BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING May 19, 2020

N.2 DISCUSSION OF THE COMMENT LETTER FILED BY THE CITY OF REDONDO BEACH WITH THE STATE WATER RESOURCES CONTROL BOARD, REGARDING THE DRAFT AMENDMENT TO THE ONCE-THROUGH COOLING POLICY, EXPRESSING OUR ADAMANT OPPOSITION TO ANY EXTENSION OF THE COMPLIANCE DEADLINE FOR THE AES REDONDO BEACH GENERATING STATION

CONTACT: MICHAEL W. WEBB, CITY ATTORNEY

Attached is the following document:

1) Comment Letter - OTC Policy Amendment dated May 18, 2020 to Ms. Jeannine Townsend, Clerk to the Board – State Water Resources Control Board



Office of **Michael W. Webb** City Attorney 415 Diamond Street, P.O. Box 270 Redondo Beach, California 90277-0270 www.redondo.org tel 310 318-0655 fax 310 372-3886

May 18, 2020

VIA EMAIL

Ms. Jeannine Townsend, Clerk to the Board State Water Resources Control Board 1001 I Street, 24th Floor, Sacramento, CA 95814 commentletters@waterboards.ca.gov

Re: Comment Letter – OTC Policy Amendment

Dear Chair Esquivel and Members of the State Water Resources Control Board:

The City of Redondo Beach thanks the Chair and the Members of the State Water Resources Control Board (Water Board) for this opportunity to comment on the Draft Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling for Extension of Compliance Schedules of Alamitos, Huntington Beach, Ormond Beach, and Redondo Beach Generating Stations (OTC Policy Amendment) and Draft Staff Report. The City has reviewed the proposed OTC Policy Amendment and Staff Report and writes to express its adamant opposition to any extension of the compliance deadline for the AES Redondo Beach Generating Station (AES Redondo Beach). The City urges the Water Board to adopt an alternative that does not extend the compliance deadline for AES Redondo Beach and also to direct the Los Angeles Regional Water Quality Control Board (Regional Board) to investigate taking jurisdiction over the wetlands (Old Salt Lake) pursuant to the Porter-Cologne Water Quality Control Act.

The following persons and entities also submitted comment letters to the Water Board opposing any extension of the deadline for AES Redondo Beach: State Assemblymember Al Muratsuchi; State Senator Ben Allen; Los Angeles County Supervisor Janice Hahn - Fourth District; the City of Hermosa Beach; Mayor of Torrance Pat Furey; the Redondo Beach School Board; the Hermosa Beach School Board; Ventura County Supervisor Linda Parks- Second District; City of Beverly Hills Councilmember Julian A. Gold, M.D.; and the Beach Cities Health District, and many others.

The City asks the Water Board to maintain the existing compliance deadline that requires the antiquated AES Redondo Beach plant to cease operations this December in order to protect wetlands and marine life, as well as to prevent air pollution impacts on residents of the City and the surrounding communities.

I. INTRODUCTION

AES Redondo Beach is the oldest and least efficient of the four once-throughcooling (OTC) facilities under consideration in the proposed amendment to the existing OTC Policy. The operations at AES Redondo Beach, which have been described (until very recently) by the owner as presenting an imminent and substantial risk to human health and safety, are causing significant harm to the environment. The operations at the power plant are causing unpermitted degradation of the acres of wetlands on which the plant is located. AES Redondo Beach produces more air pollution per megawatthour (MWh) generated than the other three plants. Moreover, the topology of the area causes this air pollution to accumulate and stagnate along the coast, rather than dissipate. AES Redondo Beach pollutes the environment in one of the most densely populated communities in California, with more than 21,000 people living within one mile of the plant and enormous summer crowds at the adjacent beach. The plant also requires more OTC intake water and produces more cooling water discharge per unit of energy generated than the other three plants combined.

The above detrimental environmental impacts can be avoided because AES Redondo Beach is unnecessary to ensure the reliability of California's electrical supply. Extending the compliance deadlines of the Alamitos, Huntington Beach, and Ormond Beach power plants, as proposed in the Staff Report, already provides more than enough electrical capacity needed to maintain system-wide grid reliability.

The City and its residents have anticipated the closure of AES Redondo Beach for nearly a decade. In the mid-2010s, the City and its residents mounted an extraordinary campaign to oppose AES Redondo Beach's application to build a new power plant at the site, and were successful in convincing AES Redondo Beach to abandon its plans for the plant. Given that AES Redondo Beach is unnecessary to meet the State's energy demands, the Water Board should not sacrifice water and air quality impacts in our community by extending the power plant's OTC Policy compliance deadline for even one year. Because the AES Redondo Beach capacity can be covered by the remaining plants, AES Redondo Beach should be closed as soon as possible, as it is the least efficient and most environmentally damaging of the four power plants under consideration for an extension.

II. THE ENVIRONMENTAL HARM CAUSED BY AES REDONDO BEACH SHOULD NOT CONTINUE

Extending the deadline for AES Redondo Beach is inconsistent with protecting the environment because operations at AES Redondo Beach cause (a) unpermitted degradation of wetlands; (b) severe localized air pollution; and (c) damage to marine life.

a. <u>AES Redondo Beach Causes Unpermitted Degradation of Wetlands</u>

The Staff Report has not addressed the illegal degradation of at least 5.93 acres of wetlands caused by AES Redondo Beach's operations at the site.

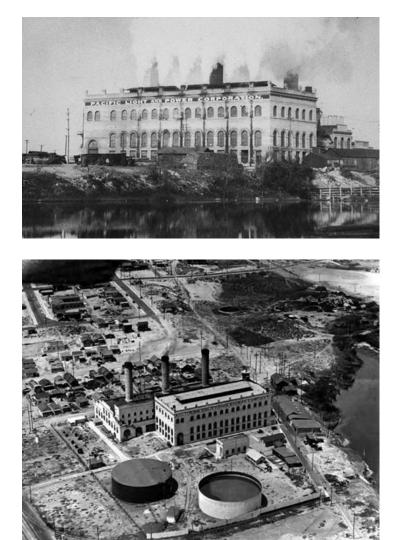
Before it was home to a power plant, the AES Redondo Beach site contained a salt lake located near the sea fed by fresh water springs and was described by an 1894 newspaper article as "one of the most delightful places we have had the pleasure of visiting."¹ The photograph below from the Library of Congress shows the lake as it was in 1908.²



¹ Galen Hunter, Curator, Old Salt Lake Virtual Museum; Redondo Beach, CA., Report: The Story Begins With Water, <u>http://www.oldsaltlake.org/portfolio/story_begins_with_water/index.html</u>; *Laguna De La Salina*, Daily Alta California, Aug 22, 1854, page 2.

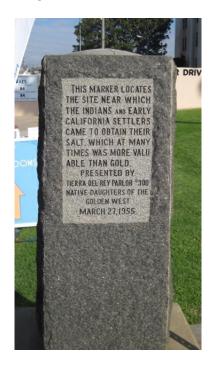
² See also <u>https://easyreadernews.com/redondo-wetlands-complicate-power-plant-plans/</u>.

In time, business arrived and the lake was used for the manufacturing of salt until the late 1800s. In 1906, Henry Huntington built the first major power plant at the site <u>beside</u> the lake, as seen in the below photographs from 1912 and 1920.³



³ <u>http://blogs.dailybreeze.com/history/2011/10/05/redondo-beachs-power-plant/;</u> <u>https://www.southbayparks.org/aes-power-plant-and-power-lines</u>.

This plant was used intermittently until 1933, when it was shut down and abandoned. In 1941, the State of California designated the Old Salt Lake as a historical landmark, as shown by the below granite marker.⁴



The application described the lake as "the wintering place of shorebirds." *Id.* In 1946, Southern California Edison demolished the old plant and built a new one, which it expanded in 1956 and 1964. As part of this new construction, Edison destroyed the Old Salt Lake: "As part of this development, the [AES Redondo Beach] site was filled and graded and five aboveground fuel oil tanks were constructed and placed within tank basin areas at low topographic areas at the site."⁵ (See below photograph.) ⁶

⁴ Galen Hunter, Curator, Old Salt Lake Virtual Museum; Redondo Beach, CA., Exhibit: Bertha Fuller and the 1940 California Historical Landmark Application "Old Salt Lake",

<u>http://www.oldsaltlake.org/exhibits/exhibit</u> 21.html which contains the application by Bertha Fuller, an early advocate of protecting wetlands and lakes for migratory waterfowl, and a photograph of the historical granite marker at the AES Redondo Beach site.

⁵ Application by AES for Coastal Development Permit, April 2019 (AES CDP Application) at 1.

