To

Memorandum

Date: August 30, 2000

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: Robert A. Laurie, Presiding Member

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From : California Energy Commission - Eileen Allen

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Subject: OTAY MESA GENERATING PROJECT STATUS REPORT 8

--August 30, 2000

Schedule

Energy Commission staff had planned to file its Final Staff Assessment (FSA) on September 29, 2000. This date is now uncertain because of the filing date and contents of the San Diego Air Pollution Control District's (District) Final Determination of Compliance (FDOC), a traffic study and a cultural resources testing report by the applicant, and the applicant's final landscaping plan. These items do not necessarily have associated issues; rather they are information pieces that staff needs to complete its FSA.

Staff agrees with the applicant's statement in its August 17, 2000 Status Report # 7, that there are three major issue areas remaining: 1) air quality; 2) biology; and 3) gas supply and pipeline capacity.

Potential Issues

Air Quality

Staff filed its air quality Preliminary Staff Analysis (PSA) on August 18, 2000. Staff has noticed a PSA workshop focused on air quality and public health, which is scheduled for September 6, 2000, in San Diego. When this workshop and a related public/agency comment period have been completed on September 8, 2000, staff will work on an FSA which will include the air quality analysis. Note that staff cannot complete and file its air quality FSA until the District's FDOC has been filed. The District reports that it plans to file its FDOC in mid-September, 2000.

Staff is pursuing an ongoing discussion with USEPA on coordination and timing options regarding the filing of the San Diego Air Pollution Control District's (District) Prevention of Significant Deterioration segment of its FDOC, and the United States Fish and Wildlife Service's (USFWS) Biological Opinion. This question has moved beyond the Otay Mesa Generating Project (OMGP), to also encompass the Metcalf (99-AFC-3) and Three Mountain (99-AFC-2) projects. Staff counsel plans to discuss the issue again with counsel for the District, and with USEPA staff before the end of August, 2000.

Biological Resources

Staff held biological resources workshops on August 8, and August 23, 2000. The primary focus of these workshops was to discuss the impact mitigation options for the quino checkerspot butterfly with the applicant, USFWS, and California Department of Fish and Game (CDFG) staff. At the August 23, 2000 workshop, staff discussed the

Robert A. Laurie Robert Pernell August 30, 2000 Page 2

feasibility of calculating acreage impacts as a result of the project's NOx emissions. The San Diego region USFWS staff was emphatic that mitigation through land purchase for a preserve is not a viable option now, since there is minimal information and maps regarding the butterfly's specific locations and habitat requirements for the Otay Mesa/Otay Mountain area.

The applicant plans to file a revised Biological Assessment (BA) by September 11, 2000, that will contain a proposal for a perpetual endowment fund to be directed toward quino checkerspot butterfly research, and habitat maintenance considered appropriate by the USFWS. The USFWS staff will use the revised BA as a reference in preparing its Biological Opinion. The USFWS now plans to file the Biological Opinion in early October, 2000.

Local Infrastructure Needs

During the week of August 28, 2000, the applicant plans to file a traffic study on an alternative route that would bypass the intersection of State Route 905 and Old Otay Mesa Road. Staff is not aware of any issues associated with using the alternative route.

Gas Pipeline Capacity

Staff received an early response to its August 1, 2000 data request to San Diego Gas & Electric regarding clarification of generation/transmission scenarios contained in its May 9, 2000 Facilities Study. This response enabled staff to continue work on its multidisciplinary gas study, which should be completed in early September, 2000, and incorporated in the FSAs for Reliability and Efficiency.

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
Michael Lake, San Diego Air Pollution Control District
Gjon Hazard, U.S. Fish and Wildlife Service
Kim Marsden, California Department of Fish and Game
Chris Gallenstein, California Air Resources Board
David Wampler, U.S. Environmental Protection Agency
Gerardo Rios, U.S. Environmental Protection Agency
Kristen Aliotti, Office of California-Mexico Affairs, Trade & Commerce Agency
Larry Tobias, California Independent System Operator
Paul Clanon, California Public Utilities Commission
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