



City of Carlsbad

Office of the City Manager

August 22, 2008

Mike Monasmith
Siting Project Manager
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, CA 95814

DOCKET
07-AFC-6
DATE AUG 22 2008
RECD. AUG 22 2008

**RE: CARLSBAD ENERGY CENTER PROJECT (07-AFC-6)
PROJECT INCONSISTENCY WITH CITY OF CARLSBAD LAND USE
ORDINANCES AND POLICIES**

Dear Mr. Monasmith:

On June 3, 2008, a letter was forwarded to your office by John McKinsey, attorney for the Carlsbad Energy Center LLC. The correspondence provided a rebuttal on the conclusions and interpretations of the City of Carlsbad's land use ordinances and policies related to the property upon which the Carlsbad Energy Center Project (CECP) is proposed, and offers Mr. McKinsey's opinion that the proposed Carlsbad Energy Center is consistent with these policies. It will come as no surprise that the City disagrees with many of Mr. McKinsey's conclusions and reiterates its finding(s) that the proposed project is **not** consistent with several of the applicable land use ordinances and long-standing policies of the City, and again states that the proposed project is inconsistent with the desired development for the subject property. The City Council approved at its August 12, 2008 meeting, a resolution reconfirming its opposition to the construction of the proposed CECP (see attached Resolution 2008-235). The resolution reaffirms the City's position that the future development of non-coastal dependent industrial uses is not and will not be supported. It is anticipated that there will be a zone change in the near future that will formalize this land use position.

While the City acknowledges the need for new in-basin energy generation and is supportive of serving as host to this type of facility, it no longer believes that the site selected for the subject project is the best and/or most appropriate. The City has provided information to the developer on alternate sites which are feasible and much more appropriate for this type of industrial land use. The City has also offered several times to work cooperatively with the developer of the Carlsbad Energy Center to build an energy-generating facility at an alternate site. This clearly demonstrates the City's sincere desire to accommodate a power plant within its jurisdictional boundaries. It also demonstrates the City's sincere desire to provide for development on the subject coastal property that offers much greater direct public benefit to the Carlsbad community and provides for a more appropriate land use. The City has been very consistent in its policy message that it is not opposed to the construction of a new power plant within Carlsbad. It is



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Mike Monasmith, Siting Project Manager
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simply opposed to construction of the new power plant on the coastal property identified within the application.

Based on recent studies, the City believes the proposed site is seriously constrained and will ultimately result in a project which presents too many negative impacts for the Carlsbad community, including a negative visual impact and potential safety hazards from a power plant being located too close to Interstate 5 after its widening. In addition, the project no longer represents a coastal dependent land use. Therefore, it does not need to be constructed on key coastal property within Carlsbad. For all of these reasons, the City remains opposed to the proposed application. However, it will continue to work cooperatively with the applicant to site a power plant at an alternate (non-coastal) site, if the applicant desires to do so.

If you have any questions regarding this correspondence and/or the City's review of the subject application, please contact my office at (760) 434-2820 or jgaru@ci.carlsbad.ca.us.

Sincerely,



Joe Garuba
Municipal Projects Manager

JG:ad

Attachment

cc: See Proof of Service (Rev. 7/31/2008; electronic service only)
John A. McKinsey, Stoel Rives, LLC
Lisa Hildabrand, City Manager
Ron Ball, City Attorney
Jim Elliott, Deputy City Manager
Sandra Holder, Community Development Director
Glenn Pruum, Public Works Director
Debbie Fountain, Housing and Redevelopment Director
Scott Donnell, Senior Planner

RESOLUTION NO. 2008-235

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, WHICH OPPOSES THE PROPOSED CARLSBAD ENERGY CENTER PROJECT (CECP) AND PRECLUDES ALL NON-COASTAL DEPENDENT INDUSTRIAL APPLICATIONS, INCLUDING ENERGY GENERATION FROM ANY FUTURE LAND USE AT THE ENCINA POWER STATION SITE.

