

November 12, 1998

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**COMMENTS TO INITIAL STUDY – SDG&E DIVESTITURE OF ASSETS
SENT BY FASCIMILE TO (415) 896-0332**

The City of Carlsbad has completed its review of the Initial Study for the SDG&E mandated divestiture of assets which includes the Encina Power Plant adjacent to Agua Hedionda Lagoon. The Initial Study has a public review period that started on October 13, 1998, and ends on November 12, 1998. The following represents the City of Carlsbad's comments based on the review of the Initial Study document.

Overall Project Description Comment

[Begin G1]

The Agua Hedionda Lagoon Local Coastal Program (LCP) covers the area around Agua Hedionda including the SDG&E properties. The LCP for Agua Hedionda requires certain environmental conditions (such as the provision of public access and environmental buffers) to be in place. The current configuration of lot lines on SDG&E property needs revision to accommodate the divestiture. Subdivision of the property in a certain manner may prevent those environmental conditions from being in place and in turn may prevent the implementation of LCP mandated amenities and features. A complete project description of the Encina Power Plant divestiture would include the need to create legal parcels and corresponding lot line adjustments/subdivision of land. SDG&E has no right to sell the land in its existing configuration and any sale without creation of legal lots would be in violation of law. Such a lot line adjustment/subdivision would be processed by the City and raises the following concerns: (1) existing inconsistencies on the SDG&E properties between zoning and General Plan designations; the significance of the inconsistencies are increased given the fact that the SDG&E Power Plant has not processed a Precise Development Plan as currently required by the zoning ordinance; (2) environmental review would need to be performed on the proposed lot split/lot line adjustments; and, (3) an assessment of land use compatibility. Given the fact that the initial study does not identify and address the required legal lots needed to effectuate the divestiture of Encina and the associated environmental impacts of said subdivision, the City believes that the project description and environmental analysis is deficient.

[End G1]

Biological Resources

[Begin G2]

1. The requirement for a "written commitment" that the new property owner will adhere to non-transferable, interim resource agency permits and conditions (Mitigation Measure 4.7.a.1) should be augmented with written confirmation by affected resource agencies that existing

enforcement and permit violation processes are adequate to allow such interim permits to remain valid.

[End G2]

Cultural Resources

[Begin G3]

1. The City has Cultural Resource Guidelines (dated December 1990) which should be referenced for compliance by the Mitigated Negative Declaration. The Guidelines provide the local procedures for investigating and recovering cultural resource sites.

[End G3]

[Begin G4]

2. The City feels that an initial archeology survey for all SDG&E properties should have been incorporated into the Initial Study. That way the mitigation measures proposed would have the benefit of knowing the required level of site recovery/assessment that is needed to avoid significant impacts. Furthermore, the City feels that the proposed mitigation measures for Cultural Resource impacts are inadequate without a baseline archaeological survey being completed. The Initial Study also states that other archaeological sites may exist and be uncovered during grading work with an archaeologist/grading monitor being involved. The full scope of on-site archaeological/cultural resources needs to be known before a mitigation program can be prepared in the context of a Mitigated Negative Declaration.

[End G4]

[Begin G5]

3. A specific mitigation measure should be the requirement for a City issued grading permit for any earth-moving, grading, soil remediation work, etc. Such a grading permit would then be subject to local level environmental review.

[End G5]

Air Quality

1. The City believes that several assumptions used in the “2005 Cumulative Analytical Maximum Scenarios” (the 2005 scenarios) are inaccurate and unrealistic.

[Begin G6]

- a) Both Variants 1 and 2 assume an increase in the power importation capacity of the San Diego Area of 400 MW above the 1999 importation capacity. It seems very likely that a project of this magnitude can be permitted and constructed by 2005.
 - i) The Mitigated Negative Declaration should provide details explaining how such a project can be completed within this time period.
 - ii) Both Variants 1 and 2 should be re-calculated without assuming any increase in transmission capacity. It is our belief that the net impact of removing the increased transmission capacity would be to increase the air emission in both Variants.

[End G6]

- b) Variants 1 and 2 assume that one or both of the Encina or the South Bay plants will be retrofitted with SCR technology. The City questions whether this assumption is realistic.