⁶ Galen Hunter, Curator, Old Salt Lake Virtual Museum; Redondo Beach, CA., Exhibit

^{42 &}lt;u>http://www.oldsaltlake.org/exhibits/exhibit_42.html</u> [Figure 4 - November 24, 1952 photograph of Old Salt Lake site by G. Haven Bishop, "Bogged down tractor on fuel oil storage tank foundation",

^{02 - 41627,} Southern California Edison Photographs and Negatives, The Huntington Library, San Marino,



In the late 1960s, "groundwater seepage began to occur" so Edison installed a dewatering system. *Id*. The change in landscape caused by these actions is obvious and stark, as shown in this photograph:⁷



In January 2014, a Coastal Commission staff ecologist visited the AES site and determined that—despite the many years of development at the site—the tank basins contained approximately 5 to 6 acres of Coastal Commission-jurisdictional wetlands. Energy Commission staff conducted a more detailed review and determined that there

California.] This URL for metadata and zoom-in capability: https://hdl.huntington.org/digital/collection/p16003coll2/id/41704]

⁷ Photograph of AES Redondo Beach, January 1990. (See Sam Gnerre, *Redondo Beach's Power Plants*, Daily Breeze, Oct. 5, 2011; <u>http://blogs.dailybreeze.com/history/2011/10/05/redondo-beachs-power-plant/</u>).

were 5.93 acres of jurisdictional wetlands. The Coastal Commission confirmed this determination when it issued its final "30413(d) Report" in July 2015.⁸

At approximately the same time, the dewatering system broke down and water began accumulating in the tank basins. In the latter half of 2014, AES removed the water pumps and installed new ones without obtaining a Coastal Development Permit (CDP), in violation of the Local Coastal Program (LCP) and the Coastal Act. While the dewatering system was out of commission, the tank basins began filling with water and the historic wetlands habitat began to flourish and expand, as demonstrated in the photograph below:



In August 2015, the Coastal Commission sent a notice of violation letter to AES demanding that AES stop all dewatering activity and apply for a CDP to remove the illegally installed pumps. (A copy is attached to this comment letter as Exhibit 1.) After the City began increasing enforcement pressure, AES applied for and received 60-day emergency CDP in August 2017. The emergency CDP was granted on the condition that, prior to the expiration of the emergency CDP, AES would submit a regular (non-emergency) CDP application to either authorize the existence and operation of the dewatering system or remove the system. AES failed to comply with this condition. Instead, AES applied for and received two 60-day extensions of the emergency CDP, each on the condition that AES would submit a regular CDP application prior to expiration of the emergency CDP. AES did not comply. It requested a fourth consecutive emergency CDP and was denied.

In its applications for the emergency CDPs, AES alerted the City that the water accumulating in the tank basins created a significant hazard that interfered with the safe operation of the power plant:

⁸ https://documents.coastal.ca.gov/reports/2015/7/w12a-7-2015.pdf.

"The Flooded Areas present an imminent and substantial risk to human health and safety, including risks relating to grounds, faults, arc flash, and electrocution, which in turn present substantial and imminent risks associated with electric reliability and operations at the Facility."⁹

In May 2018, representatives of the City and the California Coastal Commission were present for a tour of AES Redondo Beach. In a joint letter dated June 15, 2018, the Coastal Commission and City both expressed their "alarm regarding the potentially dangerous conditions AES reported ... during the visit," in part, because the representatives were "repeatedly told that the **conditions at the site were potentially very dangerous to employees and the public**, as a result of water flooding underground tunnels containing high voltage wires."¹⁰

Under pressure from the City, AES finally submitted an application for a regular CDP in April 2019. In May 2019 the City notified AES that the application was incomplete. AES did not provide the materials needed to complete the application, and it formally withdrew the application in April 2020.

In its letter withdrawing the CDP application, AES suddenly reversed its long-held position that the water accumulating in the tank basins is a serious hazard. It asserted, "The plant has fully addressed the previous [water hazard] issue by installing a system of portable pumps to remove water in the electrical vaults when necessary to mitigate water infiltration, which allows for continuous safe operation of the plant." The City has been provided with no evidence to support the assertion that the facility is now safe. Moreover, it is not at all clear why using the new "portable pumps" to dewater the tank area does not constitute a new violation of the LCP and the Coastal Act.

The City responded on May 14, 2020, with a letter notifying AES that it was still in violation of the LCP and Coastal Act for two reasons: (1) the dewatering system remains in place and constitutes unpermitted development in the Coastal Zone; and (2) the use of portable pumps to dewater the vaults is likely a new violation of the LCP and the Coastal Act.

Since 2015, AES has periodically operated the dewatering system, without notice to the City. AES conducted significant dewatering as recently as February of this year, as

⁹ <u>http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=317095147</u> (City of Redondo Beach's Motion for Official Notice in CPUC Rulemaking 16-02-007, Ex. D, p. 2, filed October 9, 2019 (emphasis added)). A copy of this application is attached to this comment letter as Exhibit 2.
¹⁰ Id. Fry C. A copy of this letter is attached to this comment letter as Exhibit 2.

¹⁰ *Id.*, Ex. C. A copy of this letter is attached to this comment letter as Exhibit 3.

was demonstrated by the comments and materials presented at the April 21, 2020 workshop. The following two images provided to the Water Board by the South Bay Parkland Conservancy show that the dewatering activity dropped the wetlands water depth by approximately two feet in less than a week at the AES Redondo Beach site.¹¹



In response to the City's request for assistance pursuant to Public Resources Code Section 30810, the Coastal Commission is preparing to send a new Notice of Violation to AES, demanding that AES cease all pumping and take immediate action to remove the dewatering system.

The City believes it is probable that since the issuance of the 30413(d) Report by the Coastal Commission in 2015, additional wetland acreage has reestablished on the

¹¹ South Bay Parkland Conservancy April 16, 2020 comment letter to Water Board.

property. In addition, these wetland areas may be subject to Regional Board jurisdiction as "waters of the State" as defined by the Porter-Cologne Act. These areas are subject to ponding and provide beneficial uses as defined in the Los Angeles Basin Plan, specifically for wildlife such as waterfowl. It is not known what direct effect the dewatering has caused to the water table and indirectly to the wetlands. **The Water Board should therefore consider whether the wetlands (Old Salt Lake) also falls within the permitting and enforcement jurisdiction of the Regional Board.**¹²

In making its recommendation to the Water Board, the California Public Utilities Commission (CPUC) expressly stated that it "**trusts that the Water Board will take [the issue of the safety of the dewatering system used at the Redondo Beach facility] into consideration when deciding whether to extend the OTC compliance deadline for the Redondo Beach facility**." (CPUC Decision, 19-11-016, pp. 67-68, emphasis added.) The Staff Report makes no mention of the dangerous conditions existing at AES Redondo Beach or the degradation of wetlands caused by its operation. The City implores the Water Board to seriously consider this issue. If the pumping persists, it will likely result in an enforcement action by the City, the California Coastal Commission, or both. Nor is it accurate to state that any additional protections will be provided to the wetlands as part of the sale of the property. The City and the new owners have failed to reach any agreement on protection of the wetlands at the site.

At the July 8, 2015 Coastal Commission meeting regarding a Proposal to Upgrade the Redondo Beach Generating Station, Tom Luster, Senior Environmental Scientist, stated: "Regarding the Wetlands **this is basically a case of nature batting last**. The Wetlands continue to persist despite there being a thin layer of fill placed over them a number of years ago." ¹³

The Water Board should let nature continue its "at bat" and not permit AES Redondo Beach's operations to continue to degrade the wetlands for even one more year.

b. AES Redondo Beach Causes Air Pollution

Any extension of the compliance deadline for AES Redondo Beach will extend the existing air, noise, and aesthetic impacts of the plant. (Staff Report, p. 17.)

¹² At a minimum, the Regional Board should consider adding the AES wetlands to the surface water and wetlands tables of its Basin Plan.

¹³ <u>https://cal-span.org/unipage/?site=cal-span&owner=CCC&date=2015-07-08</u> at 4:20:14 to 4:20:27.

All OTC facilities emit greenhouse gases and air pollution as a by-product of burning fossil fuels, but not all facilities emit these poisonous gases at the same rate. Prior to the adoption of the OTC policy in 2010, the Water Board compiled air emissions data for the then active OTC facilities using reported values obtained from the USEPA's Clean Air Markets database for 2006. Tables 7 and 8 of the Water Board's 2010 Final Substitute Environmental Document (SED) contain emissions information, the relevant portions of which are reproduced below.

	Gross Output	SO2	NOx	со	TOG	ROG	PM10
Facility	(MWh)	(tons/yr)	(tons/yr)	(tons/yr)	(tons/yr)	(tons/yr)	(tons/yr)
Alamitos	1,747,348	4.1	38.4	520.9	36.4	15.4	11.2
Huntington Beach	1,112,942	4.6	30.8	289.9	22	9.3	10.8
Ormond Beach	489,545	1.4	19.3	106.7	7.9	3.3	5.9
Redondo Beach	585,240	1	<mark>39.8</mark>	<mark>553.5</mark>	24.2	10.4	<mark>12.3</mark>

Table 7. 2006 Criteria Pollutant Emissions

SO2 = sulfur dioxide NOx = nitrogen oxides CO = carbon monoxide TOG = total organic gases ROG = reactive organic gases PM10 = fine particulate matter of 10 microns or less in diameter tons/yr = tons per year

(SED, p. 43, Table 7.)

	CO2	CO2
Facility	(tons/yr)	(lbs/MWh)
Alamitos	1,179,464	1,350
Huntington Beach	777,045	1,396
Ormond Beach	293,630	1,200
Redondo Beach	422,884	<mark>1,445</mark>

Table 8. 2006 Carbon Dioxide Emissions

(*Id.*, p. 44, Table 8.)

As shown in these tables, in the year 2006, despite producing less than half the energy output of the Alamitos and Huntington Beach facilities, AES Redondo Beach still emitted more nitrogen oxide, carbon monoxide, and fine particulate matter than each of those facilities. On a per unit of energy basis, AES emits more greenhouse gases than the other three facilities and more criteria pollutants than the other three facilities combined.