WHEREAS, NRG Energy, Inc., has submitted an Application for Certification (AFC) for the Carlsbad Energy Center Project (CECP) to the California Energy Commission (CEC); and

WHEREAS, the CEC has jurisdiction in approving new power plants; and

WHEREAS, the City of Carlsbad recognizes the need to develop energy resources that meet the growing demands of our region; and

WHEREAS, as home to the existing Encina Power Station (EPS) since the 1950s and numerous other regional facilities, Carlsbad understands a community's responsibility in hosting regional resources and the impacts associated with such; and

WHEREAS, due to recent advances in technology, a state-of-the-art power plant is not a coastal dependent land use; and

WHEREAS, the proposed CECP would constitute a non-coastal dependent industrial land use at the EPS site for an estimated additional 40 years; and

WHEREAS, the proposed CECP will negatively impact the future redevelopment of the EPS site (defined as those parcels owned by NRG and San Diego Gas and Electric which are located west of Interstate 5, North of Cannon Road, South of Agua Hedionda Lagoon, and East of Carlsbad Blvd); and

WHEREAS, the City of Carlsbad has reviewed the AFC and found it to be inconsistent and detrimental to the best interests of the community; and

1 WHEREAS, the proposed CECP contains several objectionable concerns,
2 including land use compatibility; and

3 WHEREAS, the City of Carlsbad has required for over twenty-five years that a
4 comprehensive land use plan be conducted for Specific Plan 144 (which includes the
5 Encina Power Station site) to clearly identify acceptable future land uses and guide site
6 redevelopment; and

7 WHEREAS, any proposed non-coastal dependent industrial land use (including
8 energy generation) should be located away from the Encina Power Station site to avoid
9 impacting significant coastal resources; and

10 WHEREAS, the proposed CECP has failed to demonstrate any extraordinary
11 public benefit as required by the South Carlsbad Coastal Redevelopment Plan.
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13
14 NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of
15 Carlsbad, California, as follows:
16

- 17 1. That the above recitations are true and correct.
- 18 2. Reaffirms its opposition to the proposed Carlsbad Energy Center Project,
19 as stated in Council Resolution No. 2008-138.
- 20 3. Supports the re-use of the existing Encina Power Station site to provide
21 greater public benefit.
- 22 4. Reaffirms its longstanding requirement for a comprehensive plan which
23 will guide the redevelopment of the Encina Power Station site.
- 24 5. Any non-coastal dependent industrial land use (including power
25 generation) at the Encina Power Station site is inconsistent with the best
26 interests of the community and should be precluded.
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6. City Staff is hereby directed to continue to work with NRG and San Diego Gas and Electric to help identify alternate solutions to regional energy demands.

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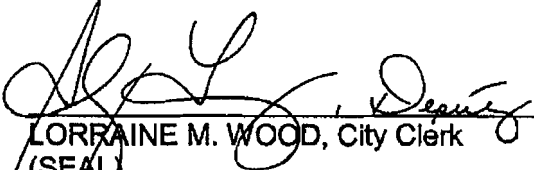
PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the 12th day of August, 2008, by the following vote to wit:

- AYES: Council Members Lewis, Kulchin, Hall and Pæckærd.
- NOES: None.
- ABSENT: Council Member Nygæard.



 CLAUDE A. LEWIS, Mayor

ATTEST:



 LORRAINE M. WOOD, City Clerk
 (SEAL)





**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV**

APPLICATION FOR CERTIFICATION
FOR THE **CARLSBAD ENERGY CENTER
PROJECT**

Docket No. 07-AFC-6
PROOF OF SERVICE
(Revised 7/31/2008)

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 07-AFC-6
1516 Ninth Street, MS-15
Sacramento, CA 95814-5512
docket@energy.state.ca.us

APPLICANT

David Lloyd
Carlsbad Energy Center, LLC
1817 Aston Avenue, Suite 104
Carlsbad, CA 92008
David.Lloyd@nrqenergy.com

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COUNSEL FOR APPLICANT

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INTERESTED AGENCIES

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INTERVENORS

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ENERGY COMMISSION

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Paul Kramer
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pkramer@energy.state.ca.us

DECLARATION OF SERVICE

I, Andrea Dykes, declare that on 8/22/08, I deposited copies of the attached letter from Joe Garuba, in the United States mail at Carlsbad, CA with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.

