

DOCKETED

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July 31, 2015

Committee for Redondo Beach Energy Project (12-AFC-03)
Commissioner Karen Douglas – Presiding Member
Commissioner Janea A. Scott – Associate Member
Susan Cochran – Hearing Officer
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Status Report on 12-AFC-03 – Redondo Beach Energy Project

Dear Commissioners Douglas and Scott,

This letter provides the status of the Coastal Commission's review in this AFC proceeding, as directed by the Committee's May 7, 2015 Order (Docket #204536). It also responds to the Committee's July 23, 2015 Order (Docket #205473) by addressing the Committee's questions in that Order that are relevant to the Coastal Commission.

Status of Coastal Commission Review: On July 8, 2015, at a public hearing and after evaluating public comments, the Coastal Commission unanimously approved its 30413(d) Report on the project and submitted it to the Committee (Docket #205306). On July 17, 2015 Commission staff submitted a letter (Docket #205515) responding to a request by the Energy Commission staff regarding a recently adopted City ordinance (see Land Use response below). Coastal Commission staff also expect to participate in the upcoming August 5, 2015 workshop and in ongoing opportunities for comment in the upcoming AFC proceedings.

Response to Committee's July 23rd Order: The Committee requested the parties respond to seven sets of questions. Of those questions, the following are relevant to the Coastal Commission's review and participation in the AFC proceeding:

- **Land Use:** The Committee requested the parties respond to questions about whether a City of Redondo Beach moratorium applies to the proposed project, and if so, what options are available to the Energy Commission to address what may be a LORS non-conformity arising from that moratorium. Coastal Commission staff provided a February 5, 2014 letter (Docket #201639) describing its position on this issue – i.e., that the moratorium would not be effective until adopted by the Coastal Commission as part of the City's Local Coastal Program ("LCP").

More recently, however, the City adopted a different, more narrowly tailored ordinance to prohibit construction or modification of power plants that would result in more than 50 megawatts of generating capacity (Ordinance #3134-15, adopted July 2015). Energy Commission staff requested that Coastal Commission staff provide its opinion as to whether

the ordinance may take effect within the City's coastal zone without being approved by the Coastal Commission as an amendment to the City's LCP. Coastal Commission staff's July 17, 2015 letter states that this ordinance does not need to be submitted to the Coastal Commission as a proposed LCP amendment before taking effect.

- **Coastal Commission 30413(d) Report:** The Committee's Order identifies several issue areas evaluated in the 30413(d) Report where the Coastal Commission recommended additional analyses be conducted as part of this AFC proceeding. The Coastal Commission's primary recommendation is that the alternatives analysis provided in the Preliminary Staff Assessment ("PSA") be revised to incorporate new information and changed circumstances that have occurred since the PSA's publication in July 2014. This information is needed to assess the project's consistency with several of the City LCP's policies, including wetland policies that require evidence that there are no feasible and less environmentally damaging alternatives to the project's proposed wetland fill.

The Order also requested the parties describe the expected timing for evaluating whether the 30413(d) Report's recommendations are feasible or are likely to cause more significant environmental effects. We expect these timing issues to be addressed during the upcoming workshop and continuing AFC proceedings.

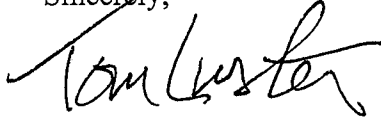
Finally, the Order requests that the parties describe how the 30413(d) Report's recommendation regarding open space applies to the project site. As noted in the Report, the City's LCP requires that sites zoned as "Public," such as the power plant parcel, accommodate open space. AES's application describes approximately 37 of the parcel's 50 acres as open space, though it does not provide specific descriptions of proposed uses for that area. The Coastal Commission's recommendation is that the Energy Commission adopt a new condition, LAND-5, that would require AES, in conjunction with the Energy Commission Compliance Manager, the Coastal Commission, and the City, to develop an open space plan that includes a detailed description of the proposed open space that conforms to relevant Coastal Act and LCP policies. We recommend that the proposed details of the open space plan be identified and reviewed during upcoming workshops and hearings during the AFC proceeding or during the AFC's compliance phase. We expect that elements of an open space proposal not included in the AFC decision would be evaluated by the City as part of its coastal development permit review authority for development of the open space.

- **Schedule:** The Order asks the parties to describe preferred methods for this AFC proceeding to communicate any new or revised information and analyses and estimate how much time is likely to be needed. We recommend either of two options – either that the PSA be revised to incorporate the new information and necessary analyses described in the 30413(d) Report, or that these revisions be incorporated into a Final Staff Assessment. Either option should allow for adequate review and comment opportunities by the parties and interested stakeholders. We anticipate working with Energy Commission staff and the parties to determine how best to address the above changes and expect that the Coastal Commission will provide additional review and recommendations as necessary.

Status Report re: 12-AFC-03 – Redondo Beach Energy Project
July 31, 2015

Should you have any questions or need more information, please contact me at 415-904-5248 or
fluster@coastal.ca.gov

Sincerely,

A handwritten signature in black ink that reads "Tom Luster". The signature is written in a cursive style with a large, sweeping initial "T".

Tom Luster
Energy, Ocean Resources, and Federal Consistency Division