
> *(6) Restoration purposes.*
> *(7) Nature study, aquaculture, or similar resource-dependent activities.*

The Coastal Act generally requires that development maintain the biological productivity of wetlands. Coastal Act Section 30233(a) further imposes a three-part test on development proposed in wetlands – the development must fall within one of seven allowable categories of use; there must be no feasible less environmentally damaging alternative to such development; and, the development must be mitigated to the maximum extent feasible.

Description of Wetland Impacts: Development associated with the proposed project would occur in and adjacent to wetlands on the power plant site (see Exhibit 3). The site includes a wide variety of wetland types, from areas of relatively high quality freshwater marsh and salt marsh to lower quality mowed grasslands with wetland characteristics. Although the site is occupied by an active power plant and associated infrastructure, its location on the shoreline of Humboldt Bay results in some of these areas having relatively high levels of wildlife and shorebird use.

The project would cause direct effects to about 0.015 acres (660 square feet) of wetlands and would result in about 0.0405 acres (17,660 square feet) of indirect wetland impacts due primarily to a lack of sufficient buffer between the proposed development and those wetlands. The table below shows the approximate total impact areas to each type of wetland:

Wetland Type:	**Direct Impact (in square feet / acres):**	**Indirect Impact (in square feet / acres):**
Single-parameter	0.015 / 650	0.23 / 10,000
Freshwater marsh		0.046 / 2,000
Seasonal wetlands	negligible / 10	0.006 / 260
Drainage ditch		0/124 / 5,400
Total:	**0.015 / 660**	**0/405 / 17,660**

Most of the project's wetland effects would be to "single-parameter" wetlands, which at this site have the characteristics of wet grasslands with a number of non-native species. It is believed these wetlands formed at the site due to the placement in the 1950s during power plant construction of a mix of fill from both wetland and upland areas. The random placement of this fill created a patchy distribution of soil types, which in turn created a patchy distribution of soil moisture and a mosaic of both wetland and upland vegetation types. These areas were delineated as wetlands due to the presence of facultative plants[2], which allowed the areas to meet just the vegetation parameter (i.e., just one of the three wetland parameters of hydric soil, hydrology, and hydrophytic vegetation). While these areas are wetlands pursuant the Commission's definition due to the presence of wetland vegetation, they provide relatively limited wetland habitat or water quality functions, although Northern red-legged frogs, a state-listed Species of Concern, have been observed moving through these areas between other aquatic habitats on site.

The project would also cause indirect effects to about 0.405 acres (17,660 square feet) of single-parameter wetlands as well as other types of wetlands, including an area of freshwater marsh (approximately 0.046 acres, or 2,000 square feet), a seasonal wetland (about 0.006 acres, or 260 square feet), and heavily vegetated wetlands associated with a drainage ditch (about 0.124 acres, or 5,400 square feet). These effects would be caused primarily by the lack of a sufficient buffer between the proposed project and these wetlands. The County's LCP, which the Commission may use as guidance, establishes that wetland buffers outside of urban growth boundaries, should be between 100 and 200 feet wide[3]; however, some components of the proposed project would

[2] Facultative plants are equally likely to occur in wetland or non-wetland areas. Fur purposes of wetland designation, facultative plants are considered indicators of wetland characteristics.

[3] A wetland provision of the Humboldt County LCP Humboldt Bay Area Plan Section 3.30(B)(6)(d) states: Outside an urban limit line, the setback shall be between 100 and 200 feet, depending upon the size and sensitivity of the wetland, drainage boundaries, vegetation, adjacent uses, and the potential impacts of the project on the wet habitat values. The precise width of the setback shall be sufficient to prevent significant effects to the wetland.

be sited so as to provide no or very little wetland buffer. Indirect effects that would result from the lack of adequate buffer include increased noise, light, and activity both during construction and during ongoing use of the project components during the various power plant projects.

The freshwater marsh is located about 50 to 100 feet east of the proposed buildings and parking area. This marsh appears to be a remnant of the site's coastal marsh habitat and is cut off from an adjacent salt marsh by an abandoned farm road that predates the power plant. This freshwater marsh provides relatively high quality wetland habitat with areas of shrubs, trees, and open water, and it is used by numerous shorebirds and other wildlife. There is some buffer area between the project site and the freshwater marsh, with much of the proposed project site being at least 100 feet from the marsh; however, portions of the development would be within about 50 feet. This buffer area is vegetated with a mix of low brushy plants, such as blackberry, and some taller willows. The narrowest part of the buffer includes the tallest vegetation, which provides some "vertical" buffer, but overall, the buffer does not sufficient separation between the proposed development and the marsh to avoid indirect impacts.

