

DOCKETED

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VIA E-FILING

El Segundo Energy Center Petition to Amend (00-AFC-14C) Committee
Commissioner Karen Douglas – Presiding Member
Commissioner Janea A. Scott – Associate Member
Raoul Renaud – Hearing Officer
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Re: El Segundo Energy Center Petition to Amend (00-AFC-14C)
Status Report

Dear Committee Members:

El Segundo Energy Center LLC (“**ESEC LLC**” or “**Project Owner**”) the Project Owner of the El Segundo Energy Center (00-AFC-14C) (the “**Project**” or “**ESEC**”) submits this Status Report regarding the **ESEC** Petition to Amend (“Primary PTA”) for proposed units 9-12 and the Petition to Amend certain air quality conditions of certification (“**AQ PTA**”)

SCAQMD and Schedule

For the Primary PTA, Project Owner is working with South Coast Air Quality Management District (“**SCAQMD**”) staff and CEC staff to address comments to the Final Determination of Compliance (“**FDOC**”). The SCAQMD has indicated that the errata to the FDOC will not be issued until early January 2015. It is our understanding that the delay in the issuance of this errata is due the Project Owner’s request that the AQ PTA be given a higher priority over the Primary PTA. In addition, the delay in the issuance of the errata to the FDOC is also associated with limited SCAQMD staff availability due to a large regional compliance auditing project that must be completed by the end of the year. When SCAQMD releases the errata to the FDOC, we understand that CEC staff will complete Part B of the FSA and release it for public comment.

For the AQ PTA, the SCAQMD issued the final revised Title V permit on November 25, 2014 containing changes to several air quality conditions of certification governing how startup events for existing units 5 and 7 are counted. We anticipate that the AQ PTA will be considered at a January 2015 CEC Business Meeting.

FSA Comments

Concurrent with this Status Report, Project Owner has docketed comments on the Final Staff Assessment Part A (“**FSA**”) issued by CEC staff. Most of the comments reflect important but

less significant changes to conditions. Several comments, however, involve sufficient complexity to potentially reach the Committee's attention. These are summarized below.

Cultural Resources

In the PSA and the FSA, CEC Staff did not respond to Project Owner's request to modify Condition of Certification, CUL-6. As it was written in the original decision and applied in the recently completed construction, CUL-6 required full time monitoring by the resource experts during ground disturbance activities. That monitoring proved itself to be unnecessary and an inappropriate expenditure in the recently completed construction. The PTA elaborates on this and seeks the use of a different, but also common version of staff's cultural resources monitoring COC that allows cultural resources specialists to be brought in in the event of the encounter of an unexpected resource. The construction of ESEC and the most recent analysis confirmed what had been expected: that the project was being built upon heavily disturbed and modified soils with extremely low to no potential to yield historical resources.

Visual Resources and Landscaping

Condition of Certification, VIS-2 establishes specific landscaping requirements and also specifies the process that was used to finalize landscaping design details. Now that ESEC construction has been completed and VIS-2 implemented, Project Owner believes that some changes are needed to VIS-2 to address issues that have arisen with tree and plant survival. Specifically, Project Owner believes that the Compliance Project Manager should be granted authority to allow substitution of species and even types of planting when the Project Owner so requests. Project Owner believes an additional section should be added that specifies this process. Staff has been amenable to the need to make some changes, but this is an issue that is likely to draw the interest of the local community and the local governments of Manhattan Beach and of El Segundo and may require addressing at evidentiary hearings.

Compliance Conditions

Project Owner made several comments on compliance conditions and some language in the Compliance section of the FSA that it has concerns with. Two specific concerns are the language suggesting that the Construction Building Official (CBO) be responsible for facilitating compliance with environmental conditions of certification, and COM-15's requirement that the Project Owner submit a revised Provisional Closure Plan and Cost Estimate every five years.

Summary

Project Owner will continue to work with Staff and all parties to find resolution on issues.

Locke Lord LLP

By: 

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JAM:dh