[Begin G7]

It is our understanding that it will cost approximately \$40M and \$50M to retrofit South Bay and Encina plants respectively with SCR. Under Variant 2, it does not seem realistic

to assume that a new owner would 1) pay a large sum of money to purchase the South Bay facility, 2) spend an additional \$40M to retrofit the facility with SCR by 2001, 3) spend hundreds of millions of dollars more to build a new facility, and then 4) shut down the South Bay facility in 2005.

[End G7]

[Begin G8]

Furthermore, it does not seem economically realistic to assume that anyone can satisfy Rule 69 as it currently exists and also replace an existing facility with a new facility. It is not practical to assume that anyone would spend \$40M in 2000 and then stop operating a facility in 2005. In order for anyone to shut down either of the two facilities and replace them with a new facility, it seems that Rule 69 will need to be amended to allow a new owner to operate the current facilities without spending any money while a new plant is constructed. If the Mitigated Negative Declaration is going to assume that Encina and/or South Bay are operated until a replacement plant becomes operational, then it must also address the issue of whether Rule 69 would need to be changed.

[End G8]

[Begin G9]

2. Rule 69 requires the current owners of the Encina and South Bay plants to cap their cumulative emissions to 2100 tons/year after January 1, 1997, to 800 tons/year after January 1, 2001, and to 650 tons/year after January 1, 2005. The Mitigated Negative Declaration should calculate baseline and analytical maximum scenarios for all three years (not just 1999 and 2005) and should assess whether the increase in emissions warrant a finding of significant environmental impact for all three years.

[End G9]

3. Variant 2 of the Mitigated Negative Declaration projects 988 tons of NO_x per year, a 338 ton per year increase above the 650 NO_x ton/year baseline that is required in Rule 69. Page 4.5-38 then states that the 2005 cumulative impact is not considered significant for three reasons. The City disagrees with all three reasons and believes that the increase in emissions is significant.

[Begin G10]

- a) The first reason given in the Mitigated Negative Declaration relies on “potential inconsistencies with emissions forecasts” and then states that the 338 NO_x tons of excess emissions is an order to magnitude less than the projected 1999 baseline of 3,264 NO_x tons. The City believes it is inappropriate, when making a determination of significance, to compare the 2005 excess emissions to the 1999 projected baseline. The correct comparison would be to recognize that the 988 tons of NO_x emissions under Variant 2 exceed the 650 NO_x ton baseline by 52%.

[End G10]

[Begin G11]

- b) The second reason relies on the possibility that the actual number may be lower based on the technology requirements of LAER. The EPA LAER levels which have recently been changed should already be reflected in the modeling. If they are not, then the scenarios should be recalculated. Furthermore, relying on possible future technology changes should not be relied upon to justify a 52% increase in emissions.

[End G11]

[Begin G12]

- c) The third reason states that SDAPCD could implement more stringent controls in the future. Significance should be determined based on current regulatory requirements. While more stringent controls are possible, this does not justify finding that a 52% increase in emissions should not be considered significant.

[End G12]

[Begin G13]

4. It is our understanding that one of the criteria that is used to determine whether or not a project is deemed to have a significant environmental impact is whether or not the project produces emission levels that are inconsistent with regional air quality plans. Rule 69 caps power plant emissions in San Diego to 650 tons on NOx per year, and the City assumes that this level is included in the SDAPCD's regional plan. The City believes that Variant 2, which shows an increase of NOx emissions by 52%, is inconsistent with the regional air quality plan, and therefore the Variant should be deemed to have a significant impact.

[End G13]

Quality of Environment

[Begin G14]

1. A suggested mitigation measure for Quality of the Environment would be required City consultation/partnership for seasonal dredged sand placement efforts.

[End G14]

If you have any questions regarding the City's comment to the Initial Study, please contact Eric Munoz, Senior Planner at (760) 438-1161, extension 4441 or me at (760) 438-1161, extension 4430.

Sincerely,

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Planning Director

- c: Ray Patchett, City Manager
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G. CITY OF CARLSBAD

- G1 SDG&E (now Sempra Energy) has proposed changes to the project description for the divestiture of the Encina Power Plant. These changes are described in Letter H and response to Comment H1. The newly proposed project description would allow sale of the Encina Power Plant to proceed without any lot line adjustment process with the City of Carlsbad. While this revision eliminates the need for approval from the City of Carlsbad for the lot line process prior to the sale of the power plant, it does not avoid the disclosure or mitigation of any environmental impacts related to divestiture of the plant. This revision would not result in any adverse environmental impacts as the new owner and SDG&E would continue to use the subject properties in the same manner as they would have with the pre-sale processing of the lot line adjustments that were described in the Initial Study. With the possible exception of the reconfiguration of existing fencing within the existing SDG&E properties, no physical changes to the environment are anticipated to result from the sale of the power plant. Refer to response to Comment H1 for additional information regarding the City's role in any subsequent lot line adjustment process.

