

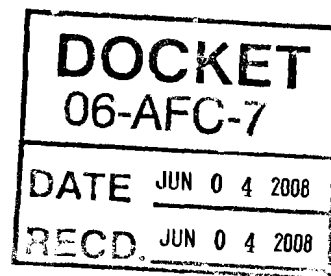
CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



June 4, 2008

Mr. Wayne Donaldson
Attn: Ms. Michelle Messinger
CEQA Coordinator
State Historic Preservation Office



Dear Ms. Messinger,

As a result of the Energy Commission's review of the application of PG&E for a license to repower a thermal power plant on Humboldt Bay (a project referred to as the Humboldt Bay Replacement Project, or HBRP, located near Eureka, California), the Energy Commission Cultural Resources staff has identified a significant historical resource, the Humboldt Bay Power Plant Historic District (or HBPPHD), consisting of all of the facilities of the Humboldt Bay Power Plant constructed before August, 1963. Staff has also identified the eventual demolition of Units 1 and 2 (which are major contributing elements of the identified significant historic district) and their associated structures as a significant indirect impact, under CEQA, of the HBRP making the old units obsolete. Consequently, staff has recommended mitigation in the form of recordation of the HBPPHD according to Historic American Engineering Record standards. Conditions of certification for this project would require the applicant to consult the HABS/HAER/HALS coordinator of the National Parks Service Pacific West Regional Office for the production of the HAER document.

Energy Commission Cultural Resources staff would like to request that the SHPO formally review and comment on staff's recommendation of the proposed Humboldt Bay Power Plant Historic District (HBPPHD) for NRHP eligibility and on the appropriateness of the proposed mitigation for the resolution of the significant impacts to this historical resource.

Staff is requesting this review because PG&E has, staff believes, unreasonably rejected staff's recommendation of NRHP eligibility for the HBPPHD and has questioned the appropriateness of staff's recommendation of mitigation measures for the demolition of contributing elements of the historic district.

Staff believes that commenting on this project, although not required, would be of interest to the State Historic Preservation Office because it offers an opportunity for the Office to recognize and endorse the potential for national significance in often-overlooked and undervalued industrial infrastructure, possibly creating a useful example for CEQA lead agencies, both state and local.

The Humboldt Bay Power Plant Historic District is located on a 143-acre parcel at 1000 King Salmon Highway in Eureka, CA. The facility consists of three electrical generating

elements: 1) natural gas-and oil-fired power plants consisting of two steam turbine-generators (Units 1 and 2), which began operation in 1956 and 1958; 2) a currently retired nuclear-powered boiling water reactor generating unit (Unit 3), which began operation in 1963, and two mobile emergency power plant backup and peaking units of later date. There are a number of other appurtenant facilities that are integral to the operation of the power plant that have been identified as contributors to the historic district as well.

California Energy Commission Cultural Resources staff believes that the Humboldt Bay Power Plant Historic District is eligible for inclusion in the NRHP and CRHR at the national level of significance under Criteria A and C. It is eligible under Criterion A because it was the first and only conventional-plus-nuclear-configured power plant in the country in the pioneer commercial nuclear power plant period. Units 1, 2, and 3 combined conventional thermal and nuclear thermal technology to cost-effectively provide commercial electrical power to a transportation-challenged region, exemplifying a technological solution applicable to other geographically isolated parts of the country and providing an early illustration of the idea of economy of scale applied to nuclear power generation. The HBPPHD is also significant under Criterion A because of Unit 3's distinction as the first economically viable commercial nuclear power plant in the nation.

Under Criterion C, the Humboldt Bay Power Plant Historic District is significant because it exemplifies the conventional fossil-fuel and nuclear-fueled, electricity-generating power plants of the 1950-1970 era. The HBPPHD is also significant under Criterion C because of Unit 3's innovation and cost-effective containment vessel design and construction method and because of the unique engineering design of the steam drums of Unit 1 and 2 and because Unit 1 and 2 are good examples of 1950s California once-through-cooled, steam-electric- power plants.

CEC staff has defined the period of significance for the district as 1954-1963, beginning with the construction of Units 1 and 2 and ending when Unit 3 came on line in 1963. The proposed boundaries of the district consist of the 53 acres of the Humboldt Bay Power Plant enclosed within the property's fence. Staff identified 31 contributing elements to the historic district and 18 non-contributing elements.

For more detailed information for your review, please follow this link <http://www.energy.ca.gov/2007publications/CEC-700-2007-020/CEC-700-2007-020-FSA.PDF> and see:

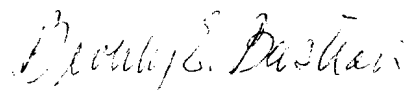
- pages 176-192 for historical context and evaluation of the historic district's significance,
- pages 198-200 for evaluation of project impacts and recommended mitigation, and
- pages 232-236 for lists of contributors and non-contributors.

Due to a formal hearing before the Energy Commissioners regarding this matter, scheduled for June 17, staff must ask for an expedited review. If the Office is able to

review this project, it would be most helpful to have the comments by June 10, 2008. If you would like to discuss this request further, please call the number below.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "Beverly E. Bastian".

Beverly E. Bastian

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Biological and Cultural Resources Unit
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California Energy Commission
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