

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5112  
www.energy.ca.gov



April 20, 2011

**DOCKET****00-AFC-12C**DATE Apr 20 2011RECD. Apr 20 2011

Barb J. Irwin  
Director Environmental  
West Region Operations  
Dynergy, Inc.  
6200 Stoneridge Mall Rd., Suite 300  
Pleasanton, CA 94588

Dear Ms. Irwin:

**MORRO BAY MODERNIZATION AND REPLACEMENT POWER PLANT  
PROJECT (00-AFC-12)**

On December 10, 2009, the Energy Commission sent a letter to Ellison, Schneider and Harris, L.L.P. (Ellison) stating that soil remediation was outside the scope of the tank farm demolition. Given the assertions by the project owner that there would not be any removal of soil, vegetation clearance, boring, trenching or alteration of the site surface during the tank farm demolition, Energy Commission staff concurred that there would be no need for Chief Building Official (CBO) oversight of the tank farm demolition portion of the Morro Bay Modernization and Replacement Power Plant Project.

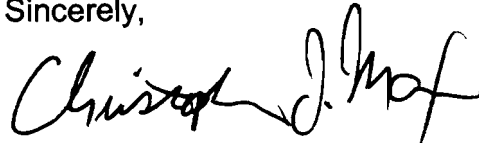
Achieving a safe work environment will be a challenge given the size of the tank structures and the complexity in cutting and removing the tank sections safely, without altering the site surface and/or initiating site remediation activities. In lieu of having a CBO present during demolition activities, a safety monitor must be present to ensure that the demolition activities are conducted in a manner that complies with the mandates of WORKER SAFETY-01. The safety monitor must, as part of their activities, establish a plan to observe, record, and correct any deviation from applicable safety regulations. Also, Condition of Certification WORKER SAFETY-01 requires that the project's Demolition and Construction Safety and Health Program be compliant with applicable Cal/OSHA Safety Orders.

Please notify us when the demolition project is beginning as staff will be visiting the site during demolition activities to ensure compliance with conditions of certification applicable to the tank farm demolition. We would also appreciate receiving notification when the demolition is complete with a short discussion about any issues encountered during the activities.

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If you have questions, please contact Compliance Project Manager Mary Dyas of my staff, at (916) 651-8891. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher J. Marxen". The signature is fluid and cursive, with the first name "Christopher" written in a larger, more prominent script than the last name "Marxen".

**CHRISTOPHER J. MARXEN**, Manager  
Compliance and Dockets Office  
Siting, Transmission & Environmental Protection  
Division

Cc: Docket Unit, California Energy Commission  
Jeffery Ogata, Assistant Chief Counsel, Energy Commission  
Chris Ellison, Ellison, Schneider and Harris, L.L.P  
Kevin Wedman, CBO, Bureau Veritas