

DOCKETED

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Document Title:	Argus Cogeneration Expansion Project (ACE) - Staff Analysis of Termination Proposal and Notice of Hearing Date
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Filer:	Mary Dyas
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CALIFORNIA ENERGY COMMISSION

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SACRAMENTO, CA 95814-5512
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DATE: July 12, 2018

TO: Interested Parties

FROM: Mary Dyas, Compliance Project Manager

**SUBJECT: ARGUS COGENERATION EXPANSION PROJECT (86-AFC-1C)
Staff Analysis of Termination Proposal and Notice of Hearing Date**

On June 19, 2018, the ACE Cogeneration Company, LP (ACC), the owner of the Argus Cogeneration Expansion (ACE) project, filed a petition with the California Energy Commission (Energy Commission) requesting to remove all remaining open conditions related to decommissioning of the ACE project and to terminate Energy Commission jurisdiction over the ACE project.

The 100-megawatt ACE project was certified by the Energy Commission on January 8, 1988 and began commercial operation in January 1991 and is located on the northwest side of Searles Lake in Trona, San Bernardino County.

The Energy Commission's webpage for this facility, http://www.energy.ca.gov/sitingcases/pre1999_page/index.php?xkm=ajdkha2385duhkasd268dsasjd5598fhajkhs, has a link to the petition and the Staff Analysis on the right side of the webpage in the box labeled "Compliance Proceeding." Click on the "Documents for this Proceeding (Docket Log)" option. After the Final Decision, the Energy Commission's Order regarding this petition will also be available from the same webpage.

This letter has been mailed to the Energy Commission's list of interested parties and property owners adjacent to the facility site. It has also been e-mailed to the facility listserv. The listserv is an automated Energy Commission e-mail system by which information about this facility is e-mailed to parties who have subscribed. To subscribe, go to the Energy Commission's webpage for this facility, cited above, scroll down the right side of the project webpage to the box labeled "Subscribe," and provide the requested contact information.

Energy Commission staff intends to recommend approval of the petition at the regularly scheduled August 1, 2018 Business Meeting of the Energy Commission. (See information below)

BUSINESS MEETING (PUBLIC HEARING) INFORMATION

The Energy Commission will hold a regularly scheduled business meeting (public hearing) on August 1, 2018, for consideration and possible approval of the petition to remove remaining open conditions of certification related to demolition of facility structures under the 2015 decommissioning plan and terminate the Energy Commission's jurisdiction over the ACE project.

**Date: August 1, 2018
10 a.m.
California Energy Commission
1516 Ninth Street
First Floor, Art Rosenfeld Room (Hearing Room A)
Sacramento, California
(Wheelchair accessible)**

Audio for the August 1, 2018, adoption hearing will be broadcast over the internet. Information on agendas and how to use the commission's web system can be found at http://www.energy.ca.gov/business_meetings/.

If you have a disability and require assistance to participate in these hearings, please contact Poneh Jones at (916) 654-4425 or poneh.jones@energy.ca.gov at least 5 days in advance of the hearing.

At this hearing, any person may present oral or written statements or arguments relevant to the proposed action. Interested persons may also submit written comments (see below).

To use the Energy Commission's electronic commenting feature, go to the Energy Commission's webpage for this facility, http://www.energy.ca.gov/sitingcases/pre1999_page/index.php?xkm=ajdkha2385duhkasd268dsasjd5598fhajkhs, click on the "Submit e-Comment" link, and follow the instructions in the on-line form. Be sure to include the facility name in your comments. Once submitted and accepted by the Energy Commission Dockets Unit, you will receive an e-mail with a link to them. **Comments are due by July 27, 2018.** Written comments may also be mailed or hand-delivered to:

California Energy Commission
Dockets Unit, MS-4
Docket No. 86-AFC-1C
1516 Ninth Street
Sacramento, CA 95814-5512

All comments and materials filed with the Dockets Unit will be added to the facility Docket Log and become publically accessible on the Energy Commission's webpage for the facility.

If you have questions about this letter, please contact Mary Dyas, Compliance Project Manager, at (916) 651-8891, or by fax to (916) 654-3882, or via e-mail to mary.dyas@energy.ca.gov.

For information on participating in the Energy Commission's review of the petition, please call the Public Adviser at (800) 822-6228 (toll-free in California) or send your e-mail to publicadviser@energy.ca.gov.

News media inquiries should be directed to the Energy Commission Media Office at (916) 654-4989, or by e-mail to mediaoffice@energy.ca.gov.

Mail List 753
Argus listserv

**ARGUS COGENERATION
EXPANSION (ACE) PROJECT
(86-AFC-1C)**

**PETITION FOR TERMINATION
STAFF ANALYSIS**

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ARGUS COGENERATION EXPANSION PROJECT (86-AFC-1C)

Petition to Remove Remaining Conditions of Certification and Terminate Energy Commission Jurisdiction

EXECUTIVE SUMMARY

Mary Dyas

INTRODUCTION

On June 19, 2018, the ACE Cogeneration Company, LP (ACC), the owner of the Argus Cogeneration Expansion (ACE) project, filed a Petition for Termination with the California Energy Commission requesting to remove all remaining open conditions related to demolition of the ACE project and to terminate Energy Commission jurisdiction over the ACE project.

