

CALIFORNIA ENERGY COMMISSION

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



May 31, 2011

DOCKET**09-AFC-1**DATE May 31 2011RECD. Jun 21 2011

Mr. Kwang-il Lee
Los Angeles Regional Water Quality Control Board
320 West Fourth Street
Suite 200
Los Angeles, CA 90013

Dear Mr. Lee:

REQUEST FOR LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD PARTICIPATION

The California Energy Commission Staff (staff) requests that Los Angeles Regional Water Quality Control Board (LARWQCB) staff participate in the Watson Cogeneration Steam and Electric Reliability Project licensing and environmental review process. Watson Cogeneration Company (Watson) filed an Application for Certification with the Energy Commission on March 19, 2009 for the licensing of Watson Cogeneration Steam and Electric Reliability Project. The project will add a nominal 85 megawatt combustion turbine generator to the existing cogeneration facility owned by Watson. The project would add a fifth train to the existing four-train Watson Cogeneration Facility that was originally licensed by the Energy Commission in 1986 and add a single-pressure heat recovery steam generator (HRSG) to provide additional process steam to the BP Carson Refinery (BP Refinery). Watson is a joint partnership between subsidiaries of BP America and Edison Mission Energy.

The project site is a 2.5-acre brown field site located within the boundary of the existing Watson Cogeneration Facility, which is a 21.7-acre area within the existing 428-acre BP Refinery in the City of Carson, Los Angeles County. The California Energy Commission would like to have the LARWQCB staff participate in a tentative June 9, 2011 workshop in Carson regarding current and past soil contamination at the proposed project site. One of the major unknowns is LARWQCB staff's opinion on whether the project will be able to proceed with construction if the project is licensed due to the LARWQCB's Cleanup Abatement Order (CAO) Number 85-17. CAO 85-17 requires Atlantic Richfield Company (now BP) to cleanup and abate the groundwater pollution caused by the unauthorized release of hydrocarbon product from the Carson BP Refinery.

Energy Commission staff understands that there may be some funding and timing issues concerning LARWQCB staff's participation in the licensing process and evaluation of the project. However, we would like to discuss these and reach an agreement to enable your staff's participation in our review of the project. We have provided a list of questions below that we believe would be important for LARWQCB staff to address as part of the process and hopefully at the upcoming workshop:

Mr. Kwang-il Lee
May 24, 2011
Page 2

- (1) Does LARWQCB anticipate any problems with the project applicant being able to start site mobilization/construction for this project if it is licensed by the Energy Commission?
- (2) Does LARWQCB believe that project site surface or subsurface contaminants could be disturbed and released into the environment or present a health risk exposure to construction workers during project construction?
 - (a) Is the LARWQCB aware of contamination plumes near the surface of the project site (i.e., within five feet of the surface)?
- (3) What type of information would LARWQCB expect the applicant to provide the LARWQCB prior to the completion of the Staff Assessment?
- (4) Would LARWQCB propose additional project site mitigation (i.e., cleanup/remediation) by the applicant in order to build the fifth train at the proposed location?
- (5) Does the Cleanup and Abatement Order cover the proposed project site such that the applicant would not have to complete additional remediation for this project to proceed?
- (6) Does LARWQCB have any information on contaminants in monitoring wells or groundwater pumping wells?

California Energy staff looks forward your contribution in the analysis and evaluation of waste management and water process of the BP Watson project. My staff will contact you the week of June 1, 2011 to discuss your staff's participation in our process. If you have any questions, please call Ellie Townsend-Hough (916) 654-4170 or me at (916) 654-3868.

Sincerely,

MATTHEW S. LAYTON, Manager
Engineering Office
Siting, Transmission, & Environmental
Protection Division

cc: Terrence O'Brien, Deputy Director, Siting Division
Alan Solomon, Project Manager