

Memorandum

Date : September 13, 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 9
--September 13, 2000

Schedule

Energy Commission staff had planned to file its Final Staff Assessment (FSA) on September 29, 2000. This date now appears unlikely because of uncertainty on the filing date and contents of the San Diego Air Pollution Control District's (District) Final Determination of Compliance (FDOC). The District plans to file the FDOC on September 15, 2000. When we have received the FDOC and reviewed its complexity, we will determine an FSA filing date, and notify the Committee and the various parties of this date.

Staff recently received the final components of the applicant's air quality offset package, and letters regarding the District's certification of its Environmental Impact Report on its Mobile Emission Reduction Credit (MERC) program. Staff also received the applicant's traffic study, cultural resources testing report, and the final landscaping plan for the project. These items are information pieces that will help staff complete its FSA.

Potential Issues

Air Quality

Staff held a Preliminary Staff Assessment workshop focused on its air quality and public health analyses on September 6, 2000, in San Diego. Staff has scheduled a publicly noticed conference call on September 20, 2000, to discuss the applicant's proposal for PM10 mitigation.

The District plans to issue an FDOC, which will state that it does not contain the federally required Prevention of Significant Deterioration (PSD) analysis. The PSD would be issued after the Committee's Evidentiary Hearings, and after the U.S. Fish and Wildlife Service has issued its Biological Opinion in coordination with the U.S. Environmental Protection Agency (USEPA). This approach appears to respond to concerns outlined by USEPA in a July 28, 2000 letter on the Metcalf case. The Commission's legal staff is working to complete discussions on the PSD item with USEPA.

Biological Resources

The applicant plans to file a revised Biological Assessment (BA) by September 15, 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

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Biological Opinion. The USFWS now plans to file the Biological Opinion in early October, 2000.

Local Infrastructure Needs

On September 6, 2000, the applicant filed its 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 has completed its multidisciplinary gas study, and its conclusions are being incorporated in the FSA sections for Reliability and Efficiency. The complete study will be included in the FSA as an appendix to the main document.

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
Richard Myers, California Public Utilities Commission