A small area (about 0.006 acres, or 260 square feet) of seasonal wetlands would also experience indirect effects due primarily to the lack of buffer between the wetlands and the proposed development. Similarly, the proposed project would cause indirect effects to about 0.23 acres (10,000 square feet) of lower quality single-parameter wetlands similar to those described above. The primary cause of the indirect impacts would be the lack of buffer between the wetlands and the proposed development.

Conformity to Coastal Act wetland protection provisions: As noted above, the Commission determines whether a proposed project conforms to Coastal Act Section 30233(a) by applying a three-part test:

1) Does the proposed project fall within one of the seven categories of allowable development in wetlands?: Pursuant to Coastal Act Section 30233(a)(1), one of the allowable uses for development in wetlands is new or expanded energy facilities. While the proposed office buildings and parking areas themselves are not energy facilities, this particular project is integral to the planned construction, demolition, and decommissioning of three energy facilities. The Commission therefore finds the proposed project falls within this allowable use category.

2) Are there no feasible and less environmentally damaging alternatives?: Although the overall power plant parcel is fairly large (approximately 143 acres), there are few usable sites within the parcel for this proposed project due to constraints imposed by existing and planned power plant components, security requirements, and by the site's environmental characteristics, including areas of higher quality wetlands, the Humboldt Bay shoreline, and others. Nearby offsite areas that might otherwise be used for office and parking facilities are similarly constrained due to the presence of existing development, wetlands, the Bay shoreline, and others. Additionally, due to the complexity of implementing three major construction efforts concurrently, PG&E has expressed the need to have offices for the involved personnel be onsite rather than offsite.

Further, most of the area for the proposed project represents either "brownfield" development, in that it would use the area now occupied by abandoned effluent structures and uses what is likely the least environmentally sensitive available open area on the power plant parcel. Although most of this open space is either in or adjacent to wetlands, most of those wetlands are among the lowest quality wetlands on site and they provide very little habitat or water quality value. Most of these wetlands are within areas of the power plant site that are mowed or maintained to enhance security at the site, so potential impacts to the existing vegetation are likely to be minimal and not substantially greater than impacts already occurring due to ongoing power plant operations.

Based on the above, the Commission finds that there are no feasible and less environmentally damaging alternatives to the proposed location.

3) Are feasible mitigation measures provided to minimize adverse environmental impacts?: PG&E has included in the proposed project several measures to avoid, minimize, and compensate for the potential adverse effects of project activities on the wetland areas:

- Avoidance and Minimization: As noted above, PG&E largely sited the proposed project at an already developed part of the power plant site in or near some of the least environmentally sensitive wetlands at the site. The proposed laydown area is sited largely in an upland area and avoids direct impacts to most adjoining wetland areas. Additionally, the original project proposal included nine parking spaces that would have resulted in fill of about 0.09 acres (3960 square feet) of wetlands; however, PG&E has since deleted these spaces from the proposal and therefore would avoid this amount of wetland fill. The project would further avoid some areas of wetlands because part of the relocated transmission line will be placed overhead rather than trenched. By putting it overhead, PG&E will avoid an area of higher quality wetlands associated with the nearby freshwater marsh. The portion that is trenched will directly affect about 10 square feet of wetlands; however, that part of the transmission line cannot be put overhead because of the activities proposed to occur as part of the other power plant construction projects. PG&E's avoidance and minimization measures have therefore resulted in direct wetland impacts being limited to approximately 660 square feet of wetlands that have relatively low habitat and water quality values.

  Further, PG&E characterizes the project as temporary, in that it plans to maintain the constructed components of the project for the duration of the three power plant projects – constructing a new plant, demolishing the existing gas-fired plant, and decommissioning the nuclear facilities. PG&E expects to complete new plant construction in about 2010, to demolish the existing plant by about 2012, and to decommission the nuclear facilities by 2015. This aspect of the project would allow for future restoration of all or some of the affected wetland areas, and **Special Condition 1** would require PG&E to submit a permit amendment within six months of completing the three projects listed above, or no later than January 1, 2015, that includes a proposal to restore onsite wetlands.

