City of Carlsbad
Office of the City Manager

November 18, 2008

DOCKET	
07-AFC-6	
DATE	Nov 18 2008
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Mr. Michael Monasmith
Siting Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

City of Carlsbad Proposed Alternative Project Locations for the Carlsbad Energy Center (07-AFC-6)

Dear Mr. Monasmith:

As you are aware, the City of Carlsbad, after extensive review, has determined that the proposed Carlsbad Energy Center Project (CECP) is inconsistent with the City's Laws, Ordinances, Regulations, and Standards (LORS), and its construction is not in the best interest of the community. Recognizing the numerous negative impacts that the CECP will have on its citizens, the City of Carlsbad officially opposes the development of the CECP at its proposed location. Although the City opposes the CECP, it supports the development of regional infrastructure in locations that do not compromise the quality of life for those who live, work, and visit the city. Unfortunately, the applicant, NRG, failed to include the City in any pre-filing activities it conducted. If NRG had followed the guidelines of the California Energy Commission (CEC) and engaged the City prior to filing their application, NRG would have been advised at that time of the City's concerns and objections to their proposal and would have heard the City's request to explore alternate sites.

However, in the spirit of cooperation, the City has repeatedly asked the applicant, NRG, to identify alternative locations for the CECP that would meet the needs of both the applicant, as well as the community. To date, the applicant has failed to provide any such site to the City. Despite the applicant's inability to identify alternate locations, the City has taken it upon itself to identify, analyze, and submit to the California Energy Commission's staff potential alternate sites for the proposed CECP within the City's boundaries. The City did not identify other possible locations outside of the City's jurisdiction, but believes that those too exist.

Location and Attributes of Alternate Sites

Due to the presence of a large, 30-inch high-pressure natural gas line (NGL) which runs along the eastern side of Carlsbad, all of the alternate sites are located in that vicinity. Each of the sites has an existing zoning designation that either allows for the development of a power generating facility or could be changed by a majority vote of the City Council to do so. Furthermore, the alternate sites identified are either developed or disturbed land. Finally, all of the alternate locations achieve both the City as well as the California Coastal Commission's interest in moving non-coastally dependent industries away from the coast line.

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Palomar-McClellan Airport Considerations
Although a number of the alternate locations are within a mile of the Palomar-McClellan Airport (Airport), all but one is outside the Airport's existing Flight Activity Zone (FAZ). All of the proposed sites are located east of the airport, which is predominately used for runway approach and landing. The City has submitted all of the identified sites to the Federal Aviation Agency for a preliminary feasibility study regarding allowable stack heights, and the results of that study demonstrate a power plant emissions stack could be permitted at these alternate locations. The City appreciates the value of the Airport to the community and would expect any new power plant to fully mitigate its impacts to the airport, no matter how minor those may be.

Existing Infrastructure
The City acknowledges that while none of the proposed alternatives has the level of existing infrastructure currently available at the proposed CECP site, all of the proposed locations have the ability to access and develop that infrastructure. Ultimately, the City believes that the investment in infrastructure at an alternate site would result in a substantial improvement in the community's quality of life over the proposed CECP site. When considering the long-term land use issues and impacts related to power plants, the benefits of investing in new infrastructure to allow for relocation is magnified.

City of Carlsbad's Preferred Alternate Site Location
Based on a number of factors which were identified during the course of the City's analysis, the City believes that what is known as Phase III of the Carlsbad Oaks North industrial park currently represents the best alternate location for the proposed CECP. As highlighted in Attachment A, the Oaks North industrial property is not located in the Airport's FAZ. The Carlsbad Oaks North industrial development has ready access to necessary infrastructure, such as water and wastewater, and is in close proximity to the natural gas line mentioned earlier. A benefit of the Phase III property is its size, which at over 50 acres would allow for future power expansion in order to accelerate the retirement of the existing Encina Power Station and the end to its once-through cooling process. Due to the size, location (western portion of industrial development away from sensitive receptors) and type of property that Phase III represents, the City believes that other typical community concerns such as noise and visual impacts can be fully mitigated.

Identified below are the main characteristics of the Carlsbad Oaks North Phase III parcel. The City submits this information to the CEC for its consideration and incorporation in the Application for Certification review process.

<u>Carlsbad Oaks North Phase III</u>
Size: 58 acres
Ownership: Privately owned, currently for sale
Zoning: Planned Industrial
Distance from NGL: 4800 ft.
Distance from Reclaimed Water: Adjacent to property
Access: City owns street/right-of-way to property
Nearest Residential Unit: 2500 ft.

Distance to Power Lines
128 kV: 6,000 ft.
230 kV: 12,500 ft.
Airport Concerns:
FAA: Feasibility study indicates preliminary approval
County Land Use Plan: Complies with existing plan, location outside of FAZ

Response to NRG's Alternate Site Analysis
NRG has previously submitted an alternate site analysis to the California Energy Commission. This analysis concluded that, in NRG's assessment, no alternate site is plausible in North San Diego County. After extensive review, the City has found NRG's analysis to be self-serving and misleading. Specifically, NRG has ruled out portions of Carlsbad Oaks North industrial property, including Phase III, knowing full well that the reasons they state for its lack of suitability are erroneous. The City believes that this parcel (Oaks North Phase III) represents the best potential as an alternate site. In ruling out Phase III, NRG applied a proposed Airport land use plan that isn't currently valid. Furthermore, even if the plan were applicable, the City Council would retain the authority to override land use provisions of that plan. This override authority would allow a power plant to be sited, from a land use perspective, at the Oaks North Phase III location at the City Council's discretion. The result of the misapplication of land use plans by NRG precludes the most relevant portions of the Oaks North property from being considered as an alternate site.