The Staff Report does not suggest that the AES Redondo Beach facility has become more efficient in the decade plus since the SED was published. As noted at the April 21, 2020 workshop, in 2019 alone the AES Redondo Beach facility had at least two "abnormal startups" that resulted in panicked community members overwhelming the City's 911 services with calls regarding the situation.¹⁴



As we learn more about the harmful effects of these pollutants, AES Redondo Beach's inefficiencies become even more alarming. A recent Harvard study links poor air quality to increased mortality rates from COVID-19. The study specifically references power plants as producing fine particulate air pollution that contributes to the higher mortality rate, as follows:

"People with COVID-19 who live in U.S. regions with high levels of air pollution are more likely to die from the disease than people who live in less polluted areas, according to a new nationwide study from Harvard T.H. Chan School of Public Health. The study is the first to look at the link between long-term exposure to fine particulate air pollution (PM2.5)—generated largely from fuel combustion from cars, refineries, and **power plants**—and the risk of death from COVID-19 in the U.S." (Emphasis added.)¹⁵

The fact that AES Redondo Beach is located in one of the most densely populated communities in California amplifies these concerns. The City of Redondo Beach has

¹⁴ This photograph of the July 25, 2019 incident appeared in the Daily Breeze. <u>https://www.dailybreeze.com/2019/07/25/aes-power-plant-in-redondo-beach-belches-black-smoke-alarming-residents/amp/</u>

¹⁵ <u>https://www.hsph.harvard.edu/news/hsph-in-the-news/air-pollution-linked-with-higher-covid-19-death-rates/</u>

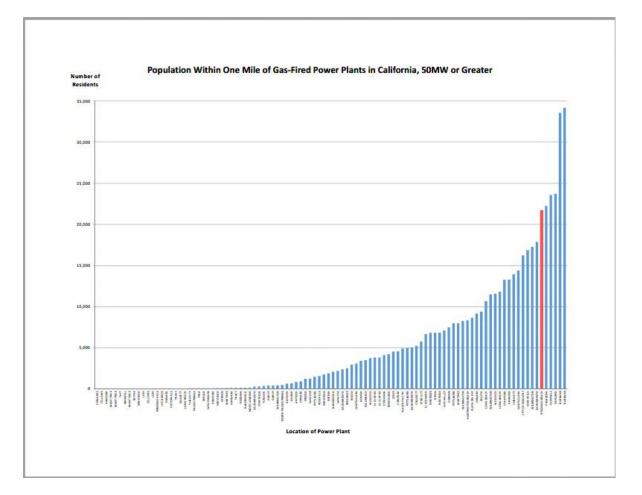
11,000 residents per square mile. Directly across the street from AES Redondo Beach is City of Hermosa Beach - the most densely populated community on the California Coast. Hermosa Beach has over 13,000 residents per square mile. Additionally, more than 6,500 Redondo Beach students report to schools located within 1.5 miles of AES Redondo Beach.

A 2015 study, reflected in the chart below, found that there were an estimated 21,632 people living within one mile of AES Redondo Beach, which is about 500 more people than the other three plants at issue, **combined**.¹⁶

Generating Station	Population within 1 mile
REDONDO BEACH	21,632
ORMOND BEACH	17
ALAMITOS	11,811
HUNTINGTON	8,336

As that study noted, the vast majority of power plants are sited in locations with very low population density as they should be. Of the 102 power plants that were analyzed, 46 were located at sites with surrounding populations of less than 1,000; 85 had populations of less than 10,000; and only 6 (including Redondo Beach) had populations above 20,000.

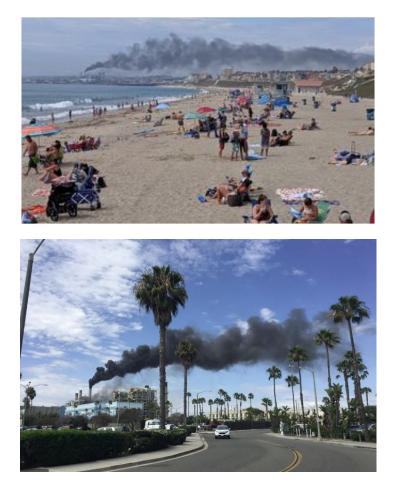
¹⁶ Study of Population Densities Near Gas-Fired Power Plants in California, California Energy Commission Docket Number: 01-AFC-03, TN Number: 206059, September 10, 2015.



Those population numbers do not include the millions of people that visit the City and the neighboring City of Hermosa Beach each year. Combined, Redondo and Hermosa Beaches have **averaged** over **6.6 Million visitors each year.**¹⁷ The photographs below¹⁸ further demonstrate pollution emitted from the AES Redondo Beach facility.

¹⁷ Annual and monthly attendance statistics provided by Los Angeles County Lifeguards.

¹⁸ Top photograph by City of Redondo Beach Councilmember Nils Nehrenheim, bottom photograph from April 15, 2020 comment letter by City of Redondo Beach Councilmember Todd Loewenstein.



The Staff Report states that these OTC plants are expected to be used "primarily as peakers," which "are used during contingency times, periods when demand for power is high and reliability of imports is low, such as on hot summer days." (Staff Report, p. 13.) In the hottest summer months (when peaker plants are most likely to run) Redondo and Hermosa Beaches have averaged nearly **1.7 Million visitors during the month of July** and nearly **1.07 Million visitors during the month of August** alone.¹⁹ Unfortunately, operating AES Redondo Beach on a hot summer day ensures that the pollution emitted from the plant affects the maximum number of people because hot summer days are when individuals from the community and visitors, including those from nearby disadvantaged communities, are most likely to be at the beach (see photograph below).²⁰

¹⁹ Annual and monthly attendance statistics provided by Los Angeles County Lifeguards. ²⁰ Any amendment of the OTC Policy should integrate environmental justice concerns by taking into account the effect of AES Redondo Beach on neighboring disadvantaged communities.



Furthermore, the air impacts caused by AES Redondo Beach are significantly amplified by the unique meteorological conditions and terrain features at Redondo Beach. There is a nearly 200-foot high bluff within the City just east of the plant. (See figure below.) The bluff prevents the air pollution emitted by the plant from dispersing, and causes the air pollution to stagnate in densely populated Redondo Beach and Hermosa Beach. Moreover, the conditions at Redondo Beach sometimes cause pollution to travel offshore during the night and return to shore at ground-level during the day, where they stagnate.²¹ These conditions were brought to the attention of the California Energy Commission during AES' failed attempt to obtain certification to build a new plant at Redondo Beach. These unique conditions have not been addressed in the Staff Report.

²¹ See McRae, Gregory J., Shair, Fredrick H., and Seinfeld, John H., Convective Mixing of Plumes in a Coastal Environment, Journal of Applied Meteorology, Vol. 20. No. 11, November 1981.



RBEP Shoreline Location

In addition to the air pollution created by AES Redondo Beach, the plant is also a large source of noise complaints from City residents. A snapshot of the large number of noise complaints the City received as a result of the plant is attached as Exhibit 4.²² AES Redondo Beach was never designed for use as a peaker plant, as is envisioned in the proposed OTC modification. Like most of the units under consideration, AES Redondo Beach was designed to be a 'load-following' plant that operates constantly and spins up and down as demand from the grid increases and decreases. It was not designed to start-up on short notice and so can take up to 24 hours to start-up, thus explaining why upset conditions often occur during start-up. Upset conditions cause noisy pressure relief valves to trigger all hours of the day and night, and the plant to emit the black smoke seen in the photographs herein.

This Board should not allow AES Redondo Beach to continue to pollute our environment for even one additional year.

c. AES Redondo Beach Damages Marine Life

"The consensus among regulatory agencies at both the state and federal level is that OTC systems contribute to the degradation of aquatic life in their respective ecosystems." (Staff Report, p. 13.) The OTC Policy was adopted in 2010 and establishes standards to implement federal Clean Water Act Section 316(b) and reduce the harmful

²² This information was previously provided to the California Energy Commission for its consideration in Docket No. 12-AFC-03.

effects associated with cooling water intake structures on marine and estuarine life. (Staff Report, p. 5.) AES Redondo Beach is not in compliance with the OTC Policy and is scheduled to retire on or before December 31, 2020. The Staff Report does not provide any valid reason to extend the compliance date for AES Redondo Beach.

As the Staff Report acknowledges while discussing the water pollution produced by the four power plants: "Of the four power plants, Redondo Beach is the least efficient, requiring more OTC intake water to produce a megawatt-hour than the other power plants, and resulting in potential impacts to marine life (Figure 11 in the 2010 Final SED)." (Staff Report, p. 14.)

According to Figure 11 of the SED, **AES Redondo Beach is one of, if not the, least efficient plants in all of California**, producing more cooling water discharge per unit energy generated than Alamitos, Huntington Beach, and Ormond Beach, **combined**.

The chart below from the SED demonstrates how inefficient the AES Redondo Beach facility is compared to other OTC plants in California. (SED, p. 41, Figure 11.²³)

²³<u>https://www.waterboards.ca.gov/water_issues/programs/ocean/cwa316/docs/cwa316may2010/sed_final.pdf</u>.