There is no indication that the sale of the Encina Power Plant and the associated lot line adjustments will have an impact on the Agua Hedionda Local Coastal Program (LCP). The City of Carlsbad has not been granted authority from the State of California to implement the Agua Hedionda LCP. In May of 1982 the City of Carlsbad adopted the Agua Hedionda Land Use Plan, which includes the SDG&E property. Despite the lack of any updates (the Coastal Act requires an evaluation of the plan for effectiveness and the impact of changing conditions, at least every five years) or concurrence from the Coastal Commission, the 1982 adoption of the Land Use Plan was the first step towards the adoption of an LCP for the Agua Hedionda segment. The Agua Hedionda Land Use Plan states that "the Land Use Plan, together with the Implementation Program, will comprise a complete Local Coastal Program." The City of Carlsbad's 1996 Local Coastal Program indicates that the Agua Hedionda Lagoon area represents an area of "deferred certification," an indication that no Implementation Program for a Local Coastal Program covering the SDG&E properties has been adopted by the City of Carlsbad or the California Coastal Commission. The California Coastal Commission, therefore, retains Coastal Development Permit authority for the San Diego Gas & Electric properties. There is no evidence that the sale of the Encina Power Plant will preclude the adoption or implementation of the Agua Hedionda LCP. SDG&E has indicated an intent to continue the processing of lot line adjustments with the City of Carlsbad subsequent to the sale of the Encina Power Plant.]

- G2 It is not possible for either the CPUC or SDG&E to require the affected resource agencies to provide such a written confirmation. However, since Mitigation Measure 4.7.a.1 will require the new owners affirmatively agree to abide by the existing permits and to submit to the jurisdiction of the permitting agencies, there should be nothing to prevent such agencies from using their enforcement powers. Furthermore, such an interim period (before the non-transferable permits are reissued) should not be of long duration.

- G3 The following reference is added at the beginning of the list of cultural resources references on page 4.14-8 of the Initial Study:

City of Carlsbad, *Cultural Resource Guidelines*, December 1990.

See also response to Comment G4.

- G4 The City of Carlsbad's *Cultural Resource Guidelines* describe that "the key elements of archaeological/historical studies needed for CEQA compliance include field surveys and literature reviews (record searches, historical documents, etc.) to identify the presence of, or potential for, cultural resources within a project under discretionary review..." Based on a review of the *National Register of Historic Places* and *California Historic Landmarks*, and a records search by the South Coast Information Center (SCIC), the Initial Study (page 4.14-2) identifies known archaeological resources at the Encina Power Plant and associated Agua Hedionda Lagoon properties. Though no formal field surveys were conducted at the power plant site, the Initial Study further acknowledges the potential presence of additional undiscovered archaeological resources at the site and the potential to disturb such resources during any project construction activities. In recognizing the sensitivity of these cultural resources, the Initial Study identifies two mitigation measures (pages 4.14-6 and 4.14-7) for all soil remediation or minor construction activities (e.g., relocating fences to separate divested properties from retained properties) related to the proposed divestiture. In summary, these measures require that a qualified archaeologist be on-site during all earthmoving activities and that all information related to known archaeological resources be forwarded to the new owner. These measures would sufficiently mitigate any potential impacts to known or unknown archaeological resources. Furthermore, it should be noted that the overall amount of earthmoving activities is expected to be minimal and that the location of such activities on the project site is unknown. Based on the anticipated level of construction in conjunction with the proposed mitigation measures, an extensive archaeological field survey of the entire 671-acre site, as suggested by the commenter, is not warranted.
- G5 To the extent that earthmoving and soil remediation activities would trigger local permitting requirements, including grading permits, SDG&E or the new owner would complete and file all appropriate application materials. If applicable, permitting agencies would, at that time, have the opportunity to include their own conditions of approval. Regardless of local permitting, the proposed mitigation measures identified in the MND and the Initial Study would sufficiently mitigate any potential impacts to known or unknown archaeological resources at the Encina Power Plant site.
- G6 The commenter objects to the assumption regarding increased import through increased transmission capacity under both 2005 analytical scenarios on the grounds that it is unrealistic. The second paragraph on page 3-13 of the Initial Study states the full assumption:

Projected transmission upgrades are assumed to increase the power importation capacity to the San Diego area so that the total importation capacity would be 2,850 MW (an increase of 400 MW above the 1999 importation capacity).