- Compensatory Mitigation: The project as currently proposed would result in direct effects to about 650 square feet of wetlands and indirect effects to about 17,660 square feet, as described above, for which compensatory mitigation is necessary. PG&E is developing a compensatory wetland mitigation plan as part of the Energy Commission's review of the proposed new Humboldt Bay power plant. In that plan, the July 2007 Buhne Point Wetlands Preserve Mitigation and Monitoring Plan for Humboldt Bay Repowering Project (Wetland Plan), PG&E proposes to create, enhance, and restore several acres of wetlands on the east side of the power plant site (see Exhibit 4). This proposed mitigation site consists largely of degraded wetlands, many of which have been partially filled or are vegetated with non-native or invasive plants. However, the conditions are such that the area has a strong potential to be restored – beneath the fill, it has much of the necessary wetland hydrology and soils, and it still has areas of native wetland vegetation.

  PG&E has identified within the Wetland Plan 1.2 acres of potential mitigation area that goes beyond the mitigation requirements PG&E anticipates the Energy Commission will require as mitigation for the power plant project. The 1.2 acres includes 1.03 acres identified in the Wetland Plan as Area MIT-2 and 0.17 acres that would be added to Area MIT-1. PG&E has proposed those mitigation areas be assigned to this proposed project rather than be included in the power plant repowering project the California Energy Commission is currently reviewing.

  To determine the adequacy of this proposed mitigation, the Coastal Commission considers its overall acreage, the anticipated quality of the mitigation site and its anticipated wetland functions and values, and other mitigation components such as performance standards, contingency plans, and similar measures to help ensure mitigation success. Additionally, because mitigation proposed for this project is part of a larger mitigation proposal that has not yet been approved, the Commission must determine whether the immediate proposal can function as a stand-alone mitigation site, in case the Energy Commission does not approve the remainder of the proposal.

  Regarding the overall size of the mitigation in relation to the impacts, the Commission assigns mitigation ratios based on the types and qualities of the wetlands affected. By assigning a mitigation ratio of 4:1 for the proposed project's direct impacts, 2:1 for its indirect impacts caused by the lack of buffer to single-parameter wetlands, and 3:1 for the lack of buffer for the other higher quality wetlands, the expected impacts would require a total of about 1.05 acres, or 45,620 square feet, of compensatory mitigation area, as shown in the table below:

Wetland Type:	**Direct Impact (in square feet / acres):**	**Indirect Impact (in square feet / acres):**	**Mitigation Ratio:**	**Total Mitigation (in square feet / acres):**
Single-parameter	0.015 / 650		4:1	0.06 / 2,600
Seasonal wetlands	negligible / 10		4:1	0.001 / 40
Single-parameter		0.23 / 10,000	2:1	0.46 / 20,000
Freshwater marsh		0.046 / 2,000	3:1	0.138 / 6,000
Seasonal wetlands		0/006 / 260	3:1	0.018 / 780
Drainage ditch		0.124 / 5,400	3:1	0.372 / 16,200
Total:	**0.015 / 660**	**0.405 / 17,660**		**1.05 / 45,620**

PG&E's mitigation offer of 1.2 acres would therefore be somewhat greater than the mitigation acreage calculated using these ratios. The overall ratio would be just under 3:1, which is adequate considering that most of the wetland effects are indirect and would occur to lower quality, single-parameter wetlands.

Regarding the potential quality, functions, and values of the mitigation site, successful completion of this proposed mitigation would result in higher overall wetland functions and values than those that would be lost due to the project. The bulk of the proposed project's impacts are to low quality single-parameter wetlands or are indirect, buffer-related impacts. The proposed mitigation would create a mix of wetland swales and riparian shrubs, seasonal ponds, structurally diverse vegetative communities, and increased native wildlife habitat. Mitigation Areas MIT-1 and MIT-2 are adjacent to existing wetlands, including riparian and salt marsh habitat, but currently include large areas of fill and non-native vegetation. PG&E would remove the fill, plant native vegetation, and create several types of wetlands, including areas for ponding, areas of riparian shrubs and emergent vegetation, and others. PG&E also proposes to cover the mitigation site under a deed restriction to ensure the long-term protection of the site.