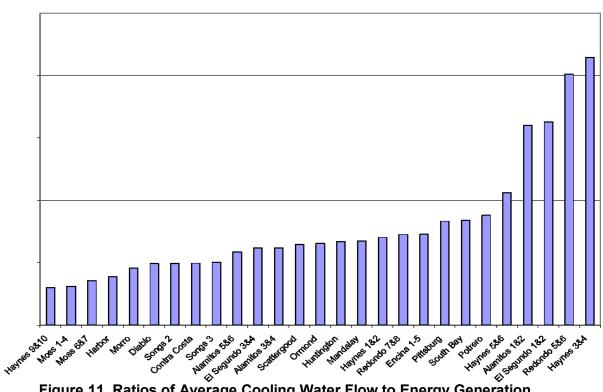


Figure 11. Ratios of Average Cooling Water Flow to Energy Generation

The Water Board should not just dismiss these water pollution concerns. AES Redondo Beach discharges into King Harbor and continues to pose a danger to the larger Santa Monica Bay's beneficial uses. These important beneficial uses included recreational activities, ocean life, and endangered species. Moreover, King Harbor is impaired by toxic pollutants including DDT and PCBs. Water Board documents indicate that AES Redondo Beach is permitted to discharge up to 898 million gallons per day of waste consisting of OTC water, treated chemical metal cleaning wastes, groundwater seepage, and other low volume wastes into Santa Monica Bay.²⁴ An additional year of discharges from AES Redondo Beach will result in continued exceedances of these toxic chemicals into King Harbor, further impacting its beneficial uses.

The intent of the OTC Policy "is to ensure that the beneficial uses of the State's coastal and estuarine waters are protected while also ensuring that the electrical power needs essential for the welfare of the citizens of the State are met." (OTC Policy, ¶ 1(G).) Extending the compliance deadline for AES Redondo Beach would frustrate that

²⁴https://www.waterboards.ca.gov/losangeles/water issues/programs/tmdl/Established/SantaMonica/ FinalSantaMonicaBayDDTPCBsTMDL.pdf (p. 28.)

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intent. The continued operation of AES Redondo Beach endangers the coastal and estuarine waters of the State, and the Staff Report cites no evidence that doing so is necessary to ensure a reliable electric grid.

In fact, the Staff Report states that the Alamitos, Huntington Beach, Ormond Beach, and AES Redondo Beach plants are expected to be used "primarily as peakers and would be expected to run at or below their current operating capacity," which over the past three years has been 4.8% of capacity. (Staff Report, p. 13.) Based on an analysis of information provided in the March 8, 2019 Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS) report ,²⁵ the AES Redondo Beach units being considered for extension only ran at 2.6% capacity from 2016 through 2018. This analysis suggests that AES Redondo Beach is not needed to maintain system-wide grid reliability. Furthermore, the reasoning in the Staff Report ignores that AES Redondo Beach is more harmful to coastal waters than the other three plants combined. If each of the four plants were to produce one megawatt (MW) of energy, AES Redondo Beach would be responsible for more than half of the total intake water required by the four plants to produce the four MW of energy. If AES Redondo Beach were to retire, the same four MW of energy would be generated by the remaining three OTC plants with only half as much intake water needed.

While California has made great strides in reducing the overall ocean water usage by OTC plants since the adoption of the OTC Policy in 2010, the work is not done. (Staff Report, p. 14.) The harmful effects caused by AES Redondo Beach have persisted long enough and it should be required to comply with the OTC Policy by the current deadline.

III. AES REDONDO BEACH IS NOT NEEDED FOR GRID RELIABILITY

The Water Board is considering the OTC Policy Amendment in response to concern for "a potential system capacity shortfall of between 2,300 and 4,400 MW in the [California Independent System Operator (CAISO)] Balancing Authority Area beginning in the summer of 2021" and continuing through 2023. (Staff Report, pp. 10, 6.) The CPUC has recommended the extension of the compliance dates for all four OTC plant. But, the CPUC recognized "the potential for some OTC retirement date extensions not to be granted by the Water Board...." (D. 19-11-016, pp. 33-34.) As explained below, AES Redondo Beach is not needed to meet this potential shortfall and its compliance date should not be extended.

²⁵ March 8, 2019 SACCWIS Report, p. 8.

To address the potential shortfall, the CPUC has already directed the investorowned-utilities to procure a total of 3,300 MW of new non-OTC capacity, with 1,650 MW to come on-line by the summer of 2021. (D.19-11-016, pp. 70, 76; Staff Report, pp. 10-11.) For example, the CPUC required Clean Power Alliance (CPA) to procure at least 98.4 MW of new capacity by 2021. On April 2, 2020, CPA approved the 100 MW Luna Storage standalone battery project that will provide new procurement by August 2021.²⁶ Then, on May 7, 2020, CPA, on a motion made by City of Redondo Beach Councilmember Christian Horvath in his role as a Director of CPA, approved two additional projects, Sanborn Storage (100 MW) and the High Desert Storage Portion (50 MW), which will result in a surplus of 160.4 MW in 2021 above and beyond the 98.4 MW ordered by the CPUC. Subtracting the new non-OTC generation ordered by the CPUC leaves a potential shortfall of between 650 and 2,750 MW. Accepting the CPUC's very conservative assumptions, the 2,750 MW shortfall can be covered by an extension of the Alamitos, Huntington Beach, and Ormond Beach OTC plants, without a need to delay retirement of the AES Redondo Beach units for insurance.

Combined, the four OTC facilities at issue can produce approximately 3,742 MW. The amount of capacity available from each generating station is shown in the following chart.

Generating Station	Capacity in MW ²⁷
Alamitos (Units 3, 4, 5)	1,163
Huntington Beach (Unit 2)	215
Ormond Beach (Units 1, 2)	1,516
AES Redondo Beach (Units 5, 6, 8)	848
Total	3,742

Available MW from OTC power plants:

The Staff Report analyzes five proposed amendments to the current OTC Policy. Alternative 1 proposes no extension of any of the compliance deadlines. The remaining

²⁶ <u>https://cleanpoweralliance.org/2020/04/09/clean-power-alliance-signs-large-scale-100mw-battery-energy-storage-agreement/</u>.

²⁷ See Staff Report, p. 11.

proposals (Alternatives 2 through 5) would each extend the compliance deadlines for all four of the OTC power plants by at least one year. As requested by Board Member Sean Maguire at the April 21, 2020 workshop, the Water Board should consider a sixth alternative that would extend the compliance deadlines for the Alamitos, Huntington Beach, and Ormond Beach plants, but not for AES Redondo Beach. As shown in the following chart, the projected need of 2,750 MW of OTC generated power (the upper end of the potential capacity shortfall) can be obtained without AES Redondo Beach.

Description	OTC MW Available in 2021	Effect on 2,750 MW Potential Shortfall
No Change in OTC Policy. All plants close in 2020.	0	Potential shortfall of 2,750 MW.
Extend all four power plants for 3 years	3,742	No projected shortfall. A surplus of 992 MW available.
Extend Alamitos, Huntington Beach, and Ormond Beach, but NOT AES Redondo Beach	2,894	No projected shortfall. A surplus of 144 MW available.

The Staff Report recommends Alternative 5, which would extend the compliance deadline for AES Redondo Beach by one year and the remaining three plants by three years each. The Staff Report contends its recommendation "balances the need for grid reliability with marine life, land use and air quality concerns." (Staff Report, p. 18.) As noted in detail above, however, AES Redondo Beach has a greater negative effect on marine life, land use, and air quality than any of the other facilities, and extending this plant for even one year is not needed to maintain grid reliability.

In August 2019, the Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS) acknowledged there could be a shortfall beginning in 2021 and recommended that the Water Board extend the OTC Policy compliance deadline for the Alamitos facility, and consider extending the compliance dates for "one or more additional OTC resources" for "**no longer than necessary to maintain grid reliability**." (Report of the Statewide Advisory Committee on Cooling Water Intake Structures, Local and System-Wide 2021 Grid Reliability Studies, August 23, 2019, p. 6, emphasis added.) Over the next four months and without explanation, the idea of extending "one or more additional OTC resources" for "no longer than necessary" was abandoned. In its January report, SACCWIS recommended that the Water Board extend the OTC Policy compliance deadlines for each of the four OTC plants for at least one year. (Final Recommended Compliance Date Extensions for Alamitos, Huntington Beach, Ormond Beach, and Redondo Beach Generating Stations, January 23, 2020, p. 6.)

The SACCWIS recommendation is based in part on the recommendation of the CPUC. Notably, however, the CPUC never made a finding regarding the amount of projected shortfall, nor did it ever state that an extension of the OTC Policy compliance deadline for all four OTC plants was necessary to maintain grid reliability. To the contrary, the CPUC stated "it is impossible to predict the size and length of a bridge we may need retiring OTC units to provide." (D.19-011-016, p. 19.) The CPUC also recognized that the compliance deadlines for all four of the OTC facilities may not be extended. (D.19-011-016, p. 33 [recognizing "the potential for some OTC retirement date extensions not to be granted by the Water Board"]; pp. 67-68 ["The Commission ... trusts that the Water Board will take this [safety issues at AES Redondo Beach] into consideration when deciding whether to extend the OTC compliance deadline"].) The City asks the Water Board to revert back to the original August 2019 recommendation by SACCWIS and extend the OTC Policy compliance deadline only for those facilities **necessary to maintain grid reliability**, of which AES Redondo Beach is not one.