Under Title 20, California Code of Regulations, section 1769, Energy Commission staff's review of a petition usually entails an environmental assessment to determine if there are any potential significant environmental impacts related to changes in the design, operations or performance of a facility. In this case, the Petition to Terminate proposes no changes to the design, operations or performance of the facility which is no longer operating, but proposes removing open conditions of certification and ending the Energy Commission's jurisdiction. The petition also does not result in direct or indirect physical changes to the environment and therefore would not be a project under the California Environmental Quality Act Guidelines (Cal. Code Regs., tit. 14, § 15378).

For this petition, staff has assessed whether it is appropriate to remove the remaining open conditions of certification imposed under the 2015 facility decommissioning plan and to terminate the Energy Commission's jurisdiction over the facility. To make this assessment, staff has considered the current state of the facility and the ability of San Bernardino County to take jurisdiction over the facility for future demolition of existing structures and redevelopment of this industrial site.

PROJECT LOCATION AND BACKGROUND

The 100-megawatt ACE project was certified by the Energy Commission on January 8, 1988 and began commercial operation in January 1991.

The ACE project was a coal and petroleum coke-fired power plant located on the northwest side of Searles Lake in Trona, San Bernardino County. The project included the administration building, water tanks, cooling tower, coal and petroleum coke handling and storage facilities, and ash landfill. The project and all related structures are located on a 24-acre site leased from Searles Valley Minerals. The project also included a 64-acre ash landfill on an adjacent parcel owned by ACC. When operating, the power plant supplied electricity to Southern California Edison and steam to Searles Valley Minerals' adjacent Argus facility.

On October 2, 2014, the power plant ceased operations and was placed in a long-term outage condition to secure the facility and minimize environmental hazards.

On June 10, 2015, the Energy Commission approved a petition to decommission the power plant, close the ash landfill and adopt additional conditions to ensure demolition and other decommissioning activities would comply with all legal requirements and not result in adverse environmental impacts. The approved plan proposed to demolish several of the structures on the ACE site used exclusively for power generation and retain other structures for future industrial reuse.

In September 2015, New Mill Capital acquired ACC and the ACE project and initially suspended all decommissioning activities to review options for the facility.

On November 8, 2017, the Energy Commission approved a petition from ACC, to separate the ash landfill from the rest of the ACE project, and to terminate Energy Commission jurisdiction over the ash landfill.

On May 14, 2018, SV Industrial Services purchased ACC from New Mill Capital and is the sole owner of ACC and the ACE project. SV Industrial Services plans on demolishing some of the structures at the ACE project, including the boiler and stack, and retaining others, including the turbine-generator building and ash handling silo, for industrial reuse.

DESCRIPTION OF PROPOSED MODIFICATIONS

The ACE Cogeneration Company requests the California Energy Commission to approve a petition to:

- remove all remaining open conditions related to the approved 2015 ACE project decommissioning plan;
- terminate Energy Commission jurisdiction over the ACE project; and
- waive the 2018-2019 annual compliance fee.

The petition includes a letter from San Bernardino County regarding their willingness to assume jurisdiction over the project in its current condition and the reuse of the retained structures, as well as their willingness and ability to oversee demolition of the non-retained structures.

STAFF'S ASSESSMENT OF THE PROPOSED TERMINATION OF JURISDICTION

Staff has reviewed the Petition for Termination and has not identified any apparent environmental or health and safety risks that would warrant the Energy Commission to retain jurisdiction. Staff has also confirmed with San Bernardino County that the county has the ability, and is willing, to assume jurisdiction over the ACE facility.

Staff has determined that, per the 1988 Final Commission Decision and the 2015 Decommissioning Plan, the technical or environmental areas of Air Quality, Cultural

Resources, Hazardous Materials Management, Noise, Traffic and Transportation, Waste Management, and Worker Safety and Fire Protection have conditions of certification pertaining to demolition. In the case of Cultural Resources, demolition of the structures identified in the Petition for Termination would not impact known cultural resource sites. For the other technical areas, staff has determined that the conditions of certification can be removed because San Bernardino County's demolition permit process would ensure the substantive requirements of these conditions would be met.

Staff has also determined that the following technical or environmental areas would not be affected by terminating jurisdiction and transferring oversight of decommissioning activities to San Bernardino County: Biological Resources, Facility Design, Geological and Paleontological Resources, Land Use, Public Health, Socioeconomics, Soil and Water Resources, Transmission Line Safety and Nuisance, Transmission System Engineering, and Visual Resources.

The proposed action would not involve any physical changes to the environment, would not result in any significant adverse environmental impacts, and would be consistent with all applicable laws, ordinances, regulations, and standards (LORS).

Staff's conclusions for each technical or environmental area are summarized in the following table.