Regarding other components necessary to ensure a high probability of mitigation success, PG&E has included in its mitigation plan goals, objectives, and performance criteria, acceptable plants to be used at the mitigation sites, an implementation schedule, remedial actions, monitoring, and others. For example, the goals for Area MIT-2 include re-establishing a natural drainage pattern and increasing wildlife habitat and use. Objectives for that area include creating structural diversity in vegetation, creating an area for ponding as well as a seasonal or perennial pond, and increasing amphibian breeding habitat. Performance criteria for the ponds, for example, include observing standing water at least 18 inches deep for four winter and spring months over an area of 0.152 acres and 80% cover of obligate or facultative wetland species by Year 5. The Wetland Plan also establishes a five-year monitoring program with annual reports describing the success of meeting the performance criteria, and identifies remedial actions that will be take should the site not meet these criteria. PG&E is also is proposing to start site preparation when weather conditions allow in Spring 2008.

In reviewing the characteristics of the proposed site, it is evident that the proposed 1.2 acres of mitigation is likely to function as a "stand-alone" mitigation site, if the Energy Commission does not approve or changes the rest of the proposed mitigation plan. Data from the site as described in the Wetland Plan show that site hydrology and underlying soils are likely to support the anticipated wetland functions.

A Special Condition would ensure the proposed mitigation adequately compensates for the effects of the proposed project and PG&E implements the mitigation as described in the Wetland Plan. **Special Condition 2** would specify that PG&E complete the 1.2 acres of mitigation as described in the Mitigation Plan regardless of future decisions by the Energy Commission. It would also require PG&E to adhere to the goals, objectives, performance criteria, and planting plans applicable to Areas MIT-1 and MIT-2 as described in the Wetland Plan. **Special Condition 2** would also establish that PG&E complete initial grading and planting at the mitigation site no later than October 31, 2008 and provide an "as-built" plan as well as monitoring reports for five years, as described in the Wetland Plan. **Special Condition 2** would also require PG&E to submit by March 1, 2008 for Executive Director review and approval documentation showing that it has executed and recorded the necessary deed restriction. Recognizing that the wetland mitigation site required pursuant to this project could be incorporated into a larger mitigation proposal currently under review by the Energy Commission, **Special Condition 2** would also allow PG&E to request an extension for providing this documentation should there be a delay in the Energy Commission's review process.

With the applicable measures of the Wetland Plan and as described and conditioned herein, the Commission finds that the proposed project is mitigated to the maximum extent feasible.

Conclusion: For the reasons above, the Commission therefore finds that the project, as conditioned, is consistent with Coastal Act Sections 30231 and 30233(a).

4.3.2 Spill Prevention and Response

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.*

The proposed project could potentially increase the risk of oil spills in or adjacent to coastal waters due to its use of motor vehicles and equipment during both construction and ongoing use of the project components. Coastal Act Section 30232 requires an applicant to undertake measures to prevent an oil spill and to clean up spills should they occur.

The proposed project would be subject to the spill plan already in place at the power plant. PG&E also maintains a supply of spill cleanup items, including absorbent pads and other absorbing material, which are immediately available, if needed. PG&E has also included several measures in the project meant to avoid or reduce the potential for oil or fuel spills. As described in its application, PG&E will institute several Best Management Practices to avoid and minimize the potential for spills in nearby wetlands, including maintaining an environmental boundary fence to direct vehicles away from wetlands or other sensitive areas, and maintaining barriers to filter runoff from the construction sites.

Conclusion: With these measures, the Commission finds that the project will provide adequate protection against spills and will ensure necessary containment should a spill occur. For the reasons above, the Commission therefore finds that the project is consistent with Section 30232 of the Coastal Act.

4.3.3 Public Access

Coastal Act Section 30211 states:

> *Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.*

Coastal Act Section 30212(a) states:

> *Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects except where (1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources, (2) adequate access exists nearby, or (3) agriculture would be adversely affected. Dedicated accessway shall not be required to be opened to public use until a public agency or private association agrees to accept responsibility for maintenance and liability of the accessway.*

Coastal Act provisions require generally that development not limit public access to the shoreline and that projects located between the first public road and the sea in most cases provide public access.