In determining system resource adequacy, the CPUC requires a 15 percent planning reserve margin (PRM). That is, the CPUC requires utilities as a whole to procure 15 percent more dependable electrical generation capacity than the CPUC projects will be needed during peak hours. The PRM is insurance to account for seen and unforeseen changes and outages. The 4,400 MW shortfall identified in the Staff Report falls within the PRM; i.e., if an additional 4,400 MW of dependable electrical generation capacity is added by 2021, there will be 15 percent more dependable electrical generating capacity available during peak load periods than is required to meet the forecasted peak electric demand.²⁸ As explained above, assuming the CPUC's very conservative modeling assumptions, the projected shortfall can still be met without extending the compliance deadline for AES Redondo Beach. Therefore, extending the

²⁸ Modeling suggests electric loads in California are running 5% lower than what would be expected without the current COVID-19 health crisis. ("Electricity Demand In The Time Of COVID-19", Roger Conrad, March 30, 2020; <u>https://www.forbes.com/sites/greatspeculations/2020/03/30/electricity-demand-in-the-time-of-covid-19/#27d045577e86</u>.)

compliance deadline for AES Redondo Beach would only add additional insurance on top of the CPUC's already conservative PRM. This additional insurance is simply not needed and is much too costly in terms of the damage to the environment. The PRM is the insurance with additional insurance already built-in through the conservative modeling input assumptions.

The Staff Report identifies a need to extend the OTC Policy compliance dates for 2,750 MW of OTC facility generation. That need can be met without extending the compliance deadline for AES Redondo Beach.

IV. ADDITIONAL ENVIRONMENTAL REVIEW IS NECESSARY

The Staff Report improperly proposes an addendum to the previously approved 2010 Final Substitute Environmental Document (SED) in order to satisfy the Water Board's environmental review obligations in connection with the OTC policy amendment.

There is a question as to whether an addendum to a decade old SED is appropriate under these circumstances. An addendum is usually appropriate if the lead agency determines that some changes or additions are necessary to the SED, but none of the conditions described in CEQA Guidelines Section 15162 have occurred. (CEQA Guidelines § 15164.) (See, e.g. CEQA Guidelines §15162 indicating that an addendum to a previously certified environmental impact report is only appropriate when there are no changes to a project, there are no changes in circumstances in which the project is being undertaken, and no new information of substantial importance, which was not known and could not have been known, shows that there are significant environmental impacts or more effective mitigation measures.) The Staff Report does not address any of the conditions that might require the preparation of a subsequent or supplemental SED. Nor did the Staff Report evaluate a separate alternative of no extension for AES Redondo Beach.

For example, the SED states: "State Water Board staff cannot accurately assess air quality impacts related to criteria pollutants because it is difficult to estimate the method of compliance for each facility." (SED, p. 112.) The Water Board now has more than 10 years' worth of data to consider since it adopted the SED. New information about air quality impacts from the OTC facilities, which was not known in 2010, should be evaluated to determine whether it shows different environmental impacts.

Furthermore, the Staff Report fails to acknowledge any of the additional impacts caused by extending the AES Redondo Beach facility beyond its originally scheduled

compliance date. These impacts received no environmental analysis as part of this proposed extension. The Staff Report simply assumes that there will be no air or water quality impacts. The proposed addendum is therefore not appropriate and further environmental review is needed.

The Water Board should also consider other changes in conditions since 2010, such as:

- Two medium density condo products on Catalina Ave just east of the facility
- A new hotel in front of the power plant
- A new and heavily used bike track on Harbor Drive
- A new retail development (Green Street) just east of the power plant
- Replacement of industrial and retail buildings with medium density residential on streets perpendicular to the power plant
- The discovery of active wetlands and related wildlife on the property, such as the geese shown in the photograph below



Prior to moving forward, the Water Board should evaluate a separate alternative of extending the deadlines for the other three plants, without extending the deadline for AES Redondo Beach, as well as evaluate whether an addendum is satisfactory under the circumstances.

V. CONCLUSION

The Water Board has an obligation to achieve statewide compliance with Section 316(b) of the Clean Water Act, which requires that OTC structures implement the best

technology available for minimizing adverse environmental impacts. If the proposed OTC Policy amendment is adopted, AES Redondo Beach will continue to defer compliance with the best technology available standard required by Section 316(b).

Those of us who live here, go to school here and have businesses here do not want to endure another year of the visual blight of the 50-acre power plant and powerline corridor, and see all the momentum of the last 18 months of State, County and City efforts to restore the wetlands and remake this blighted brownfield site evaporate. Only retiring this plant on time will eliminate the negative impacts to our community and the marine environment. The Water Board should decline to extend the AES Redondo Beach compliance deadline, consistent with its mandate to protect water quality under federal and state law. The Water Board can accomplish this objective by omitting the one-year extension for AES Redondo Beach under the proposed amendment to the OTC Policy. The remaining extensions are sufficient to ensure statewide electrical grid reliability next year.

AES Redondo Beach should not be used as a safety net or insurance policy at the expense of the environment and surrounding community. It should retire on time at the end of 2020 as planned for over a decade. The City urges the Water Board to adopt an alternative that does not extend the compliance deadline for AES Redondo Beach and also consider whether the wetlands (Old Salt Lake) also falls within the permitting and enforcement jurisdiction of the Regional Board.

In closing, the City wishes to thank the Chair, the Board Members and Staff for their continuing hard work on the OTC Policy Amendment and appreciates consideration of the City's concerns. Although the recommendation of a one-year extension for AES Redondo Beach is intended to address the City's concerns, it does not go far enough for a community that has been living with the plant's impacts for decades and eagerly awaiting the power plant's retirement at the end of this year.

Sincerely,

mikel w. Lell

Michael W. Webb City Attorney of the City of Redondo Beach

N.C.R.

William C. Brand Mayor of the City of Redondo Beach

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EXHIBIT 1

DOCKETED					
Docket Number:	12-AFC-03				
Project Title:	Redondo Beach Energy Project				
TN #:	205956				
Document Title:	Coastal Commission Enforcement Staff letter to AES				
Description:	N/A				
Filer:	Tom Luster				
Organization:	California Coastal Commission				
Submitter Role:	Public Agency				
Submission Date:	8/31/2015 4:02:25 PM				
Docketed Date:	8/31/2015				

CALIFORNIA COASTAL COMMISSION 45 FREMONT, SUITE 2000 SAN FRANCISCO, CA 94105-2219 VOICE (415) 904-5200 FAX (415) 904-5400 TDD (415) 597-5885



SENT BY REGULAR AND CERTIFIED MAIL Certification No. 7006 2760 0005 5883 3015

August 27, 2015

Jennifer Didlo Stephen O'Kane AES Southland Development, LLC 690 Studebaker Road Long Beach, CA 90803

Coastal Act Violation File No:

Location:

Violation¹ description:

V-9-15-0092 (AES Southland Development, LLC Redondo Beach Generation Station)

Former tank portion of the AES Redondo Beach Generating Station located at 1100 North Harbor Drive in Redondo Beach, Los Angeles County; APNs 7503-013-014, 7503-013-015, 7503-013-819, and 7503-013-820.

Unpermitted installation and operation of water pumps for the purpose of groundwater dewatering affecting approximately 5.93 acres of wetlands at the former tank portion of the site.

Dear Ms. Didlo and Mr. O'Kane:

I am writing in regard to a violation of the Redondo Beach Local Coastal Program ("LCP") and

¹ Please note that the description herein of the violation at issue is not necessarily a complete list of all unpermitted development on the subject property that is in violation of the Coastal Act or the City of Redondo Beach LCP. Accordingly, you should not treat the Commission's silence regarding (or failure to address) other unpermitted development on the subject property as indicative of Commission acceptance of, or acquiescence in, any such development. Please further note that the term "violation" as used throughout this letter refers to alleged violations of the Coastal Act or the City of Redondo Beach LCP.

the Coastal Act² on property owned by AES Southland Development, LLC ("AES") at 1100 North Harbor Drive in Redondo Beach, Los Angeles County. We are writing because of the unpermitted development activity being undertaken or threatening to be undertaken including, but not limited to, installation and operation by AES of new water pumps adversely affecting, or having the potential to adversely affect, approximately 5.93 acres of Coastal Commissionjurisdiction wetlands within the former tank portion ("subject site") of the AES Redondo Beach Generating Station.

The Coastal Act was enacted by the State Legislature in 1976 to provide long-term protection of California's 1,100-mile coastline through implementation of a comprehensive statewide planning and regulatory program designed to manage conservation and development of coastal resources. The California Coastal Commission ("Commission") is the state agency created by, and charged with, administering the Coastal Act. In making its permit and land use planning decisions, the Commission carries out Coastal Act policies, which, amongst other goals, seek to protect and restore sensitive habitats; protect natural landforms; protect scenic landscapes and views of the sea; protect against loss of life and property from coastal hazards; and provide maximum public access to the sea. The Commission plans and regulates development, including development in wetlands, within the statutorily defined "Coastal Zone" jurisdictional area consistent with the requirements of Chapter 3 of the Coastal Act. The Commission also reviews and certifies LCPs submitted by local governments that have part or all of their jurisdictional area within the Coastal Zone and delegates permitting authority to them after LCP certification so that they may regulate development within their certified LCP jurisdictions. The City of Redondo Beach ("the City") has a certified LCP and, thus, primary permitting and enforcement authority within its certified LCP jurisdiction. However, in this case, the City has requested Commission staff's assistance in this enforcement matter; as discussed later.