Summary of Staff Responses to Petition for Termination

TECHNICAL/ENVIRONMENTAL AREAS REVIEWED	SUMMARY OF STAFF CONCLUSIONS		
	No Demolition Conditions of Certification	Demolition Conditions of Certification	County Oversight of Conditions (Yes/No)
Air Quality		X	Yes
Alternatives	X		
Biological Resources	X		
Cultural Resources		X	Yes
Efficiency	X		
Facility Design	X		
Geological and Paleontological Resources	X		
Hazardous Materials Management		X	Yes
Land Use	X		
Noise		X	Yes
Public Health	X		
Socioeconomics	X		

TECHNICAL/ENVIRONMENTAL AREAS REVIEWED	SUMMARY OF STAFF CONCLUSIONS		
	No Demolition Conditions of Certification	Demolition Conditions of Certification	County Oversight of Conditions (Yes/No)
Soil and Water Resources	X		
Traffic and Transportation		X	Yes
Transmission Line Safety and Nuisance	X		
Transmission System Engineering	X		
Visual Resources	X		
Waste Management		X	Yes
Worker Safety and Fire Protection		X	Yes

Because the site has not been operating throughout 2017 and 2018, if jurisdiction is terminated, staff concurs that the 2018 annual compliance fee can be waived.

CONCLUSIONS AND STAFF RECOMMENDATIONS

Staff has reviewed the Petition for Termination and has not identified any apparent environmental or health and safety risks that would warrant the Energy Commission to retain jurisdiction.

Staff recommends approval of the proposed termination of jurisdiction over the ACE project and removal of the conditions of certification related to demolition of the project in the technical areas of Air Quality, Cultural Resources, Hazardous Materials Management, Noise, Traffic and Transportation, Waste Management, and Worker Safety.

Staff also recommends waiver of the 2018-2019 compliance fee.

ARGUS COGENERATION EXPANSION (ACE) PROJECT (86-AFC-01C)

Petition to Remove Remaining Conditions of Certification and Terminate Energy Commission Jurisdiction

Air Quality

Wenjun Qian, Ph.D., P.E.

I. Introduction

In this section, Energy Commission staff discusses the June 19, 2018 ACE Petition for Termination in relation to the technical area of **Air Quality**. The purpose of this analysis is to determine whether staff foresees any issues with terminating Energy Commission jurisdiction over the ACE project.

II. Decommissioning Conditions of Certification

For **Air Quality**, the petition seeks to remove the conditions of certification included in the approved 2015 decommissioning plan which include **AQ-SC4**, **AQ-SC5**, and **AQ-SC6**. The 2017 Commission Order (CEC 2017b) adopted Conditions of Certification **AQ-E1**, **AQ-E2**, **AQ-E3**, **AQ-E4**, **AQ-E5**, **AQ-E6**, and **AQ-E7** pertaining to the on-site prime diesel engine as well as Condition of Certification **AQ-SC7** as a general condition needed to clarify requirements for current and future onsite emission units (CEC 2017a). This analysis focuses on the conditions of certification included in both the approved 2015 decommissioning plan and the 2017 Commission Order.

Based on the following determinations, staff recommends that these remaining Air Quality Conditions of Certification be removed and the Energy Commission terminate its jurisdiction over the facility because:

- 1) The information provided in the Petition for Termination details that the repurposing of the facility is consistent with the 2015 Decommissioning Plan;
- 2) San Bernardino County has affirmed that the county is willing and able to take over jurisdiction of the facility and oversee future site redevelopment;
- 3) Current rules of the Mohave Desert Air Quality Management District would apply,
- 4) The conditions are necessary only if the Energy Commission retains jurisdiction; and
- 5) The facility is no longer an operating power plant.

III. Termination of Energy Commission Jurisdiction

Staff is unaware of any environmental or health and safety concerns that would require the Energy Commission to retain jurisdiction. Specifically, in regards to **Air Quality** the petition states that the facility is no longer operating and air permits have been terminated and emission reduction credits banked and sold. Any future impacts from redevelopment of the site, including any further demolition, would be subject to the jurisdiction and requirements of the county and local agencies.

The Mojave Desert Air Quality Management District (MDAQMD) would be responsible for air quality permits and protections associated with changes in use of the site or facilities. The MDAQMD would be responsible for enforcing federal and state air quality requirements. The following provides a more detailed discussion regarding the requirements of each of the open conditions in **Air Quality**. ACC would still be required to meet all of these requirements after termination of Energy Commission jurisdiction, but the requirements would be overseen by local jurisdictions rather than the Energy Commission.

AQ-SC4 (Statewide Portable Equipment Registration Program [PERP])

Condition of Certification **AQ-SC4** requires all applicable portable equipment used by the demolition contractor be registered through the California Air Resources Board's (ARB's) PERP. Owners or Operators of portable engines and certain other types of equipment can register their units under the ARB PERP in order to operate their equipment throughout California without having to obtain individual permits from local air districts. PERP is designed to ensure that portable equipment meets certification tier levels and respective emission standards. Both ARB and MDAQMD enforce compliance with PERP requirements. ACC would still be required to meet PERP requirements after termination of Energy Commission jurisdiction.

AQ-SC5 (Visible Emissions)

MDAQMD Rule 401 limits visible emissions opacity to less than 20 percent (or Ringelmann No. 1), as also required by Condition of Certification **AQ-SC5**. MDAQMD is responsible for enforcing Rule 401 requirements on visible emissions, regardless of whether Energy Commission has jurisdiction over the project or not.