The projects that would, in the aggregate, increase import capacity by 480 MW are expected to be installed by the end of 2002. Only one discretionary permit will be required for these various projects, and that one permit lies within the jurisdiction of the California Public Utilities Commission.

- G7 The commenter objects to Variant 2 as implausible on economic grounds. Variant 2 is based upon the assumption that the Port of San Diego purchases the South Bay Power Plant. It is the stated purpose of the Port to buy the South Bay plant in order to replace the existing facility with a new plant, probably at Otay Mesa. The Port has put forward several reasons for this projected course of action. One is that the Port wishes to utilize the land for other waterfront-related uses, which include commercial development. To be able to use the property most effectively, the Port would need to remove the existing power plant and related facilities. It is entirely plausible that the value of such uses would exceed the cost of both the purchase of the South Bay plant and the installation of the SCRs.

In order to defray the costs of acquiring and operating the South Bay plant, the Port has been allocated 14 million dollars by the California Legislature towards the purchase and environmental clean-up of the power plant. In addition, the Port would contract with a power generation firm to operate the plant, and that firm would pay the Port a fee to operate the facility. Finally, the South Bay Power Plant is considered a must run facility and, as such, will have a contract with the ISO which will guarantee that the plant will have an income stream.

The second reason that the Port has provided for purchasing the plant is to enable the aging plant and equipment, which it believes produces substantial water and air related pollution, to be closed and a new, more efficient and less polluting power plant be built to replace the South Bay plant. The Port has stated that it wishes to remove the South Bay Power Plant as soon as a feasible replacement can be built. In this regard, the Port is currently negotiating with several power generation firms in order to select a partner that would operate the South Bay plant for the Port until the plant can be replaced. The Port has also stated that such a partner would, as a part of such agreement, site and build a new plant to replace South Bay. It is the Port's contention that it has an obligation to lower air pollution in the San Diego area if possible. The purchase and decommissioning of the South Bay Power Plant and its replacement by a new and less polluting plant would accomplish this goal. The Port of San Diego has stated its intention to meet the requirements of the air district, which include retrofitting the facility with SCRs.

It should also be emphasized that the requirements of the air district's Rule 69 and Mitigation Measure 4.5.a.1 are publicly available and are known to both the Port of San Diego and other bidders for both plants. Thus, as a part of the auction process, the bidders will take into account the various costs associated with pollution control equipment, the

NO_x caps, must run agreements with the ISO and other factors in determining the market value of both the Encina and the South Bay plants. This process has occurred in the previous divestiture auctions, and most of the power plants have sold for amounts above their book values. It is very likely that the bidders for the South Bay and Encina plants will consider all of the costs associated with the purchase and submit an offer to purchase that factors in such costs.

It is not currently foreseeable that a new owner of either fossil-fueled plant would not comply with Rule 69 and Mitigation Measure 4.5.a.1, or that they would seek to have such requirements revised. If, however, as the commenter posits, the Port of San Diego or another owner would have to apply to the local air district to modify Rule 69 in order to not place SCR equipment on the units required at the South Bay plant, the Port has not stated its intention to do so. The local air district has stated its intention to require compliance with Rule 69 and the applicable air permits. Any application to change Rule 69 would be subject to a public process, and may require environmental review of the proposed rule change. However, based upon the publicly stated intentions of the Port of San Diego to comply with existing rules and the air district's intentions to enforce existing NO_x limits and future NO_x tonnage reductions related to the generation of power at the Encina and South Bay Power Plants, there is no reason to assume that a change in Rule 69 would occur either as a result of divestiture or the ownership of the South Bay plant by the Port.

G8 Please see response to Comment G7.

G9 The commenter requests power plant baseline and analytical maximum emissions estimates for the three threshold years under SDAPCD Rule 69, i.e., 1997, 2001, and 2005, not just 1999 and 2005. With respect to 1997, there is no point in developing hypothetical emissions estimates for a year that has already passed.