Description of Public Access Impacts: This proposed project would be located between the first public road and the sea; however, it would be at a site that does not currently allow public access. The project site is entirely within the existing power plant complex, which is subject to a number of public access restrictions, including the high security requirements associated with the shut-down but not yet decommissioned nuclear power plant and waste storage facility. The project's main potential for affecting public access would be due to the several dozen additional vehicle trips to and from the power plant each day along the road to the shoreside community of King Salmon; however, these additional trips are not expected to cause a substantial difference to existing access. The project is therefore not expected to limit existing public access to the shoreline.

Parts of the proposed project would, however, be visible from an existing public access trail along the Humboldt Bay shoreline, just outside PG&E's security fence and a few hundred feet away from the effluent storage structures. Pursuant to CDP E-05-001 the Commission issued in 2005 for PG&E's Independent Fuel Storage Facility Installation (IFSFI), PG&E recently improved and protected this trail via a deed restriction to ensure long-term public access to the shoreline. Although portions of the proposed project would be visible from the trail, the project is not expected to result in any additional security or limitations to public access to the area. The proposed project's effects on access would consist primarily of visual intrusion to trail users; however, this is expected to be relatively minor since much of the view of the proposed project from the trail would have the existing power plant complex in the background.

Conclusion: For the reasons above, the Commission finds that the proposed development will not adversely affect public access to and along the coast and that it is consistent with Sections 30211 and 30212(a) of the Coastal Act.

4.3.4 Scenic and Visual Qualities

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 area.*

Description of Visual Impacts: During construction, the proposed project would be visible from portions of the trail described above in Section 4.3.3, and may be visible from more distant shoreline areas. The visible aspects of the project would include use of vehicles and equipment, placement of buildings, additional lighting, and similar developments. The relocated transformer would be within an area of several existing power plant-related buildings and would not be visible from offsite areas.

The proposed project's effects on access would consist primarily of visual intrusion to trail users; however, this is expected to be relatively minor since most views of the proposed project from the trail would have the existing power plant complex in the background. Similarly, any views to the proposed project from more distant shoreline areas would likely incorporate visual aspects of the proposed project into the existing power plant background. Accordingly, the proposed project will not result in significant adverse impacts to coastal views.

Conclusion: For the reasons above, the Commission finds that the proposed development will not adversely affect views to and along the scenic coastal area where it is located and that it is consistent with Section 30251 of the Coastal Act.

5.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT

Section 13096 of the Commission's administrative regulations requires Commission approval of CDP applications to be supported by a finding showing the application, as modified 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 the CEQA prohibits approval of a proposed development if there are feasible alternatives or feasible mitigation measures available that would substantially lessen any significant impacts that the activity may have on the environment. Mitigation measures that will minimize or avoid all significant adverse environmental impacts have been required. As conditioned, there are no feasible alternatives or feasible mitigation measures available, beyond those required, which would substantially lessen any significant adverse impact that the activity would have on the environment. Therefore, the Commission finds that the proposed project, as conditioned to mitigate the identified impacts, can be found consistent with the requirements of the Coastal Act and to conform to CEQA.