AQ-SC6 (Dust Control Plan)

To ensure compliance with MDAQMD fugitive dust rules (Rule 403 and Rule 403.1), ACC is required to submit a Dust Control Plan to the MDAQMD for approval to minimize fugitive dust emissions, as also specified in Condition of Certification **AQ-SC6**. The project owner has not submitted the Dust Control Plan since demolition of the ACE project has not been initiated. MDAQMD is responsible for enforcing compliance with the fugitive dust rules, regardless of whether Energy Commission has jurisdiction over the project or not. San Bernardino County would also require a Dust Control Plan once the jurisdiction is transferred.

AQ-SC7 (General Requirements)

Condition of Certification **AQ-SC7** is a general condition, which requires the project owner to operate emission equipment according to applicable air quality rules and regulations. **AQ-SC7** also requires the project owner to report to the Energy Commission's compliance project manager (CPM) any addition of equipment subject to licensing requirements, or any changes to the operation of any licensed equipment. Both San Bernardino County and MDAQMD would ensure the project's compliance with applicable air quality rules and regulations after termination of Energy Commission jurisdiction.

AQ-E1 through AQ-E7 (Diesel Engine)

In 2017, the project owner installed a 125 kW prime diesel engine with a MDAQMD permit. The engine was a 2014 certified Tier 4i engine. The 2017 Commission Order (CEC 2017b) approved Conditions of Certification **AQ-E1** through **AQ-E7** pertaining to this prime diesel engine.

In January 2018, ACC replaced the 125 kW diesel engine with a 30 kW Tier 4 diesel engine (model number DCA40SSKU4F from MQ Power), consistent with the reduced electricity requirements onsite. The MDAQMD staff approved the replacement but did not require a permit for the new unit because the unit's rating is less than 50 brake horsepower (bhp) according to MDAQMD Rule 219(E)(2)(a). ACC also informed the Energy Commission of the change in generators. The new 30 kW Tier 4 diesel engine complies with the New Source Performance Standards (NSPS) for Stationary Compression Ignition Internal Combustion Engines (40 CFR Part 60 Subpart IIII). According to MDAQMD records, the permit for the previous 125 kW diesel engine became inactive in January 2018. Therefore, Conditions of Certification **AQ-E1** through **AQ-E7** for the 125 kW diesel engine in the 2017 Commission Order are no longer applicable to the project.

Based on information in the record, staff anticipates the site to continue to serve an industrial purpose. Therefore, no additional Energy Commission oversight is necessary and staff recommends the Energy Commission terminate its jurisdiction over the ACE facility.

References

- CEC 2017a – California Energy Commission, Staff Analysis of the Petition to Separate and Terminate Jurisdiction over the Ash Landfill & Use of an On-site Diesel Generator, Compliance – Application for Certification for the (ACE) Argus Cogeneration Expansion AFC (86-AFC-01C), TN# 221423, dated 10/6/2017.
- CEC 2017b – California Energy Commission, Order Approving Petition to Amend the Facility License, Order No: 17-1108-1a, Compliance – Application for Certification for the (ACE) Argus Cogeneration Expansion AFC (86-AFC-01C), TN# 221765, dated 11/14/2017.

ARGUS COGENERATION EXPANSION (ACE) PROJECT (86-AFC-01C)

Petition to Remove Remaining Conditions of Certification and Terminate Energy Commission Jurisdiction

CULTURAL RESOURCES

Matt Braun

I. Introduction

ACE Cogeneration Company (ACC) submitted a plan to the California Energy Commission (Energy Commission) for terminating jurisdiction of the Argus Cogeneration Expansion (ACE) power plant: ACE Project Petition for Termination (ACE 2018). Upon approval of the petition all remaining open conditions related to the decommissioning of the ACE project would be removed, and the Energy Commission would terminate jurisdiction over the ACE project.

A cultural resources inventory for the ACE Project Decommissioning Plan identified one previously recorded isolated archaeological artifact and four prehistoric archaeological sites in the project area, and an additional four prehistoric sites within a one-mile radius of the ACE project site. At the time of licensing of the project, Native American groups identified at least three of these resources (CA-SBR-003846, CA-SBR-003847, and CA-SBR-003848) as ethnographic in nature. These resources are considered tribal cultural resources. Two listed built environment resources are located within one mile of the ACE project site, the Old Guest House Museum in Trona (California Point of Historic Interest #122) and the Searles Lake Borax Discovery site (California State Historical Landmark #774).

The Conditions of Certification adopted in the 2015 decommissioning plan would reduce any potential impacts to these resources to a less than significant level.

II. Decommissioning Conditions of Certification

The Petition for Termination seeks to remove the following **Cultural Resource** conditions of certification which remained in the approved 2015 Decommissioning Plan.

CUL-2 The project owner shall designate a qualified cultural resources specialist to be on site to monitor site preparation construction and ground-disturbing decommissioning activities in the vicinity of archaeological sites SBr-3846, 3847 and 3848 and to be on-call during site preparation and construction activities in other project areas.

Verification:

The project owner shall provide CPM with the name and telephone number of their cultural resources specialist at least 30 days prior to the start of any ground disturbance or construction activities.

