



Alan C. Lloyd, Ph.D.
Agency Secretary
Cal/EPA



Department of Toxic Substances Control

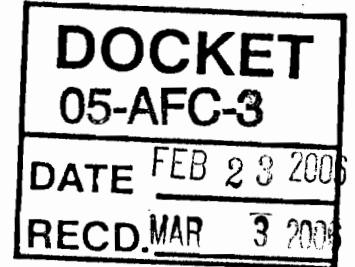
Maureen F. Gorsen, Director
5796 Corporate Avenue
Cypress, California 90630



Arnold Schwarzenegger
Governor

February 23, 2006

Mr. Robert Worl
Project Manager
California Energy Commission
1516 9th Street, MS-15
Sacramento, California 95814



SUN VALLEY ENERGY PROJECT, APPLICATION FOR CERTIFICATION,
AND SUPPLEMENT IN RESPONSE TO DATA ADEQUACY REVIEW,
DATED JANUARY 2006

Dear Mr. Worl:

The Department of Toxic Substances Control (DTSC) has received your submitted documents titled Application for Certification (Application), and Supplement in Response to Data Adequacy Review, for the Sun Valley Energy Project (SVEP). Your Application states in the Project Description, in part, "The SVEP would be a nominal 500 megawatt (MW) simple-cycle power plant, consisting of five General Electric LMS100 natural gas-fired turbine-generators and associated equipment." Based on the review of the submitted documents DTSC has comments as follows:

- 1) The Application should identify any current or historic uses at the project site that may have resulted in a release of hazardous wastes/substances.
- 2) The Application should identify the known or potentially contaminated sites within the proposed Project area. For all identified sites, the Application should evaluate whether conditions at the site may pose a threat to human health or the environment. Following are the databases of some of the regulatory agencies:
 - National Priorities List (NPL): A list maintained by the United States Environmental Protection Agency (U.S.EPA).
 - Site Mitigation Program Property Database (formerly CalSites): A Database primarily used by the California Department of Toxic Substances Control.
 - Resource Conservation and Recovery Information System (RCRIS): A database of RCRA facilities that is maintained by U.S. EPA.

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- Comprehensive Environmental Response Compensation and Liability Information System (CERCLIS): A database of CERCLA sites that is maintained by U.S.EPA.
 - Solid Waste Information System (SWIS): A database provided by the California Integrated Waste Management Board which consists of both open as well as closed and inactive solid waste disposal facilities and transfer stations.
 - Leaking Underground Storage Tanks (LUST) / Spills, Leaks, Investigations and Cleanups (SLIC): A list that is maintained by Regional Water Quality Control Boards.
 - Local Counties and Cities maintain lists for hazardous substances cleanup sites and leaking underground storage tanks.
 - The United States Army Corps of Engineers, 911 Wilshire Boulevard, Los Angeles, California, 90017, (213) 452-3908, maintains a list of Formerly Used Defense Sites (FUDS).
- 3) The Application should identify the mechanism to initiate any required investigation and/or remediation for any site that may be contaminated, and the government agency to provide appropriate regulatory oversight. If hazardous materials or wastes were stored and used at the site, a Site Assessment could determine if a release had occurred. If so, further studies should be carried out to delineate the nature and extent of the contamination, and the potential threat to public health and/or the environment should be evaluated. It may be necessary to determine if an expedited response action is required to reduce existing or potential threats to public health or the environment. If no immediate threat exists, the final remedy should be implemented in compliance with state regulations and policies.
 - 4) All environmental investigations, sampling and/or remediation for the site should be conducted under a Workplan approved and overseen by a regulatory agency that has jurisdiction to oversee hazardous substance cleanup. The findings of any investigations, including Phase I and II investigations, should be summarized in the document. All sampling results in which hazardous substances were found should be clearly summarized in a table.
 - 5) Proper investigation, sampling and remedial actions overseen by a regulatory agency, if necessary, should be conducted at the site prior to the new development or any construction. All closure, certification or remediation approval reports by these agencies should be included in the Application.

- 6) If any property adjacent to the project site is contaminated with hazardous chemicals, and if the proposed project is within 2,000 feet from a contaminated site, then the proposed development may fall within the "Border Zone of a Contaminated Property." Appropriate precautions should be taken prior to construction if the proposed project is within a Border Zone Property.
- 7) If buildings or other structures, asphalt or concrete-paved surface areas are being planned to be demolished, an investigation should be conducted for the presence of lead-based paints or products, mercury, and asbestos containing materials (ACMs). If lead-based paints or products, mercury or ACMs were identified, proper precautions would be taken during demolition activities. Additionally, the contaminants should be remediated in compliance with California environmental regulations and policies.
- 8) The project construction may require soil excavation and soil filling in certain areas. Appropriate sampling is required prior to disposal of the excavated soil. If the soil is contaminated, properly dispose of it rather than placing it in another location. Land Disposal Restrictions may be applicable to these soils. Also, if the project proposes to import soil to backfill the areas excavated, proper sampling should be conducted to make sure that the imported soil is free of contamination.
- 9) Human health and the environment of sensitive receptors should be protected during the construction or demolition activities. A study of the site overseen by the appropriate government agency should be conducted to determine if there are, have been, or will be, any releases of hazardous materials that may pose a risk to human health or the environment.
- 10) If it is determined that hazardous wastes are, or will be, generated by the proposed operations, the wastes must be managed in accordance with the California Hazardous Waste Control Law (California Health and Safety Code, Division 20, Chapter 6.5) and the Hazardous Waste Control Regulations (California Code of Regulations, Title 22, Division 4.5).
- 11) If it is determined that hazardous wastes are or will be generated and the wastes are (a) stored in tanks or containers for more than ninety days, (b) treated onsite, or (c) disposed of onsite, then a permit from DTSC may be required. If so, the facility should contact DTSC at (714) 484-5423 to initiate pre Application discussions and determine the permitting process applicable to the facility.

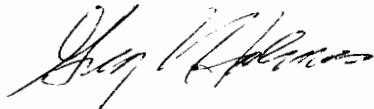
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- 12) If it is determined that hazardous wastes will be generated, the facility should obtain a United States Environmental Protection Agency Identification Number by contacting (800) 618-6942.
- 13) Certain hazardous waste treatment processes may require authorization from the local Certified Unified Program Agency (CUPA). Information about the requirement for authorization can be obtained by contacting your local CUPA.
- 14) If the project plans include discharging wastewater to storm drain, you may be required to obtain a wastewater discharge permit from the overseeing Regional Water Quality Control Board (RWQCB).
- 15) If during construction/demolition of the project, the soil and/or groundwater contamination is suspected, construction/demolition in the area would cease and appropriate health and safety procedures should be implemented.
- 16) If the Project site was used for agricultural production, cattle or animal activities, onsite soils and groundwater might contain pesticides, agricultural chemical, organic waste or other related residue. Proper investigation, and remedial actions, if necessary, should be conducted under the oversight of and approved by a government agency such as the RWQCB or DTSC prior to construction of the project.

DTSC provides guidance for cleanup oversight through the Voluntary Cleanup Program (VCP) for private parties. For additional information on the VCP, please visit DTSC's web site at www.dtsc.ca.gov.

If you have any questions regarding this letter, please contact me at (714) 484-5461.

Sincerely,



Greg Holmes
Unit Chief
Southern California Cleanup Operations Branch - Cypress Office

cc: See next page

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cc: Mr. Guenther W. Moskat, Chief
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CEQA Tracking Center, MS 22-2
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Mr. Aaron Yue
Unit Chief
Permitting and Corrective Action Branch - Cypress Office

CEQA# 1329