One of the habitats the Commission and local governments with certified LCPs are charged with protecting is that of wetlands. Wetlands are among the most important ecoystems in the world.³ They produce high levels of oxygen, filter toxic chemicals out of water, reduce flooding and erosion, recharge groundwater, and serve as critical habitat for wildlife, including a large percentage of plants and animals on California's endangered species list.

The Coastal Act and the City's LCP contain several policies that afford protection to wetlands and sensitive habitat:

Coastal Act Section 30231 and LUP Section VI, Subsection D – Land Use, Policy 20 state:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms

² The California Coastal Act of 1976 ("Coastal Act") is codified in Division 20 of the Public Resources Code (sections 30000 to 30900).

³ Source: California's Wetlands, A Briefing: Water Education Foundation, 2000.

> and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

Coastal Act Section 30233 and LUP Section VI, Subsection D – Land Use, Policy 21 state (in relevant part):

(a) The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division, where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:

(1) New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities.

(2) Maintaining existing, or restoring previously dredged, depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.
(3) In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities.
(4) Incidental public service purposes, including, but not limited to, burying cables and

pipes or inspection of piers and maintenance of existing intake and outfall lines. (5) Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas.

(6) Restoration purposes.

(7) Nature study, aquaculture, or similar resource-dependent activities.

Applicable Coastal Act and LCP provisions require generally that biological productivity in wetlands be protected and allowable uses in or near wetland areas be limited. While much of the Redondo Beach Energy Project ("RBEP") site has been developed for more than a century, it contains areas of Coastal Commission-jurisdictional wetlands. This conclusion is based on 2013 wetland data provided by AES, observations made during a site visit by the Coastal Commission ecologist, Dr. Jonna Engel, in January 2014, and review of historic information by both Energy Commission and Coastal Commission staff. It has been determined that there are approximately 5.93 acres of Coastal Commission-jurisdictional wetlands in the area of the site containing bermed retention basins that formerly held fuel oil tanks that were retired in the 1990s and removed in 2006. In July 2015, the Commission adopted findings that concurred with staff's determination that Commission-jurisdictional wetlands were present at the RBEP site.⁴

⁴ See Coastal Commission's Final Adopted 30413(d) Findings for Redondo Beach Energy Project, submitted to California Energy Commission and available at:

We are aware that AES disputes the conclusion that there are wetlands at the site, and has stated that any wetland characteristics within the site were artificial hydrologic features resulting from water moving to the site from a series of injection wells located from about one half-mile to a mile from the site and operated by the West Basin Water District. These injection wells have been operated since the 1960s to provide a salt water intrusion barrier. AES has stated that this injection well program created an artificially high groundwater table, which led to AES installing and operating a dewatering system at the site meant to keep groundwater about three to five feet below the ground surface. AES stated that in 2012 it determined its dewatering system was underperforming and allowing wetland hydrology and hydric soils to develop at the site.

Commission staff has found, however, that portions of the site appear to have exhibited wetland characteristics at several times during the past century, including before the Water District's injection well pumping system was installed and during power plant operations. It appears that, instead of the injection well system creating artificial hydrology, the power plant's dewatering system has acted to mask existing wetland characteristics within the site. However, these characteristics appear to be present even when the dewatering system is apparently functioning as intended.

The Commission has already formally addressed this issue, and found, when it adopted its 30413(d) review of the AES Redondo Beach Energy Project, that AES's proposal to install and operate new pumps would likely further mask or remove the wetland features already identified at the site.

Coastal Act/LCP Violation

AES indicated that, in December 2014, it replaced one of its water pumps intended for groundwater dewatering on the former tank portion of the site, and that another pump was scheduled to be installed in June of 2015. We do not know if the new pumps are currently operating.

Pursuant to Section 30106 of the Coastal Act and Section 10-5.2204(a)(13) of the City's LCP:

"Development" means, on land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act...change in the intensity of use of water, or of access thereto; construction, reconstruction, demolition, or

alteration of the size of any structure, ... and the removal or harvesting of major vegetation other than for agricultural purposes...(Emphasis added)

As such, the installation and operation of water pumps for the purpose of groundwater dewatering on your property constitutes development under the Coastal Act and the City's LCP because it is both the placement of a solid material or structure on land and the removal of wetland material. Section 30600(a) of the Act, as well as Section 10-5.2206(a) of the City's certified LCP, requires that any person wishing to perform or undertake development in the coastal zone must first obtain a Coastal Development Permit ("CDP"), in addition to any other permit required by law, before carrying out any development. Any development activity conducted in the coastal zone without a valid CDP constitutes a violation of the Coastal Act/LCP. Thus, the unpermitted installation and use of water pumps in an unused portion of the site that has been determined by both the Coastal Commission and the Energy Commission to contain Coastal Commission-jurisdictional wetlands constitutes a Coastal Act/LCP violation. We do not consider the installation and use of these water pumps to be exempt development. In fact, the fuel oil tanks were removed in 2006 and this portion of the site containing wetlands has not been used for its originally intended purpose for nearly ten years. Thus, the installation and operation of the subject water pumps is unpermitted development, and operation of these pumps will be considered knowing and intentional performance or undertaking of development in violation of the Coastal Act and the City's certified LCP.

Enforcement Remedies

Pursuant to Coastal Act Section 30810(a)(1), the Commission may issue an order to cease and desist to enforce the requirements of a certified local coastal program if the local government requests the commission to assist with, or assume primary responsibility for, issuing a cease and desist order. Accordingly, the City has requested that the Commission assist in enforcement of the alleged Coastal Act violation described herein that has occurred on the subject property (see enclosed letter).

Chapter 9 of the Coastal Act contains enforcement remedies to address Coastal Act/LCP violations. Section 30809 of the Coastal Act provides for the Executive Director to issue an order if he determines that any person **has undertaken**, or is threatening to undertake, any activity that may require a coastal development permit without first securing said permit. Further, as noted above, Section 30810 provides that the Coastal Commission may also issue a cease and desist order if it determines that any person **has undertaken**, or is threatening to undertake, any activity that requires a coastal development permit without first securing said permit. These cease and desist orders may be subject to terms and conditions that are necessary to ensure compliance with the Coastal Act/LCP. Moreover, Section 30811 authorizes the Commission to order restoration of a site where development occurred without a coastal development permit, is inconsistent with the Coastal Act/LCP, and is causing continuing resource damage. Finally, The Executive Director is also authorized, after providing notice and

the opportunity for a hearing as provided for in Section 30812 of the Coastal Act, to record a Notice of Violation against your property.

In addition to the above, Section 30820 of the Coastal Act provides for civil liability to be imposed on any person who performs or undertakes development without a coastal development permit and/or that is inconsistent with any coastal development permit previously issued by the Commission in an amount that shall not exceed \$30,000 and shall not be less than \$500 per violation. The Act also provides that additional civil liability may be imposed on any person who performs or undertakes development without a coastal development permit and/or that is inconsistent with any coastal development permit previously issued by the Commission who performs or undertakes development without a coastal development permit and/or that is inconsistent with any coastal development permit previously issued by the Commission when the person intentionally and knowingly performs or undertakes such development, in an amount not less than \$1,000 and not more than \$15,000 per day for each day in which each violation persists. The Coastal Act also provides for additional penalties for violations of either a cease and desist order or a restoration order, and exemplary damages in cases of knowing and intentional violations of the Coastal Act.

Resolution

In some cases, when unpermitted development takes place in the Coastal Zone, the alleged violator may seek an after-the-fact CDP from the relevant permitting authority, which in this case is the City, as the area in which the unpermitted development took place lies within the City's LCP jurisdiction. However, the unpermitted installation and operation of water pumps for the purpose of dewatering wetlands are not development activities allowed in wetlands under applicable laws. Therefore, Commission Staff does not recommend you seek an after-the-fact CDP for this development. In order to resolve the subject Coastal Act/LCP violations on the subject property and avoid penalties, as well as additional harm to coastal resources, you must:

- 1. CEASE ALL UNPERMITTED ACTIVITIES. This includes ANY water pumping of the former tank site for the purposes of groundwater dewatering;
- 2. Provide to me by September 9, 2015 written confirmation that all such unpermitted pumping has ceased. If no such pumping is currently taking place, confirm in writing that it has not taken place nor will take place;
- 3. Submit a complete CDP application by September 28, 2015 to the City of Redondo Beach for removal of the subject pumps and restoration of any damaged resources. Once a valid CDP is issued, you must complete the project, as approved, and comply with all conditions, including any monitoring requirements, before this violation file can be closed;
- 4. Contact me by September 14, 2015 regarding how you intend to resolve this violation.

We hope that we can work cooperatively with you to resolve this matter quickly. I can be reached at **415-904-5269**.

Failure to meet the deadlines noted above may result in formal action by the Commission to resolve this Coastal Act violation. The formal action could include a civil lawsuit, recording a Notice of Violation on your property, the issuance of an Executive Cease and Desist Order or Commission Cease and Desist and/or Restoration Order, and/or imposition of monetary penalties.