CUL-3 If paleontological or cultural resources are discovered during construction or ground-disturbing decommissioning activities, work in the immediate area of the resource shall be halted and the designated paleontologist or cultural resources specialist, as appropriate, shall be consulted to evaluate the significance of the resources. Within one working day the project owner shall notify the CPM of any resource discovery and associated work stoppage. The designated paleontologist/cultural resources specialist and representatives of the project owner and the CPM shall confer within one working day of the notification to discuss possible mitigation measures. Pending resolution of this matter, construction activity in the resource area shall remain stopped.

Verification:

The project owner shall notify the CPM within one working day of the resource discovery and the work stoppage. The project owner shall include a report on any such work stoppage or find in the Periodic Compliance Reports.

Based on the following determinations, staff recommends that remaining Conditions of Certification, **CUL-2** and **CUL-3**, be removed and the Energy Commission terminate its jurisdiction over the facility because:

- 1) The information provided in the Petition for Termination details that the repurposing of the facility is consistent with the 2015 Decommissioning Plan;
- 2) San Bernardino County has affirmed that the county is willing and able to take over jurisdiction of the facility and oversee future site redevelopment;
- 3) The conditions are necessary only if the Energy Commission retains jurisdiction; and
- 4) The facility is no longer an operating power plant.

III. Termination of Energy Commission Jurisdiction

Staff is unaware of any apparent environmental or health and safety concerns that would require the Energy Commission to retain jurisdiction. Specifically, in regards to **Cultural Resources**, the facility is no longer operating and all known cultural resources are located in areas where they would only be impacted by ground-disturbing activities. Demolition of the structures identified in the Petition for Termination would not impact these resources, however San Bernardino County can and should take these cultural resources into consideration as part of their CEQA review for any future redevelopment of the site. Any future impacts from redevelopment including demolition would be subject to the jurisdiction and requirements of the county and local agencies. Based on information in the record, staff anticipates the site to continue to serve an industrial purpose. Therefore, no additional Energy Commission oversight is necessary and staff recommends the Energy Commission terminate its jurisdiction over the ACE facility.

ARGUS COGENERATION EXPANSION PROJECT (86-AFC-01C)

Petition to Remove Remaining Conditions of Certification and Terminate Energy Commission Jurisdiction

HAZARDOUS MATERIALS MANAGEMENT

Brett Fooks

I. Introduction

In this section, Energy Commission staff discusses the June 19, 2018 ACE Petition for Termination in relation to the technical area of **Hazardous Materials Management**. The purpose of this analysis is to determine whether staff foresees any issues with terminating Energy Commission jurisdiction over the ACE project.

II. Decommissioning Conditions of Certification

The Petition for Termination seeks to remove the following four **Hazardous Materials Management** Conditions of Certification which remained in the approved 2015 Decommissioning Plan.

HAZ-1 The project owner shall provide a revised Hazardous Materials Business Plan (HMBP) for the hazardous materials that would be used during demolition, to the San Bernardino County Fire Department and the CPM for review. After receiving comments from the San Bernardino County Fire Department and the CPM, the project owner shall include in the final documents all recommendations that ensure LORS compliance. Copies of the revised final HMBP shall then be provided to the San Bernardino County Fire Department for information and to the CPM for approval.

Verification: At least thirty (30) days prior to starting demolition of the site, the project owner shall provide a copy of the revised final Hazardous Materials Business Plan. The project owner shall also provide a letter to the CPM stating that the plan was submitted to the San Bernardino County Fire Department for review.

HAZ-2 During the closeout of the Hazardous Materials Business Plan, the project owner shall maintain the existing security plan for the hazardous materials that remain on site until the transfer of ownership is complete.

Verification: The project owner shall provide a letter to the CPM stating that the existing security standards will be maintained for the hazardous materials that remain on site until transfer of ownership is completed.

HAZ-3 Upon completion of the Hazardous Materials Business Plan closeout, the project owner shall follow all of the closeout procedures outlined by the SBCFD's CUPA.

Verification: The project owner shall provide a letter to the CPM stating the requirements that the SBCFD CUPA imposed for the remaining hazardous materials left on site to complete the close out of the existing Hazardous Materials Business Plan and that those requirements have been met.

HAZ-4 The project owner shall provide a copy of the Explosives Permit to the San Bernardino County Fire Department and the CPM for review. The project owner shall also coordinate with the SBCFD the dates of demolition activities with explosives so that the proper fire protection is provided on site.

Verification: At least thirty (30) days prior to allowing explosives on the site, the project owner shall provide a copy of the Explosives Permit obtained from the San Bernardino County Sheriff's Department to the San Bernardino County Fire Department and CPM for review. At least (14) days prior to starting demolition activities with explosives, the project owner shall also submit a letter to the CPM showing the coordination with the SBCFD for the dates required for fire protection services.

Based on the following determinations, staff recommends that remaining Conditions of Certification, **HAZ-1** through **HAZ-4**, be removed and the Energy Commission terminate its jurisdiction over the facility because:

- 1) The information provided in the Petition for Termination details that the repurposing of the facility is consistent with the 2015 Decommissioning Plan;
- 2) San Bernardino County has affirmed that the county is willing and able to take over jurisdiction of the facility and oversee future site redevelopment;
- 3) The conditions are necessary only if the Energy Commission retains jurisdiction; and
- 4) The facility is no longer an operating power plant.