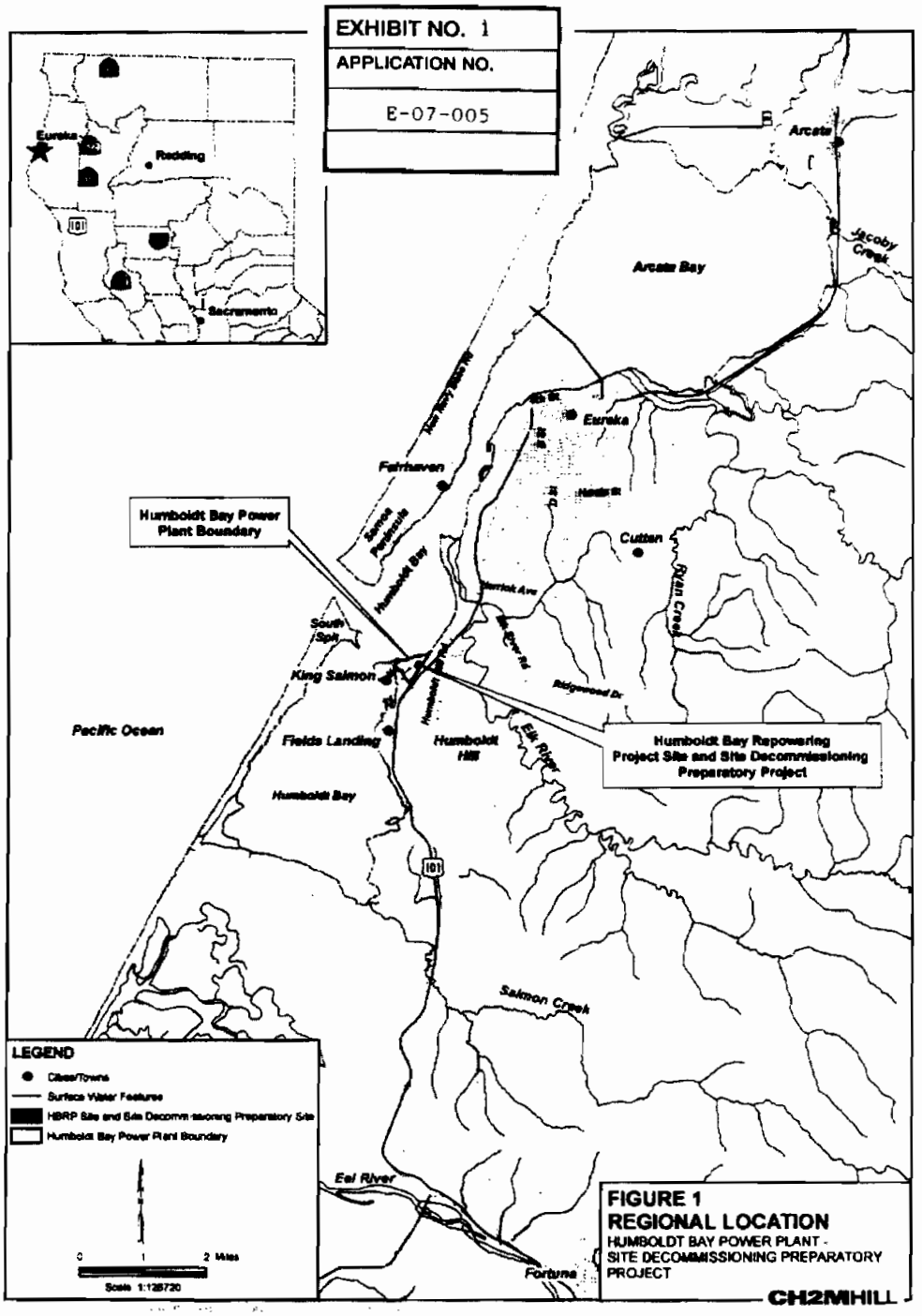
EXHIBIT NO. 1
APPLICATION NO.
E-07-005
Eureka
Redding
Sacramento
101
Arcata
Arcata Bay
Jacoby Creek
Eureka
Fairhaven
Samoa Peninsula
Humboldt Bay
Humboldt Bay Power Plant Boundary
Cutten
Ryan Creek
South Spit
King Salmon
Pacific Ocean
Fields Landing
Humboldt Hill
Elk River
Humboldt Bay
Humboldt Bay Repowering Project Site and Site Decommissioning Preparatory Project
Salmon Creek
Eel River
Fortuna
LEGEND
Cities/Towns
Surface Water Features
HBRP Site and Site Decommissioning Preparatory Site
Humboldt Bay Power Plant Boundary
0
1
2 Miles
Scale 1:126720
FIGURE 1
REGIONAL LOCATION
HUMBOLDT BAY POWER PLANT - SITE DECOMMISSIONING PREPARATORY PROJECT
CH2MHILL


LACO ASSOCIATES
CONSULTING ENGINEERS
EFFLUENT STORAGE POND DEMOLITION PROJECT
SITE MAP
PACIFIC GAS & ELECTRIC
HUMBOLDT BAY POWER PLANT
FOSSIL DECOMMISSIONING ACTIVITY
N
EXHIBIT NO. 2
APPLICATION NO.
E-07-005