Thank you for your cooperation and prompt attention to this matter. We look forward to hearing from you soon.

Sincerely,

JO GINSBERG Enforcement Analyst

Enclosure: Letter from Joe Hoefgen, City Manager, City of Redondo Beach

 cc: Alison Detmer, CCC, Deputy Director Lisa Haage, CCC, Chief of Enforcement
 N. Patrick Veesart, CCC, Enforcement Supervisor Tom Luster, CCC, Coastal Program Analyst Amber Dobson, CCC, Coastal Program Analyst Matt Christen, CCC, Staff Counsel
 Mike Webb, City of Redondo Beach, City Attorney Joe Hoefgen, City of Redondo Beach, City Manager





VIA EMAIL ONLY

Aaron Jones Community Development Director City of Redondo Beach Aaron.Jones@redondo.org AES Redondo Beach 1100 N. Harbor Drive Redondo Beach, CA 90277 tel (310) 318-7491 for (310) 318-7593 www.aes.com

Re: Emergency Coastal Development Permit – Redondo Beach Generating Station

Dear Mr. Jones:

By way of this letter, AES Redondo Beach, LLC ("AES") hereby submits an application for an Emergency Coastal Development Permit ("CDP") with an express reservation of rights and remedies.

Nature, Location, and Cause of the Emergency

Dewatering activities have historically been performed at the Redondo Beach Generation Station ("Facility") in several constructed tank basin areas that formerly housed fuel oil tanks ("Tank Basins") in order to abate groundwater seepage caused by injection water associated with the West Coast Basin Barrier Project ("WCBBP"). Dewatering activities at the Facility have been performed since the late 1960s, but were discontinued in 2015 in response to an enforcement order ("Dewatering Order") issued by the California Coastal Commission ("CCC"),¹ which alleged that any resumption of the dewatering system would constitute an unlawful development of wetlands. Since the suspension of dewatering, water has been impounded in four of the five Tank Basins. Over time, impounded surface water in Tank Basins has spread to other locations of the Facility, including, but not limited to the "pump house", underground tunnels, and approximately 12 or more subsurface utility vaults at the Facility. These locations that have experienced flooding associated with the spread of the water at the Facility are herein referred to as "Flooded Locations." Water migrating from the Tank Basins to the Flooded Locations has caused damage to property, inaccessibility of equipment, and various grounds and faults. including but not limited to lighting circuits, control circuits, a 480 volt power supply cable to generating station air preheaters, and a dewatering power supply cable. Water in the Tank Basins also threatens critical operations and infrastructure, including the Facility's wastewater retention basin. Additionally, the impounded water within the Tank Basins has created conditions related to odor, insects, and guano that have caused significant complaints by members of the public that occupy space surrounding the Facility.

¹ The Dewatering Order, dated August 27, 2015, alleges that AES violated the California Coastal Act and the City of Redondo Beach ("City") Local Coastal Program by conducting unpermitted development affecting approximately 5.93 acres of CCC jurisdictional wetlands at the Facility. The Dewatering Order was issued by the CCC on behalf of the City.

Work Necessary to Deal with the Emergency

AES will recommence operation of its existing dewatering system, including any necessary maintenance to restart the system, which has been at least partially submerged by water in the Tank Basins. The maximum amount of water to be pumped per day will be consistent with the Facility's National Pollution Discharge Elimination System ("NDPES") permit.

AES will install a "measuring stick" within each of the affected Tank Basins with a "marker" at one foot above the ground surface of the bottom of the respective basin. AES will continue operating the water pumps until the water level in each of the Tank Basins is no higher than the one-foot marker level. AES personnel will perform daily visual monitoring of Tank Basins confirm the water level. Note that as of the date of this transmittal, AES estimates that surficial water within the Tank Basins is approximately 2-4 feet deep.

If water levels in any of the Tank Basins rise above the one-foot marker level, AES will recommence operation of the dewatering system pursuant to these dewatering measures to bring water down to below the one-foot marker in each Tank Basin in order to abate WCBBP groundwater seepage and to protect critical infrastructure and operations at the Facility.

Notwithstanding that the water level in each Tank Basin is below the one-foot marker, if water continues to spread to the Flooded Locations, AES will continue operation of the dewatering system until water is no longer spreading to the Flooded Locations. Similarly, if AES discovers new areas at the Facility where water is migrating from the Tank Basins, AES will continue operation of the dewatering system until those other areas are free of water. AES will inspect the Flooded Locations and any other affected areas daily to determine whether the dewatering system has effectively stopped the spread of water.

Justification for Action

The Flooded Areas present an imminent and substantial risk to human health and safety, including risks relating to grounds, faults, arc flash, and electrocution, which in turn present substantial and imminent risks associated with electric reliability and operations at the Facility. By way of example, AES recently discovered 10 new flooded vaults associated with impounded waters in Tank Basins 3 and 4. Specifically, surface water from the Tank Basins migrated from and spread through subsurface cables connecting the vaults. These vaults and the projected flow from the Tank Basins is depicted on Exhibit A. This recent flooding shows that uncontrolled impoundment of water within the Tank Basins creates unintended consequences at the Facility and continuous emergency conditions. In addition to the risks associated with the known Flooded Areas and conditions causing public complaints, waters could migrate to other areas of the Facility, causing an even greater threat to health, safety, and the reliability of the Facility.

Reservation of Rights

AES firmly believes that it has the right to resume dewatering activities without the need for any permit or approval from the City. By way of example only, AES or the preceding owner at the Facility, Southern California Edison Company ("SCE"), have operated a dewatering system at

the Facility since the late 1960s, years before the Coastal Act was enacted. AES and SCE have performed routine maintenance on the dewatering system over time, but that does not contravene AES's vested right to continue dewatering. Moreover, AES is regulated by a multiplicity of state and federal agencies. The City's alleged authority with respect to Facility maintenance and operations is inconsistent with the jurisdiction and/or orders of other administrative bodies. Furthermore, AES strongly disagrees that any portion of the Tank Basins are jurisdictional wetlands because the impounded waters within the concrete basins are nothing more than artificial seepage and nuisance waters caused by the WCBBP.

Despite AES's firm belief regarding its rights, AES has abided by the Dewatering Order in order to foster a continued dialogue and mutual resolution with the City and the CCC with respect to a number of disputes relating to the Facility. Specifically, AES, the City, and the CCC have been engaging in various settlement discussions since approximately 2015 in connection with the Dewatering Order, a lawsuit filed by AES against the City relating to a City ordinance prohibiting new power plants, and a lawsuit by AES against the CCC relating to the CCC's findings of wetlands at the Facility in connection with AES's Application for Certification to the California Energy Commission for a modified gas-powered electric generation facility.

During the time of the parties' discussions, AES has repeatedly explained the risks to the Facility that are associated with impounded waters within the Tank Basins and the suspension of dewatering activities. However, with the recent increase of flood conditions at the Facility, it has become even clearer that dewatering activities must resume immediately.

Although AES has the right to resume dewatering without any City or CCC approval, AES understands that unilaterally resuming dewatering activities may cause further enforcement activities and would be counterproductive to the parties' settlement discussions. AES understands that, from the City's perspective, an emergency CDP, if warranted, is the correct procedure for dealing with the circumstances facing the Facility. Accordingly, in the interest of not jeopardizing the parties' recently accelerated settlement discussions, AES has decided to apply for an emergency CDP.

However, notwithstanding its application for an emergency CDP, AES expressly reserves all of its rights and remedies with respect to this matter, including, without limitation, any arguments concerning vested rights, preemption, the lack of wetlands at the Facility, and AES's right to abate nuisance flows seeping onto its property.

Sincerely,

Weikko Wirta Complex Leader AES US West Complex

cc: Eric Pendergraft, David Heger, Jose Perez, Noah Perch-Ahern enclosure

1373703.1

EXHIBIT 3

STATE OF CALIFORNIA-NATURAL RESOURCES AGENCY

CALIFORNIA COASTAL COMMISSION

45 FREMONT STREET, SUITE 2000 SAN FRANCISCO, CA 94105-2219 VOICE (415) 904-5200 FAX (415) 904-5400 TDD (415) 597-5885

June 15, 2018

CONFIDENTIAL SETTLEMENT COMMUNICATION

VIA EMAIL

Eric Pendergraft Vice President, Business Development AES US West 690 North Studebaker Road Long Beach, CA 90803 E-Mail: eric.pendergraft@aes.com

Dear Mr. Pendergraft:

We are writing to follow-up on our site visit of the AES Power Plant on May 31, 2018, which was for the purpose of discussing settlement of the ongoing litigation between AES and the City of Redondo Beach, and AES and the Coastal Commission. Both the Coastal Commission and the City appreciate the opportunity to visit the site, and we look forward to further constructive discussions regarding the potential issuance of a Coastal Development Permit for the installation and operation of dewatering equipment at the site.

However, in this letter, we are writing to express our alarm regarding the potentially dangerous conditions AES reported to us during the visit. During the tour, we were repeatedly told that the conditions at the site were potentially very dangerous to employees and the public, as a result of water flooding underground tunnels containing high voltage wires. At one point in the tour, we were shown a maintenance hole opening to an underground tunnel, which was flooded with water and had cables under the water.