III. Termination of Energy Commission Jurisdiction

Staff is unaware of any apparent environmental or health and safety concerns that would require the Energy Commission to retain jurisdiction. Specifically, in regards to **Hazard Materials Management** the facility is no longer operating and the county would take over any management of the remaining hazardous materials on site. The removed conditions of certification would continue to be enforced by the county because the conditions cite laws, ordinances, regulations and standards (LORS). The administering agency of the San Bernardino County Certified Unified Program Agency is the San Bernardino County Fire Department. Any future impacts from redevelopment including demolition would be subject to the jurisdiction and requirements of the county and local agencies. Based on information in the record, staff anticipates that the site would continue to serve an industrial purpose. Therefore, no additional Energy Commission oversight is necessary and staff recommends the Energy Commission terminate its jurisdiction over the ACE facility.

ARGUS COGENERATION EXPANSION (ACE) PROJECT (86-AFC-01C)

Petition to Remove Remaining Conditions of Certification and Terminate Energy Commission Jurisdiction

NOISE

Shahab Khoshmashrab

I. Introduction

In this section, Energy Commission staff discusses the June 19, 2018 ACE Petition for Termination in relation to the technical area of **Noise**. The purpose of this analysis is to determine whether staff foresees any issues with terminating Energy Commission jurisdiction over the ACE project.

II. Decommissioning Conditions of Certification

The Petition for Termination seeks to remove the following **Noise** condition of certification which remained in the approved 2015 Decommissioning Plan.

NOISE-5 KMCC shall limit noise-generating construction activities to the hours (5 a.m. to midnight) except in cases of emergency. The extended work day (5 a.m. to midnight) is permissible provided noise during the extended construction hours is adequately mitigated and does not constitute a public nuisance. An emergency is defined for purposes of this condition as an event involving a spill, an accident, imminent loss of equipment, or other unforeseen events requiring immediate action to protect employee or the public health and safety.

Verification: KMCC shall report to the San Bernardino County Department of Health Services, within 24 hours, any emergency associated with noise generating construction activities. Any complaints received from the public during normal or extended construction hours shall be addressed under the Complaint Resolution Program (required by Noise Condition 1).

Based on the following determinations, staff recommends that remaining Conditions of Certification, **NOISE-5**, be removed and the Energy Commission terminate its jurisdiction over the facility because:

- 1) The information provided in the Petition for Termination details that the repurposing of the facility is consistent with the 2015 Decommissioning Plan;
- 2) San Bernardino County has affirmed that the county is willing and able to take over jurisdiction of the facility and oversee future site redevelopment;
- 3) The conditions are necessary only if the Energy Commission retains jurisdiction; and
- 4) The facility is no longer an operating power plant.

III. Termination of Energy Commission Jurisdiction

Staff is unaware of any apparent environmental or health and safety concerns that would require the Energy Commission to retain jurisdiction. Specifically, in regards to **Noise**, the facility is no longer operating and the removed condition of certification would continue to be enforced by the county as the condition describes the county's requirements. Any future impacts from redevelopment including demolition would be subject to the jurisdiction and requirements of the county. Demolition activities would be required to comply with the applicable San Bernardino County noise ordinances and work hours' limitations established by the San Bernardino County Department of Environmental Health Services, including the county's complaint resolution process. Based on information in the record, staff anticipates that the site will continue to serve an industrial purpose. Therefore, no additional Energy Commission oversight is necessary and staff recommends the Energy Commission terminate its jurisdiction over the ACE facility.

ARGUS COGENERATION EXPANSION (ACE) PROJECT (86-AFC-01C)

Petition to Remove Remaining Conditions of Certification and Terminate Energy Commission Jurisdiction

TRAFFIC AND TRANSPORTATION

Ashley Gutierrez

I. Introduction

In this section, Energy Commission staff discusses the June 19, 2018 ACE Petition for Termination in relation to the technical area of **Traffic and Transportation**. The purpose of this analysis is to determine whether staff foresees any issues with terminating Energy Commission jurisdiction over the ACE project.

II. Decommissioning Conditions of Certification

The Petition for Termination seeks to remove the following **Traffic and Transportation** conditions of certification which remained in the approved 2015 Decommissioning Plan.

Condition of Certification **TRAFFIC-1** requires the project to comply with restrictions on over-sized or over-weight vehicles and obtain necessary transportation permits from Inyo County, Kern County, San Bernardino County and Caltrans. Compliance with size and weight restrictions and obtaining necessary transportation permits from the applicable Counties would still be required by SV Industrial if jurisdiction of the site was transferred to the county.

TRAFFIC-1 KMCC shall comply with the Inyo County, Kern County, San Bernardino County and CALTRANS restrictions on over-size or over-weight vehicles. KMCC shall obtain necessary transportation permits from the counties and CALTRANS.

Verification: In its annual compliance report, KMCC shall notify the CEC of any transportation permits obtained during the reporting period.

Based on the following determinations, staff recommends that remaining Condition of Certification, **TRAFFIC-1**, be removed and the Energy Commission terminate its jurisdiction over the facility because:

- 1) The information provided in the Petition for Termination details that the repurposing of the facility is consistent with the 2015 Decommissioning Plan;
- 2) San Bernardino County has affirmed that the county is willing and able to take over jurisdiction of the facility and oversee future site redevelopment;
- 3) The conditions are necessary only if the Energy Commission retains jurisdiction; and
- 4) The facility is no longer an operating power plant.