With respect to 2001, emissions estimates have been made in response to this comment by combining the annual capacity factors shown in the Initial Study for the 1999 Analytical Maximum with the emissions factors shown for the 2005 scenarios. Use of Year 2005 emissions factors is appropriate since, under SDAPCD Rule 69, the new owners would be required to operate the plants in compliance with boiler-specific standards as described in the fourth full paragraph on page 4.5-11 of the Initial Study by 2001 and since these standards would be the same in 2005 as in 2001. For this hypothetical 2001 scenario, emissions estimates also reflect low use of fuel oil consistent with Mitigation Measure 4.5.b.1, which would take effect beginning in that year. Unlike the 2005 cumulative scenarios analyzed in the Initial Study, the Year 2001 emissions scenario reflects no increase in transmission capacity to San Diego County.

The resulting emissions would be approximately 784 tons per year of NO_x for the boilers at the Encina and South Bay power plants. This estimate would be less than the annual limit of 800 tons per year that would apply to SDG&E in that year if it were to keep the plants. Therefore, no significant effect on NO_x emissions would occur in 2001.

Year 2005 cumulative power plant emissions estimates are provided in the Initial Study, which concludes that such emissions would not be significant for the reasons listed on page 4.5-38.

- G10 The emissions estimate cited by the commenter as a 1999 “baseline” value (i.e., 3,264 tons) is not a baseline value but is an estimate of the “excess” emissions over that assumed for power plants in that year in the *1998 Regional Air Quality Strategy*. The discussion in the fourth paragraph on page 4.5-38 of the Initial Study compares the “excess” emissions in 1999 with the “excess” emissions estimated in 2005 (388 tons) under Variant 2 and points out that the latter would be an order of magnitude less than the former.

Also, it is noted that the list of reasons provided in the Initial Study as to why the cumulative impact in 2005 under Variant 2 would not be significant is not exhaustive. For instance, the cumulative effect would also be less than significant because NO_x emissions in 2005 under Variant 2 (i.e., 988 tons per year) would be less than the 1999 baseline case (1,091 tons in Table 4.5.14). Specifically, power plant NO_x emissions under Variant 2 in 2005, even assuming Analytical Maximum conditions (i.e., relatively low price for natural gas), would decrease approximately 9% relative to baseline conditions (i.e., no low price for natural gas) in 1999.

The comparison of 2005 conditions with 1999 is appropriate. The recently revised CEQA Guidelines Section 15126.2 indicates that the lead agency should normally limit its examination to changes in the existing physical conditions in the affected area as they exist at the time the notice of preparation is published, or where no notice of preparation is published, at the time environmental analysis is commenced. However, since 1999 will be the first full year under the restructured electricity market in California, it represents a better “existing” case than 1998 (the year environmental analysis commenced) from which to evaluate potential project effects.

- G11 NO_x emissions estimates for a future power plant at Otay Mesa were based on the same SDAPCD Rule 69 standard that applies to existing units operated by entities other than SDG&E, i.e., 0.15 pounds per megawatt-hour, calendar-day average, when burning natural gas. This emission rate reflects the maximum effectiveness of in-duct selective catalytic reduction (SCR) equipment given the concomitant requirement set forth in SDAPCD Rule 69(d)(8) to minimize ammonia emissions. It is presumed that this technology represents the minimum level of NO_x control that would be required of the new power plant if it were to be built under existing regulations.

Existing regulations provide specific guidance as to what technology or emission limit constitutes “Lowest Achievable Emission Rate” (LAER) and “Best Available Control Technology” (BACT) for any given source. However, such guidance is not fixed and is subject to change over time in the wake of technological innovations and improved methods. Changes in what constitutes LAER or BACT for a given source result inevitably in more restrictive standards and lower emissions. The new power plant would be subject to LAER or BACT standards as they exist at the time an application is submitted to the

SDAPCD for a permit, and such standards may be more restrictive than under existing regulations, with the possibility that NO_x emissions would be lower than presented in the Initial Study.

In addition, it is noted that a new electricity generating facility would require project-specific environmental review, including approval of new air quality permits by SDAPCD and approval of a certification to construct from the California Energy Commission (CEC), as well as local building permits. During such review, cumulative impacts would be re-considered in light of the more highly-defined, specific power plant project then subject to review and approval.

