December 15, 2009

371322.DI.DR

Mr. Rod Jones
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Subject:  Lodi Energy Center (08-AFC-10)
     Preliminary Endangerment Assessment Workplan, Preliminary Endangerment
     Assessment, and Determination of No Further Action for the Lodi Energy Center

Dear Mr. Jones:

Attached please find one original and 12 copies of the following three documents:

• Preliminary Endangerment Assessment Workplan for the Proposed Lodi Energy Center
  Site;

• Preliminary Endangerment Assessment for the Proposed Lodi Energy Center Site; and

• Determination of No Further Action for the Lodi Energy Site

If you have any questions about this matter, please contact me at (916) 286-0249 or
Andrea Grenier at (916) 780-1171.

Sincerely,

CH2M HILL

Sarah Madams
AFC Project Manager

Attachment

cc:    A. Grenier
       E. Warner/NCPA
December 10, 2009

Mr. D. Stephen Schwabauer
City Attorney
City of Lodi
221 West Pine Street
Lodi, California 95241-1910

DETERMINATION OF NO FURTHER ACTION FOR THE LODI ENERGY CENTER SITE, 1275 NORTH THORNTON ROAD, LODI, SAN JOAQUIN COUNTY, CALIFORNIA, ASSESSOR PARCEL NUMBER 055-139-16

Dear Mr. Schwabauer:

The Department of Toxic Substances Control (DTSC) entered into a Voluntary Cleanup Agreement (VCA) (Docket Number HSA-VCA 08/09-162) with the City of Lodi (City) on September 3, 2009, for the purpose of investigating the environmental condition of the proposed Lodi Energy Center Site (Site). The approximately 4.4 acre Site is owned by the City, and located within the boundaries of the City’s existing White Slough Water Pollution Control Facility in Lodi, San Joaquin County, California. The City, working in conjunction with the Northern California Power Agency (NCPA), is proposing to construct a gas-fired generating station identified as the Lodi Energy Center (LEC) on the Site property, and has submitted an Application For Certification (08-AFC-10) to the California Energy Commission (CEC) for approval of the proposed project.

DTSC is in receipt of the Preliminary Endangerment Assessment (PEA), (dated November 2, 2009), prepared by Stantec Consulting Corporation (Stantec), and supporting documentation provided by the City on November 6, 2009, and CH2M HILL on October 6, 2009. In accordance with the VCA, DTSC is authorized to review the PEA in order to evaluate the present condition of the property and to determine whether further investigation or remedial action would be required for the Site.

**Background Information**

In 2008, the NCPA contracted with Carlton Engineering Inc., to perform a Phase I Environmental Site Assessment (Phase I ESA) at the Site property. The subsequent Phase I ESA, dated June 30, 2008, identified several potential environmental concerns, which resulted in the CEC’s request for additional environmental investigation of the
Site. In compliance with the CEC’s request, the NCPA contracted CH2M HILL to perform a limited Phase II ESA at the Site property. CH2M Hill’s report entitled “NCPA Lodi Preliminary Phase II ESA Sample Results”, dated February 26, 2009, concluded that the presence of elevated concentrations of polycyclic aromatic hydrocarbons (PAHs) and organochlorine pesticides in the Site’s surface and subsurface soils exceeded the California Human Health Screening Levels (CHHSLs) for future commercial use of the property. Based upon review of the resulting soil sampling data, the CEC requested the City (as owner of the Site property) enter into a VCA with DTSC to further evaluate the condition of the property and if warranted, oversee appropriate remedial actions at the Site.

**PEA Soil Sampling Data**

On August 31, 2009, DTSC approved the PEA Sampling Work Plan (Work Plan), prepared for the Site by Stantec. Implementation of the Work Plan was completed during the first week of September 2009. Shortly thereafter, Stantec reviewed CH2M HILL’s February 26, 2009 Phase II ESA soil sampling data in conjunction with the recent PEA soil sampling data, and noted significant inconsistencies between the two data sets. Upon Stantec’s further evaluation of the Phase II ESA’s data and discussions with CH2M HILL, it became apparent that the Phase II ESA’s PAH and organochlorine pesticide data, which had been reported in units of micrograms per kilogram (ug/kg), had been inadvertently tabulated in units of milligram per kilogram (mg/kg), resulting in a one –thousand fold increase in concentrations from their actual values. This conversion error had not been caught during CH2M HILL’s data review process, and when the Phase II ESA’s inflated data concentrations were compared to and exceeded several of the various risk-based screening levels, it lead to the incorrect conclusion that there was significant PAH and organochlorine pesticide contamination in the Site’ soils.

During this same time period, Stantec’s preliminary analytical results for the PEA sampling action confirmed that the concentrations of PAHs and organochlorine pesticides at the Site property were well below their respective risk based screening levels.

DTSC was notified by the City on September 30, 2009 of the Phase II ESA’s analytical data calculation errors, and received written confirmation of the data errors by CH2M HILL on October 6, 2009. CH2M HILL also provided a revised table presenting the corrected data, which indicated that none of the suspected PAH or organochlorine pesticides exceeded their comparative CHHSLs, or US EPA’s Region IX Preliminary Remediation Goals (PRGs) for residential or unrestricted use.
Based upon DTSC's review of the PEA Report's analytical data, in conjunction with CH2M HILL's written confirmation of the data error contained in the Phase I ESA, DTSC has concluded that the Site does not appear to pose a risk to human health or the environment, and is suitable for future unrestricted use. Therefore, in accordance with the VCA, DTSC has determined that No Further Action is necessary with respect to the investigation and remediation of hazardous substances at the subject Site. As with any real property, if previously unidentified contamination is discovered on the Site property, additional assessment, investigation, and/or remediation may be required.

If you have any questions regarding DTSC's No Further Action determination for this Site property, please contact Ms. Maria Gillette, Project Manager at (916) 255-3953.

Sincerely,

Steven R. Becker, P.G.
Supervising Senior Engineering Geologist
Brownfields and Environmental Restoration Program

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