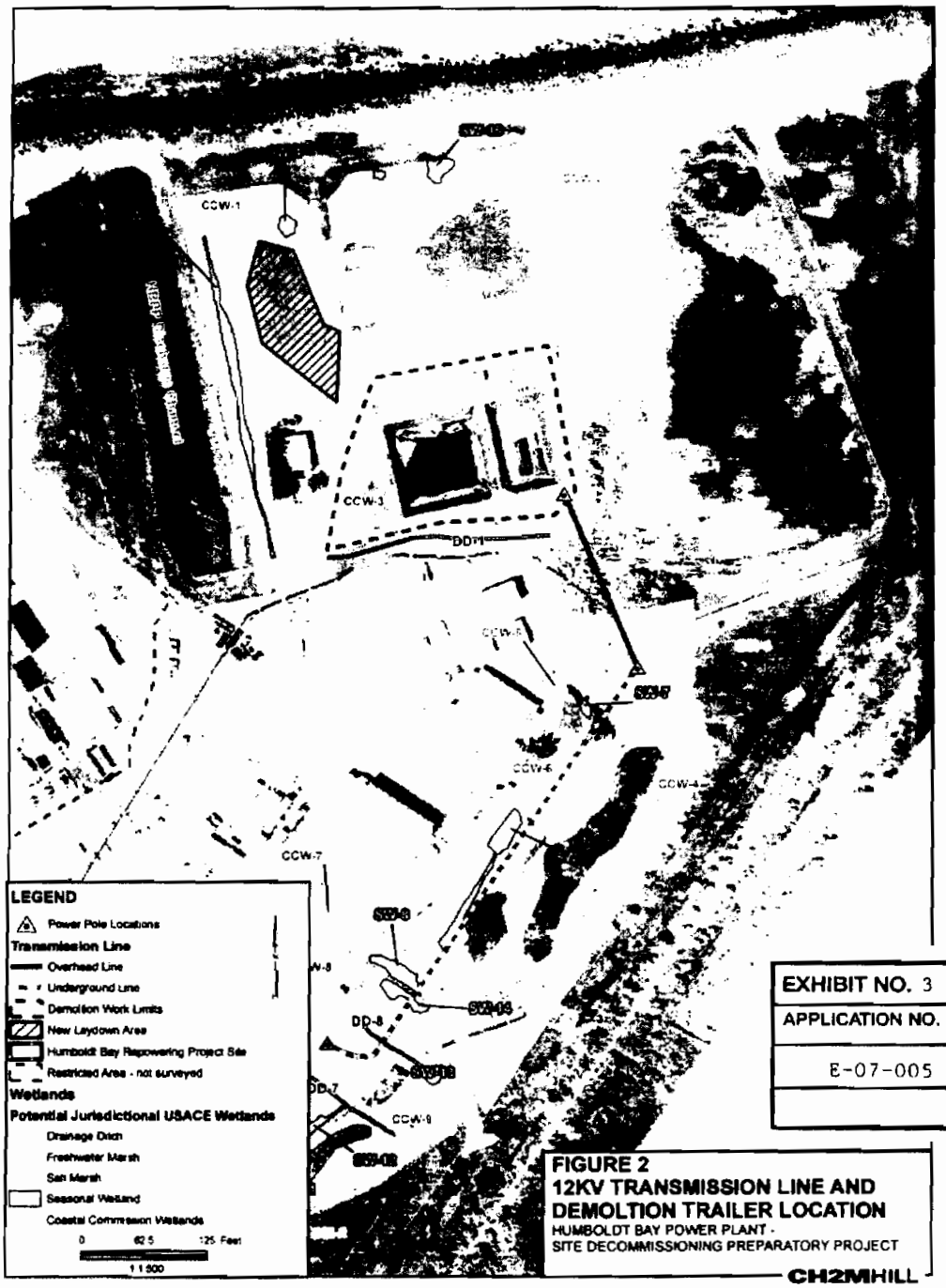

EXHIBIT NO. 3
APPLICATION NO.
E-07-005

FIGURE 2
12KV TRANSMISSION LINE AND DEMOLTION TRAILER LOCATION
HUMBOLDT BAY POWER PLANT -
SITE DECOMMISSIONING PREPARATORY PROJECT
CH2MHILL


FIGURE 4
BUHME POINT WETLANDS PERSERVE
WETLAND MITIGATION AREAS
MIT-1 THROUGH MIT-6
HUMBOLDT BAY POWER PLANT
SITE DECOMMISSIONING PREPARATORY PROJECT
CH2MHILL
EXHIBIT NO. 4
APPLICATION NO.
E-07-005
LEGEND
Mitigation Areas Acres
MIT-1 0.61
MIT-2 1.05
MIT-3 2.26
MIT-4 1.67
MIT-5 0.13
MIT-6
Total 5.80