

DOCKETED	
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Comment Received From: State Senator Monique Limon
Submitted On: 8/9/2023
Docket Number: 22-OIR-02

Letter from Senator Limon and Assembly member Bennett

Please See attached letter

Additional submitted attachment is included below.

August 8, 2023

David Hochschild, Chair
California Energy Commission
715 P Street
Sacramento, CA 95814

Re: Ormond Beach Once-Through-Cooling Plant Proposed Extension

To the California Energy Commission:

We are writing to ask that the Commission strongly considers the negative impacts of the proposed contract with the California Department of Water Resources (DWR) to provide a 3-year extension for the once-through cooling (OTC) plant at Ormond Beach. Specifically, we ask that the Commission significantly improve, if not outright reject, the business plan proposed to protect the already impacted residents of Ventura County. In addition, we ask that if approved, the Commission places guardrails on the specifics of the plant operation and that the contract includes funding for a community benefit and additional remediation funds for coastal restoration when the site is decommissioned.

Until the fiscal case is made more clearly that this investment in one of the state's oldest and least reliable fossil fuel plants makes sense from an economic, environmental and equity perspective, the dollars we appropriated to DWR's Strategic Reliability Reserve should not be expended.

The Commission should place guardrails on the specific conditions under which the plant may operate, and that the payback period of any investments in capital retrofits, for purposes of evaluating the costs and benefits of the project, should not exceed the three years contemplated in the pending request for extension of their carefully negotiated, and soon to expire, Clean Water Act permit with the State Water Quality and Resources Board. The additional impacts associated with an additional operation should be mitigated in advance for communities of impact in the surrounding Ventura County region, including additional funding for community benefits and coastal restoration when the site is decommissioned.

The Ormond Beach Generating Station is located in the most densely populated community of color in Ventura County and the people who live there experience more pollution than 94% of Californians. Ormond Beach was originally scheduled to retire in 2020 but was kept online for three more years to support grid reliability for the rest of the state. Due to outdated technology, deferred maintenance, and aged, underperforming equipment through the power station, all past its useful life, The units failed to deliver all the promised power when we needed it. In the process, Ormond released more health-harming emissions during last year's heatwave.

The Commission has a broader mission than merely approving the business plan DWR has put before them, even in the context of the Strategic Reliability Reserve. The statute clearly indicates what Governor Newsom directed this Commission in his signing statement: “to ensure clean energy resources are prioritized over fossil fuels.” However, the \$1.2 billion contract underlying DWR’s business plan presented for consideration to the Commission, is exclusively directed towards older, gas-fired power plants in disadvantaged communities like Oxnard and Port Hueneme. Ormond alone will require tens of millions in capital retrofits that could become stranded assets that fall hardest on the communities we represent.

Moreover, we are concerned that the continued operation of this plant will delay a clean energy battery storage project on site, which could expeditiously supplant the power currently being generated over the four transmission lines connecting Ormond to the grid.

For the Commission to continue its leadership charge in accelerating our push for 100% clean energy and carbon neutrality with environmental justice its mission, we ask that the Commission provides recommendations to improve DWR’s proposal by considering the following:

- The Commission was required by AB 205 (2022), and further directed by Governor Newsom to operate the plant “only as a last resort.” Seeing as CPUC, CAISO and the Commission sometimes use different weather models and climate data, it is unclear what will constitute an “extreme” need on our grid, etc. We ask that there is language included in the contract highlighting this, placing a guardrail on usage.

In addition, we ask the Commission to consider alternatives to the 3-year plant extension. Specifically,

- Heed the call of the Legislature and the Governor by adopting a clean energy-first approach. All future funds committed towards reliability and grid resilience, from unspent funds in the Reserve as well as the Clean Energy Reliability Investment Plan and the climate bond proposals pending, should no longer be directed towards Ormond or any other fossil fuel resource.
- More cost-effective and reliable clean energy options should be contracted for including, but not limited to
 - Clean demand response -
 - SmartAC, Base Interruptible Program, allowing commercial industrial customers to get subsidies during grid emergencies to stop using energy from grid.
 - WatterSaver is an example of a demand-response program.
 - Use Demand Side Grid Support (DSGS) and Distributed Energy Backup Assets (DEBA) program funding to target investments in EJ communities like distributed batteries, microgrids.
 - 1. Better “time of use” (TOU) rates that incentivize using power *not* during peak times (i.e. load shifting).
 - 2. Air filter technologies for EJ communities at OTC/EJ fence line; the \$1.2B Strategic Reliability Reserve can be used for this.

3. Fund Virtual Power Plants, through CERIP

Our community members and environmental justice organizations have expressed significant concern over the restarting of the plant and have gathered statewide opposition to the extension. They have collected over 1000 signatures in opposition, 400 of which were in Oxnard. It is our goal to protect these communities from further polluted air and work together with the commission to create more sustainable pathways toward a clean energy future.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, reading "Monique Limón". The signature is written in a cursive style with a large, looping initial "M".

MONIQUE LIMÓN
Senator, 19th District

A handwritten signature in black ink, reading "Steve Bennett". The signature is written in a cursive style with a large, looping initial "S".

STEVE BENNETT
Assemblymember, 37th District