III. Termination of Energy Commission Jurisdiction

Staff is unaware of any apparent environmental or health and safety concerns that would require the Energy Commission to retain jurisdiction. Specifically, in regards to **Traffic and Transportation** the facility is no longer operating and traffic operations are already required to comply with restrictions on over-sized or over-weight vehicles and obtain necessary transportation permits from Inyo County, Kern County, San Bernardino County and Caltrans. Any future impacts from redevelopment including demolition would be subject to the jurisdiction and requirements of the county and local agencies. Based on information in the record, staff anticipates the site to continue to serve an industrial purpose. Therefore, no additional Energy Commission oversight is necessary and staff recommends the Energy Commission terminate its jurisdiction over the ACE facility.

ARGUS COGENERATION EXPANSION (ACE) PROJECT (86-AFC-01C)

Petition to Remove Remaining Conditions of Certification and Terminate Energy Commission Jurisdiction

WASTE MANAGEMENT

Paul Marshall

I. Introduction

In this section, Energy Commission staff discusses the June 19, 2018 ACE Petition for Termination in relation to the technical area of **Waste Management**. The purpose of this analysis is to determine whether staff foresees any issues with terminating Energy Commission jurisdiction over the ACE project.

II. Decommissioning Conditions of Certification

The Petition for Termination seeks to remove the following **Waste Management** conditions of certification which remained in the approved 2015 Decommissioning Plan.

WASTE-11 The project owner shall prepare a Construction Waste Management Plan for demolition wastes generated during decommissioning of the facility and shall submit the plan to the San Bernardino County Department of Public Works, Solid Waste Management Division (SWMD) and CPM for review. The plan shall contain, at a minimum, the following:

1. a description of all demolition waste streams, including projections of frequency, amounts generated, and hazard classifications; and
2. management methods to be used for each waste stream, including temporary on-site storage, housekeeping and best management practices to be employed, treatment methods and companies providing treatment services, waste testing methods to assure correct classification, methods of transportation, disposal requirements and sites, and recycling and waste minimization/source reduction plans.

During demolition, the project owner shall require contracted waste and/or refuse haulers to document each waste load transferred from the demolition site to a disposal site and/or recycling center. The contractor shall specifically identify permitted solid waste facilities or recycling centers. The project owner shall also provide copies of documentation demonstrating the demolition wastes have been disposed of in accordance with the Construction Waste Management Plan.

Verification: The project owner shall submit the Construction Waste Management Plan to the SWMD and the CPM for approval no less than 30 days prior to the initiation of demolition activities at the site. The project owner shall identify permitted solid waste facilities or recycling centers that receive plant waste and maintain copies of weigh tickets and manifests showing the type and volume of waste disposed and submit documentation to SWMD and the CPM demonstrating the

demolition wastes have been disposed of in accordance with the Construction Waste Management Plan.

Based on the following determinations, staff recommends that remaining Condition of Certification, **WASTE-11**, be removed and the Energy Commission terminate its jurisdiction over the facility because:

- 1) The information provided in the Petition for Termination details that the repurposing of the facility is consistent with the 2015 Decommissioning Plan;
- 2) San Bernardino County has affirmed that the county is willing and able to take over jurisdiction of the facility and oversee future site redevelopment;
- 3) The conditions are necessary only if the Energy Commission retains jurisdiction; and
- 4) The facility is no longer an operating power plant.

III. Termination of Energy Commission Jurisdiction

Staff is unaware of any apparent environmental or health and safety concerns that would require the Energy Commission to retain jurisdiction. Specifically, in regards to **Waste Management**, the facility is no longer operating. Open Condition of Certification **WASTE-11** would require the project owner to prepare and implement a Waste Management Plan for demolition activities that were proposed in the 2015 Decommissioning Plan. The current Petition for Termination proposes changes in the scope of demolition and future unspecified changes in industrial use at the site.

WASTE-11 would require the project owner to have the Waste Management Plan reviewed by San Bernardino County because of their waste diversion management requirements.

With the proposed change in jurisdiction, the county would take the lead and be responsible for ensuring compliance with their requirements rather than the Energy Commission. The proposed change in jurisdiction and project compliance with County waste management requirements would ensure there would be no environmental impacts.

In a letter dated June 8, 2018, San Bernardino County specifically indicated they would assume responsibility for implementation of a demolition waste management plan. Staff concludes there would be no significant potential impact related to waste management from the change in jurisdiction to San Bernardino County. Any future impacts from redevelopment including demolition would be subject to the jurisdiction and requirements of the county and local agencies. Based on information in the record, staff anticipates the site to continue to serve an industrial purpose. Therefore, no additional Energy Commission oversight is necessary and staff recommends the Energy Commission terminate its jurisdiction over the ACE facility.