In light of the above, we have the following urgent questions:

- Is the facility safe to operate? Should it be shut down immediately, pending resolution of these safety issues?
- Have the proper safety agencies been notified? Specifically, have you notified Cal/OSHA, the CPUC, or the Redondo Beach Fire Department?
- What measures have been taken to ensure the safety of workers and the public, until the flooding issue is resolved?



EDMUND G. BROWN, JR., GOVERNOR

Pendergraft June 15, 2018 Page 2 of 2

Please note that although AES reported these safety hazards during a settlement discussion, that does not prevent the Commission or the City from taking any action necessary to protect health and safety.

Please respond immediately to this letter in writing or by contacting Louise Warren at (415) 904-5227.or City Attorney Mike Webb at (310) 318-0655. Thanks very much for your cooperation.

Sincerely, **HERRICH FORMANNE (**1997) MERRICH FORMANNE (1997)

Charles Posner, Planning Supervisor California Coastal Commission South Coast District Office

mich w. Welet

Michael W. Webb City Attorney City of Redondo Beach

CC: Baine Kerr, Deputy Attorney General Jon Welner, Jeffer Mangels Butler & Mitchell LLP Noah Perch-Ahern, Glaser Weil Louise Warren, California Coastal Commission

EXHIBIT 4

DOCKETED	DOCKETED					
Docket Number:	12-AFC-03					
Project Title:	Redondo Beach Energy Project					
TN #:	201874					
Document Title:	City of Redondo Beach - Data Requests - Set One - Exhibit A					
Description:	N/A					
Filer:	Jon Welner					
Organization:	City of Redondo Beach (outside counsel)					
Submitter Role:	Intervenor Representative					
Submission Date:	3/14/2014 11:52:10 AM					
Docketed Date:	3/14/2014					

Redondo Beach - Customer Service Center: eFM Home

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	21568	Mayor & Council>Public Comment on Agenda Item	City Council members,	Resolved	11/19/2013	11/19/2013	0	
	21404		re: Support AES					
	View	Mayor & Council>Public	Building Moratorium/New	Received	00/03/2013	09/10/2013	7	
		Comment on Agenda Item	Zoning consideration w/o	Resolved	09/03/2013	09/10/2015	,	
			Power Plant					
	21098		Dear Mayor Gin, and council members. I					
		Mayor & Council>Public Comment on Agenda Item	do not like the direction that you	Resolved	04/02/2013	04/08/2013	6	
			have decided to take					
	19830		The AES power					
		Code Enforcement>Nuisance	plant had another venting event that	Resolved	09/09/2011	06/12/2012	277	
		code Enforcements huisance	clearly exceeded Redondo noise limits		03/03/2011	00/12/2012	277	^v
	10040		on Tuesday					
	19840		I measured the noise from the					1
		Code Enforcement>Nuisance	power plant while it was running from	Resolved	09/13/2011	06/12/2012	273	
			the base of Harbor Cove					
	20426		This is					
		Mayor & Council>Mayor &	(18 years old), life-long	Resolved	05/28/2012	05/30/2012	2	
		Council Questions	Redondo Beach resident and current			,		
	20394		student at El I live in San Pedro,					
	20334	Mayor & Council>Public	but drive through, shop, and have					
		Comment on Agenda Item	done/still do many	Resolved	05/15/2012	05/15/2012	0	
			things in Redondo Beach					
	20300		Dear Mr. Odell: I would just like to					
		Treasurer>General Inquiry	verify based upon	Resolved	03/30/2012	04/27/2012	28	
			an article that Eric Prendergraft wrote					
	19821		in On September 7th					
			at about 9:28AM the AES power plant					1
		Code Enforcement>Nuisance	vented. This venting	Resolved	09/07/2011	01/19/2012	134	
			exceeds Redondo noise					
	19824		At about 2:47pm this afternoon,					1
		Code Enforcement>Nuisance	9/7/2011, the AES power plant was	Resolved	09/07/2011	01/19/2012	134	1

Redondo Beach - Customer Service Center: eFM Home

19735	Code Enforcement>Nuisance	On August 15th about 11PM the AES power plant vented multiple times. This venting exceeds Redondo	Resolved	08/16/2011	01/19/2012	156	7
19739	Code Enforcement>Nuisance	Ні,	Resolved	08/16/2011	01/19/2012	156	~
19740	Code Enforcement>Nuisance	Ні,	Resolved	08/16/2011	01/19/2012	156	st
19742	Code Enforcement>Nuisance	Last night around 11 PM my sleep was interrupted by the sound of what I imagined was a jet engine	Resolved	08/16/2011	01/19/2012	156	/
19743	Code Enforcement>Nuisance	Last night at about 11PM the AES power plant vented multiple times. I had guests over at the time		08/16/2011	01/19/2012	156	2
19744	Code Enforcement>Nuisance	To Whom It May Concern	Resolved	08/16/2011	01/19/2012	156	v
19745	Code Enforcement>Nuisance	On August 11th at about 4:53PM and about 1 hour later and on August 15th about 11PM the AES power	Resolved	08/16/2011	01/19/2012	156	7
19746	Code Enforcement>Other	On August 11th at about 4:53PM and about 1 hour later and on August 15th about 11PM the AES power	Resolved	08/16/2011	01/19/2012	156	J
19748	Code Enforcement>Other	On August 11, 2011 at about 4:55 p.m. and 5:55 p.m. and on August 15, 2011 at about 11:00 p.m., the	Resolved	08/16/2011	01/19/2012	156	/
19751	Code Enforcement>Nulsance	To: Jo Salcido,	Resolved	08/16/2011	01/19/2012	156	
19753	Code Enforcement>Nuisance	I am interested in finding out what the level of noise is allowed in the city of Redondo Beach. On	Resolved	08/16/2011	01/19/2012	156	~
19754	Code Enforcement>Nuisance	On August 11 in the afternoon and again on August 15 near midnight the AES power plant blasted our	Resolved	08/16/2011	01/19/2012	156	
19756	Code Enforcement>Nuisance	What's wrong with the power plant in RB? Twice in the last week it seems to have erupted. Since it	Resolved	08/16/2011	01/19/2012	156	7
19759	Code Enforcement>Nuisance	On August 15th about 11PM the AES power plant vented multiple times. This venting exceeds Redondo	Resolved	08/16/2011	01/19/2012	156	J
19760	Code Enforcement>Nuisance	The AES power plant blasts its vent pipes (or whatever it does) at the most annoying times like	Resolved	08/16/2011	01/19/2012	156	
19761	Code Enforcement>Other	On August 11th at about 4:53PM and on August 15th about 11PM the AES power plant vented multiple	Resolved	08/16/2011	01/19/2012	156	
19762		On August 11th at					

	-	Code Enforcement>Nuisance	about 4:53PM and about 6:00PM, and on August 15th about 11PM the AES power plant	Resolved	08/17/2011	01/19/2012	155	
	19763	Code Enforcement>Nuisance	I wanted to make you aware that about 11pm at night, on August 15th the AES power plant emitted a	Resolved	08/17/2011	01/19/2012	155	
	19767	Code Enforcement>Other	On August 11th at about 4:53PM and about 1 hour later and on August 15th about 11PM the AES power	Resolved	08/17/2011	01/19/2012	155	
	19769	Code Enforcement>Nuisance	"On August 11th at about 4:53PM and about 1 hour later and on August 15th about 11PM the AES power	Resolved	08/18/2011	01/19/2012	154	
2	19872	Mayor & Council>Public Comment on Agenda Item	As I understand a committee of two councilmen is being appointed by the city council to further	Resolved	09/29/2011	09/29/2011	0	
	19736	Harbor>Harbor & Pier Inquiries/Requests/Complaints	To the members of the City Council	Resolved	08/16/2011	09/07/2011	22	J
۵	19758	Police Services>Noise Complaints	On August 15th about 11PM the AES power plant vented multiple times. This venting exceeds Redondo	Resolved	08/16/2011	08/17/2011	1	J
	19752	Code Enforcement>Other	The power plant went off about 12 times after 11 pm yesterday. It truly was disturbing the peace	Resolved	08/16/2011	08/16/2011	0	J
	19749	Mayor & Council>Mayor & Council Questions	AGAIN, LATE LAST NIGHT, THERE WAS ANOTHER SOUND EXPLOSION FROM THE POWER PLANT. THIS HAS BEEN	Resolved	08/16/2011	08/16/2011	0	
	19747	Mayor & Council>Mayor & Council Questions	Dear City Council,	Resolved	08/16/2011	08/16/2011	0	J
	19734	All Other>Other	Last night at around 23:00 I was woken by a terrible noise that startled everyone in my house = it	Resolved	08/16/2011	08/16/2011	0	J
	19733	All Other>Other	On August 11th at about 4:53PM and about 1 hour later and on August 15th about 11PM the AES power	Resolved	08/16/2011	08/16/2011	0	J
	19738	Code Enforcement>Other	on August 11th at approximately 4:55 PM, the AES power plant erupted sounding like a jet plane and	Resolved	08/16/2011	08/16/2011	0	/
	17893	Mayor & Council>Mayor & Council Questions	This could really give Redondo's AES plant a real revenue stream and great for our demographics !	Resolved	02/15/2009	02/18/2009	3	
	16752	Engineering>Traffic Safety	>>> "Gin, Mike" 11/09/07 12:35 PM >>>	Resolved	11/15/2007	12/27/2007	42	
1	16366	Police Services>Noise	I'm not sure if the					

		would like to file	
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