- G12 In the sixth paragraph on page 4.5-38, the Initial Study does not simply state that SDAPCD could implement more stringent controls in the future, but rather, the Initial Study acknowledges a review process that is mandated by the California Clean Air Act for updating and refining the regional air quality plan (in this case, known as the Regional Air Quality Strategy). This plan review process is a current regulatory requirement and, thus, is properly taken into consideration in evaluating the potential for significant long-term air quality impacts, particularly due to changes in emissions from stationary sources (like power plants) that operate within the direct control of SDAPCD. Stationary sources like power plants are subject to a much greater level of control by SDAPCD than are mobile sources, which are generated largely by land use development projects over which SDAPCD has no authority. The triennial plan review process provides a mechanism whereby, through revisions to the SDAPCD's Regional Air Quality Strategy, SDAPCD rules can be amended or new rules added to address actual conditions and probable pollutant trends rather than the hypothetical worst-case scenarios used for CEQA analysis. The process of review and revision of the Regional Air Quality Strategy lends support to the conclusion that the cumulative changes in power plant emissions would not be significant.

Also, the "52% increase in emissions" cited by the commenter needs to be put into its proper context. The aggregate power plant NO_x emissions estimate for Variant 2 under Analytical Maximum operating conditions in 2005 would be 52% above the emissions estimate assumed for power plants in that year in the current version of the Regional Air Quality Strategy. This does not mean that power plant NO_x emissions would be 52% greater in 2005 than under existing conditions or under 1999 baseline conditions. Table 4.5.14 indicates that NO_x emissions would be less in 2005 under Variant 2 than under both existing conditions and 1999 baseline conditions. Specifically, power plant NO_x emissions under Variant 2 in 2005, even assuming Analytical Maximum conditions (i.e., relatively low price for natural gas), would decrease approximately 9% relative to baseline conditions (i.e., no low price for natural gas) in 1999.

- G13 The fifth paragraph on page 4.5-36 of the Initial Study indicates that consistency with emissions forecasts in the regional air quality plan was used as the basis for identifying a significant effect and as the basis for development of a mitigation measure that would

reduce the impact to less than significant. This same issue is included in the evaluation of cumulative impacts in 2005 (see paragraph 4 on page 4.5-38).

With respect to the reference to “an increase in NO_x emissions by 52%,” it is noted that the Initial Study does not indicate that power plant NO_x emissions under Variant 2 would increase 52% relative to existing or 1999 baseline conditions. Table 4.5.14 of the Initial Study indicates that power plant NO_x emissions in 2005 under Variant 2 would be less than both existing and 1999 baseline conditions. The “increase of NO_x emissions by 52%” refers to an estimate of NO_x emissions (988 tons per year) under Variant 2 that assumes Analytical Maximum operating conditions and that would be 52% higher than the emissions rate (650 tons per year) assumed for the purposes of the regional air quality plan in that year and for that one source category, power plant boilers (including new and replacement units).

For perspective, it is noted that this “52% increase” corresponds to an amount equivalent to approximately 0.53% of Basin-wide NO_x emissions in 2005. A recent EIR on a power plant divestiture project used a one-percent threshold to identify emissions projections that were seriously enough out-of-sync with those used in a regional air quality plan to warrant a determination of significant effect (Environmental Science Associates, 1998). If one were to use that criterion to evaluate cumulative power plant emissions in San Diego County, the 2005 cumulative emissions estimates under Variant 2 would not result in a significant effect because the extent to which they would exceed the emissions assumed in the plan (i.e., 0.53%) would be less than one-percent of the Basin-wide inventory.

References:

Environmental Science Associates, Pacific Gas and Electric Company’s Application for Authorization to Sell Certain Generating Plants and Related Assets, Application No. 98-01-008, Draft Environmental Impact Report, prepared for the California Public Utilities Commission, August 1998.

- G14 The commenter apparently is referring to the *Environmental Quality* section of Chapter 4.16, Mandatory Findings of Significance, of the Initial Study. The Initial Study concluded that the project would not result in a significant impact as related to dredging of the Agua Hedionda Lagoon or the subsequent placement of the dredged sand. The commenter did not identify an impact that the suggested mitigation measure would address. The City of Encina is currently in a dispute with SDG&E over the placement of sand removed from the lagoon, with the City wanting the utility to place more sand on beaches to the north of the lagoon mouth, and the utility wanting to place more sand to the south of the mouth because, it asserts, sand placed to the north has a tendency to re-enter the lagoon. The new owner of the Encina plant is free to propose a new dredged sand disposal plan, and the City of Encina is free to contact the new owner and attempt to negotiate a mutually agreeable dredged sand disposal plan.