

# Memorandum

**Date :** April 18, 2000

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**To :** Robert A. Laurie, Presiding Member  
Robert Pernell, Associate Member

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

**Subject :** OTAY MESA GENERATING PROJECT STATUS REPORT 5  
-- April 18, 2000

**Schedule** – Energy Commission staff plans to file its Preliminary Staff Assessment (PSA) on May 1, 2000.

## Air Quality

The air quality analysis will be filed 45 days after the San Diego Air Pollution Control District's (District) Preliminary Determination of Compliance (PDOC) is released. The PDOC filing date is uncertain due to the following factors:

- The District needs to review an air toxics analysis which the applicant submitted on April 14, 2000.
- The United States Environmental Protection Agency (USEPA), California Air Resources Board (CARB), and the District have concerns regarding the conditions for the SCONox optimization/testing period and its duration, and SCONox contingency conditions. The applicant will be discussing these concerns in a meeting with the oversight agencies on April 18, 2000.
- The applicant needs to submit a second Mobile Emission Reduction Credit (MERC) application to the District, which would be considered in addition to the applicant's existing MERC application and agreement with San Diego Harbor Excursion. This application would provide details on the applicant's negotiations and agreement with the other San Diego area fleet.

The FDOC filing date is uncertain due to the following factors:

- USEPA has talked with the District about the possibility of delaying the FDOC filing until the United States Fish and Wildlife Service (USFWS) has issued its Biological Opinion. The USFWS is currently waiting for the applicant to submit its biological assessment, at which point, USFWS would have 135 days to issue its Biological Opinion. Air quality and biological resources are linked here because of potential NOx impacts on the federally listed quino checkerspot butterfly. USEPA is considering options to disconnect the District's Final Determination of Compliance (FDOC) from the Biological Opinion, so as not to delay the FDOC.

- The complexity and completion date for the District's California Environmental Quality Act (CEQA) review of its proposed MERC program are unknown.

The applicant docketed a copy of the California Air Resources Board's guidance letter which arrived on March 20, 2000. On April 7, 2000 the applicant filed data responses to Duke Energy's air quality data requests of March 8, 2000.

#### Biological Resources

Staff has asked the United States Fish and Wildlife Service for guidance on NOx impact mitigation options to protect the endangered quino checkerspot butterfly.

#### Transmission System Engineering

The transmission items noted in Status Report 4 remain the same. San Diego Gas & Electric (SDG&E) reports that its Transmission Facilities Study (Study) will be completed in late April or early May. Staff will be able to complete a preliminary transmission system engineering analysis by May 1, based on a transmission facilities scenario such that the project includes construction of an Otay Mesa 230 kV substation, and reconductoring of the existing 230 kV Miguel-Tijuana line.

Staff will need to see the results of the Transmission Facilities Study and the California Independent System Operator's (Cal-ISO) comments before it can complete a Final Staff Assessment (FSA). Depending on the results of the Study and the Cal-ISO's comments, staff's conclusions in the FSA may be different than those in the PSA. If transmission system reinforcements in addition to an Otay Mesa substation and reconductoring the Miguel-Tijuana line are going to be needed, those reinforcement projects will need to be added to the project description through an AFC supplement. Staff plans to hold a PSA workshop on this topic to permit all interested parties to discuss the Study and their respective positions.

#### **Potential Issues –**

##### Local Infrastructure Needs

San Diego County's Board of Supervisors voted on April 12, 2000 to support the Otay Mesa project and adopted its staff recommendations and comments on the project. The County staff plans to have a formula available in June, 2000 for determining fair share fees for road improvements and fire services in the East Otay Mesa area.

Gas Pipeline Capacity – Staff will be filing a data request regarding the status of the applicant's contract for a firm, continuous supply of natural gas from SDG&E.

**U.S./Mexico Border Coordination** –Eileen Allen summarized the staff's communications with the United States Environmental Protection Agency (USEPA) Region IX staff on environmental justice items and international treaty obligations in an April 5, 2000 memo to the Otay Mesa Committee. EFS & EPD management is reviewing

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a draft of the notification letters to the Mexican government entities. Once review is completed, staff will forward the letters to the Committee to finalize and send to the Mexican government entities recommended by USEPA staff.

cc: Otay Mesa Generating Project Proof of Service List  
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George Ream, San Diego County Public Works Department  
Arthur Carbonell, San Diego Air Pollution Control District  
Gjon Hazard, U.S. Fish and Wildlife Service  
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Kristen Aliotti, Office of California-Mexico Affairs, Trade & Commerce Agency  
Larry Tobias, California Independent System Operator