The City of Carlsbad understands the timeline for the review of the proposed CECP has already been delayed. We believe focusing on the Oaks North site as the preferred alternative location will expedite the alternative sites evaluation process. Focusing on just this one site will also address some of the confusion and concerns expressed by neighboring communities regarding potential alternate sites. We remain committed to finding a suitable location for this project and look forward to working with the CEC and NRG toward this end.

If you have any questions or would like additional information, please contact me at (760) 434-2820.

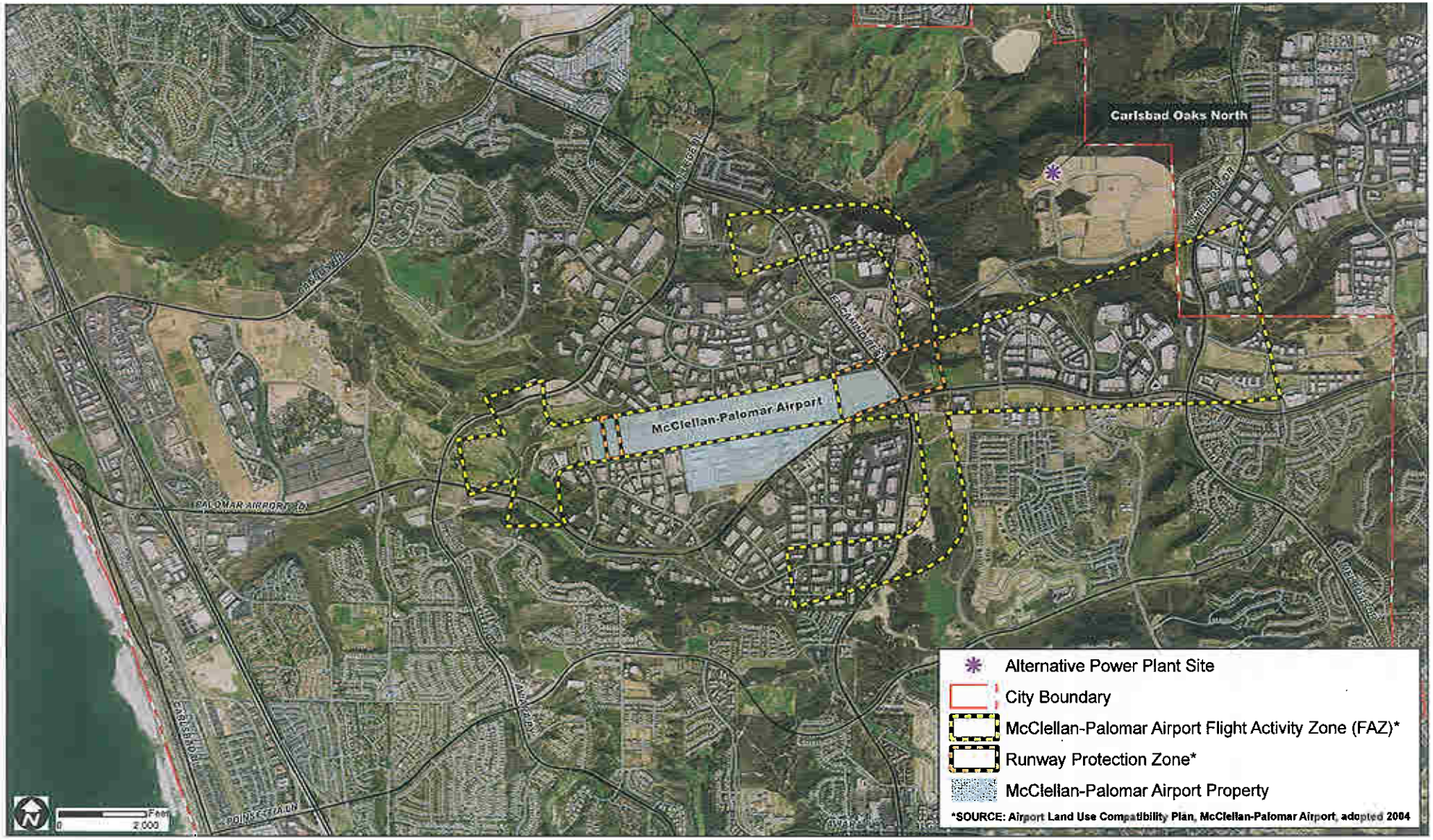
Sincerely,

Joe Garuba
Municipal Projects Manager

JG:ad

Attachment

cc: Proof of Service List (Rev. 11/12/08; via email or U.S. Postal Service)



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City of Carlsbad

Flight Activity and Runway Protection Zones in Relation to Alternative Power Plant Sites

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

APPLICATION FOR CERTIFICATION FOR THE *CARLSBAD ENERGY CENTER PROJECT*

Docket No. 07-AFC-6
PROOF OF SERVICE
(Revised 11/12/2008)

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

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 07-AFC-6
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DECLARATION OF SERVICE

I, AndreaDykes, declare that on 11/21/08, I deposited copies of the attached document in the United States mail at Carlsbad, CA with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

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

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

Andrea Dykes

*indicates change