

Memorandum

Date : December 20, 1999

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To : David A. Rohy, Presiding Member
Robert A. Laurie, Associate Member

From : California Energy Commission - Eileen Allen
1516 Ninth Street Energy Commission Project Manager
Sacramento, CA 95814-5512

Subject : OTAY MESA GENERATING PROJECT STATUS REPORT 1
-- December 20, 1999

Data Requests - Staff issued data requests on November 9, 1999, on the topics of cultural resources, noise, land use, wastewater disposal, biological resources, geological resources, traffic and transportation, hazardous materials handling, socioeconomics, and transmission system engineering. Staff prepared these requests in conjunction with data requests by staff from various San Diego County departments. Staff held a data request workshop on November 16, 1999. PG&E Generating responded to both Energy Commission and San Diego County staff's requests on December 8, 1999.

Staff issued a second set of data requests on December 3, 1999, on the topics of air quality and soil/water resources. Staff held a data request workshop on December 8, 1999. PG&E Generating plans to respond by January 3, 2000.

Site Visits - Staff held two noticed site visits on December 9, 1999. The first site visit focused on transmission system engineering. It provided an opportunity for transmission planners from Mexico's electric utility, Comision Federal de Electricidad, (CFE) to see the Otay Mesa project site and related transmission system interconnection point. CFE staff were also able to meet transmission planning staff for San Diego Gas & Electric, the California Independent System Operator (Cal- ISO), the Energy Commission, and the applicant.

The second site visit focused on biological resources. The two major topics of discussion were San Diego County's proposed alternative sewer line route, called the Lone Star Road option, and how the biological resource oversight agencies intend to address the Otay Mesa project.

Schedule - The current Committee-directed schedule requests that the Preliminary Staff Assessment be completed and filed by March 21, 2000. Staff is concerned about being able to complete its air quality analysis by this date.

Air Quality

Staff will be better able to assess its ability to file an air quality analysis by March 21, 2000 after it has reviewed the air quality data responses which are due January 3, 2000. Staff will be holding a data response/issue workshop in January to discuss outstanding air quality concerns. On December 17, the applicant met with staff from the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) to discuss the agencies' policy guidance regarding mobile emission offsets. The

outcome of the meeting was that PG&E Generating will write a letter to the agencies summarizing the agreements reached during the meeting. Once the EPA and CARB have reviewed that letter, they are to send responses to PG&E Generating stating their concurrence. After all parties have reached agreement on the PG&E Generating letter, the San Diego Air Pollution Control District will use the principles of that letter to develop a programmatic approach for analyzing proposed mobile offsets. District staff have said that the Otay Mesa Project Preliminary Determination of Compliance may be based on a discussion of a mobile offset program, rather than an individual offset source discussion. The District is now planning to issue a Preliminary Determination of Compliance in late February, 2000, rather than the early February timeframe shown in the Committee's Scheduling Order.

Biological Resources

Staff is concerned about the time that may be required to conduct spring surveys for biological resources on the Lone Star Road sewage line option, followed by the need to analyze potential biological impacts and reach concurrence on agency oversight. Staff plans to confer with the USFWS and the California Department of Fish and Game during the next two weeks to ensure that they will be able to effectively address the project within the Committee's schedule and to assess the relevance, if any, of San Diego County's Multiple Species Conservation Plan..

Potential Issues - San Diego County's Public Works staff brought the Lone Star Road sewage line route alternative to the attention of the applicant and staff during the November 16, 1999 data request workshop. The County staff believes that this option would better facilitate overall development of the East Otay Mesa area. Staff needs to work with San Diego County's staff to assess whether potential growth inducement issues raised by the Lone Star Road option have been addressed sufficiently in the East Otay Mesa Specific Plan, and whether the applicant needs to address this item.

In its November 5, 1999, Issue Identification Report, staff discussed maintenance of transmission import capability as a potential issue. There appear to be several areas where an upgrade of transmission facilities would be appropriate in order to be able to continue importing power to the San Diego area. Staff will schedule an issue workshop in January to discuss this topic with the applicant, San Diego Gas & Electric and the Cal-ISO. A key item will be determining which system improvements, if any, would be linked to the Otay Mesa project.

CFE Coordination - CFE staff is interested in a visit to the Sacramento/Folsom area sometime during the next few months. The purpose would be to see the Energy Commission, the Capitol, and the Cal-ISO operation. Eileen Allen will work with the Executive Office and Committee on details of a Commission tour, coordinate with the Governor's Office staff regarding details of a Capitol tour, and coordinate with Larry Tobias of the Cal-ISO staff regarding a tour of the Folsom ISO facility.

David A. Rohy
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cc: Otay Mesa Generating Project Proof of Service List
Stella Caldwell, San Diego County Department of Planning and Land Use
George Ream, San Diego County Public Works Department
Arthur Carbonell, San Diego Air Pollution Control District
GJon Hazard, U.S. Fish and Wildlife Service
David Lawhead, California Department of Fish and Game