Linda S. Adams
Secretary for
Environmental Protection

Department of Toxic Substances Control

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

Arnold Schwarzenegger
Governor

DOCKET
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August 17, 2006

Mr. Michael Stephens, PG, CEG, C.HG, REA II
California Energy Commission
Energy Facilities Siting Division
1516 9th Street, MS-40
Sacramento, California 95814-5512

SOUTH BAY REPLACEMENT PROJECT APPLICATION FOR CERTIFICATION

Dear Mr. Stephens:

The Department of Toxic Substances Control (DTSC) has received your submitted application for certification for the above-mentioned project. The following project description is stated in your document: "LSP South Bay proposes to develop the SBRP as a natural-gas-fired, combined-cycle power plant. The SBRP project will be configured as two natural-gas-fired combustion turbines and one steam turbine, and will have a nominal 500-megawatt (MW) output at a 62 degrees Fahrenheit. SBRP includes duct firing which can raise the output up to an additional 120 MW by boosting the output of the steam turbine. The baseload operation has a net plant heat rate of 6,993 Btu/kwh."

Based on the review of the submitted document, DTSC has comments as follows:

1) The current South Bay Power Plant (SBPP) has been identified as a hazardous waste generator and a possible source of hazardous waste/substance releases. The investigations at the site should be approached as such and attempt to adequately characterize any contamination.

2) The document should identify the mechanism to initiate any required investigation and/or remediation for any site that may be contaminated, and the government agency to provide appropriate regulatory oversight. Further studies may be necessary to delineate the nature and extent of the contamination, and any potential threat to public health and/or the environment should be evaluated. It may be necessary to determine if an expedited response action is required to

reduce existing or potential threats to public health or the environment. If no immediate threat exists, any remedy should be implemented in compliance with state regulations, policies, and laws.

3) Proper investigation, sampling and remedial actions, if necessary, should be conducted at the site prior to the new development or any construction, and overseen by a regulatory agency.

4) The locations at the SBPP site that could not be accessed because of existing structures should be characterized if and when the structures are removed.

5) Since large amounts of debris/waste are expected to be removed from the South Bay Power Plant site, these wastes should be adequately characterized to ensure appropriate disposal.

6) If any property adjacent to the project site is contaminated with hazardous chemicals, and if the proposed project is within 2,000 feet from a contaminated site, except for a gas station, then the proposed development may fall within the "Border Zone of a Contaminated Property." Appropriate precautions should be taken prior to construction if the proposed project is within a "Border Zone Property.

7) According to the Application for Certification, building structures, asphalt or concrete-paved surface areas or other structures are planned to be demolished. Therefore, an investigation should be conducted for the presence of lead-based paints or products, mercury, and asbestos containing materials (ACMs). Since lead-based paints or products, mercury or ACMs have been identified, proper precautions should be taken during demolition activities. Additionally, the contaminants should be remediated in compliance with California environmental regulations, policies, and laws. This also applies to the other hazardous wastes mentioned in Section 8.13.3.2.2.

8) The project construction may require soil excavation and soil filling in certain areas. Appropriate sampling is required prior to disposal of the excavated soil. If the soil is contaminated, properly dispose of it rather than placing it in another location. Land Disposal Restrictions (LDRs) may be applicable to these soils. Also, if the project proposes to import soil to backfill the areas excavated, proper sampling should be conducted to make sure that the imported soil is free of contamination.

9) Human health and the environment of sensitive receptors should be protected during the construction or demolition activities. A study of the site, overseen by the appropriate government agency, might have to be conducted to determine if there are, have been, or will be, any releases of hazardous materials that may pose a risk to human health or the environment.

10) If it is determined that hazardous wastes are, or will be, generated by the proposed operations, the wastes must be managed in accordance with the California Hazardous Waste Control Law (California Health and Safety Code, Division 20, chapter 6.5) and the Hazardous Waste Control Regulations (California Code of Regulations, Title 22, Division 4.5). If so, the facility should obtain a United States Environmental Protection Agency Identification Number by contacting (800) 618-6942.

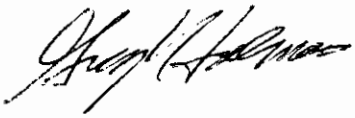
11) Certain hazardous waste treatment processes may require authorization from the local Certified Unified Program Agency (CUPA). Information about the requirement for authorization can be obtained by contacting your local CUPA.

12) If the project plans include discharging wastewater to a storm drain or surface water, it may be necessary to obtain an NPDES permit from the overseeing Regional Water Quality Control Board (RWQCB).

DTSC provides guidance for cleanup oversight through the Voluntary Cleanup Program (VCP). This is a process that will need to be initiated since SDG&E desires direct DTSC oversight. For additional information on the VCP, please visit DTSC's web site at www.dtsc.ca.gov. Ms. Maryam Tasnif-Abbasi is the DTSC Cypress Branch VCP Coordinator and can be reached at (714) 484-5489.

If you have any questions regarding this letter, please contact Mr. Joseph Kaslowski, Project Manager, at (714) 484-5471 or email at jkaslowski@dtsc.ca.gov.

Sincerely,



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

cc: See next page

cc: Governor's Office of Planning and Research
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CEQA # 1480