ARGUS COGENERATION EXPANSION (ACE) PROJECT (86-AFC-01C)

Petition to Remove Remaining Conditions of Certification and Terminate Energy Commission Jurisdiction

WORKER SAFETY AND FIRE PROTECTION

Brett Fooks

I. Introduction

In this section, Energy Commission staff discusses the June 19, 2018 ACE Petition for Termination in relation to the technical area of **Worker Safety and Fire Protection**. The purpose of this analysis is to determine whether staff foresees any issues with terminating Energy Commission jurisdiction over the ACE project.

II. Decommissioning Conditions of Certification

The Petition for Termination seeks to remove the following three **Worker Safety and Fire Protection** conditions of certification which remained in the approved 2015 Decommissioning Plan.

WORKER SAFETY-1 The project owner shall submit to the Compliance Project Manager (CPM) a copy of the project Construction/Demolition Safety and Health Program containing the following:

1. a Construction/Demolition Personal Protective Equipment Program;
2. a Construction/Demolition Exposure Monitoring Program;
3. a Construction/Demolition Injury and Illness Prevention Program;
4. a Construction/Demolition Emergency Action Plan;
5. a Construction/Demolition Fire Prevention Plan; and
6. a Construction/Demolition Explosives Safety Plan.

The Personal Protective Equipment Program, the Exposure Monitoring Program, and the Injury and Illness Prevention Program shall be submitted to the CPM for review and approval concerning compliance of the program with all applicable safety orders. The Construction/ Demolition Emergency Action Plan, the Construction/Demolition Fire Prevention Plan, and the Construction/Demolition Explosives Plan shall be submitted to the Fire Department for review and comment prior to submittal to the CPM for approval.

Verification: At least thirty (30) days prior to the start of demolition, the project owner shall submit to the CPM for review and approval a copy of the project Demolition Safety and Health Program. The project owner shall provide a copy of a letter to the CPM from the Fire Department stating the fire department's comments on the Demolition Fire Prevention Plan and Emergency Action Plan.

WORKER SAFETY-2 The project owner shall provide a site Construction/Demolition Safety Supervisor who, by way of training and/or experience, are knowledgeable of tank demolition, power plant deconstruction activities, and relevant laws, ordinances, regulations, and standards; are capable of identifying workplace hazards relating to the demolition and/or construction activities; and has authority to take appropriate action to assure compliance and mitigate hazards. The Construction/Demolition Safety Supervisor shall:

1. have overall authority for coordination and implementation of all occupational safety and health practices, policies, and programs;
2. assure that the safety program for the project complies with Cal/OSHA and federal regulations related to power plant projects;
3. assure that all demolition workers and supervisors receive adequate safety training;
4. complete accident and safety-related incident investigations and emergency response reports for injuries and inform the CPM of safety-related incidents; and
5. assure that all the plans identified in Condition of Certification **WORKER SAFETY-1** are implemented.

Verification: At least thirty (30) days prior to the start of demolition, the project owner shall submit to the CPM the name and contact information for the Construction/Demolition Safety Supervisor. The contact information of any replacement DSS shall be submitted to the CPM within one business day.

The Construction/Demolition Safety Supervisor shall submit a monthly safety inspection report to the CPM to include a:

1. record of all employees trained for that month (all records shall be kept on site for the duration of the project);
2. summary report of safety management actions and safety-related incidents that occurred during the month;
3. report of any continuing or unresolved situations and incidents that may pose danger to life or health; and
4. report of accidents and injuries that occurred during the month.

WORKER SAFETY-3 The project owner shall ensure that a portable automatic external defibrillator (AED) is located on site during demolition and removal of the ACE power plant and shall implement a program to ensure that workers are properly trained in its use and that the equipment is properly maintained and functioning at all times. During demolition, the following persons shall be trained in its use and shall be on site whenever the workers that they supervise are on site: the Construction/Demolition Project Manager or delegate, the Construction/Demolition Safety Supervisor or delegate, and all shift foremen.

Verification: At least thirty (30) days prior to the start of demolition, the project owner shall submit to the CPM a letter stating that a portable automatic external defibrillator (AED) will exist on site and a copy of the training and maintenance program for review and approval.

Based on the following determinations, staff recommends that remaining Conditions of Certification **WORKER SAFETY-1** through **WORKER SAFETY-3**, be removed and the Energy Commission terminate its jurisdiction over the facility because:

- 1) The information provided in the Petition for Termination details that the repurposing of the facility is consistent with the 2015 Decommissioning Plan;
- 2) San Bernardino County has affirmed that the county is willing and able to take over jurisdiction of the facility and oversee future site redevelopment;
- 3) The conditions are necessary only if the Energy Commission retains jurisdiction; and
- 4) The facility is no longer an operating power plant.

III. Termination of Energy Commission Jurisdiction

Staff is unaware of any apparent environmental or health and safety concerns that would require the Energy Commission to retain jurisdiction. Specifically, in regards to **Worker Safety and Fire Protection** the facility is no longer operating and the removed conditions of certification would continue to be enforced by the county because the conditions cite laws, ordinances, regulations and standards (LORS). Any future impacts from redevelopment including demolition would be subject to the jurisdiction and requirements of the state, county, and local agencies. Based on information in the record, staff anticipates that the site will continue to serve an industrial purpose. Therefore, no additional Energy Commission oversight is necessary and staff recommends the Energy Commission terminate its jurisdiction over the ACE facility.