

1.0 PROJECT AND AGENCY INFORMATION

1.1 PROJECT TITLE

Cabrillo Power I LLC Encina Marine Oil Terminal Decommissioning Project (Project)

1.2 LEAD AGENCY AND PROJECT SPONSOR

California State Lands Commission (CSLC)

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1.3 PROJECT LOCATION

The proposed Project is located in and offshore of the City of Carlsbad, San Diego County. The Project would authorize Cabrillo Power I LLC (Applicant) to decommission the non-operational Encina Marine Oil Terminal (MOT), a component of the Encina Power Station (EPS), in accordance with the terms and conditions of the Applicant's existing CSLC Lease PRC 791.1. The tidelands and submerged lands under lease from the CSLC lie immediately west and offshore of Carlsbad State Beach south of Agua Hedionda (Figure 1-1), and encompass a mooring area and a pipeline corridor (Figure 1-2; see also Figure A1-1 in Appendix A and Figure ES-3). The offshore lease lands are located within the area represented on the San Luis Rey, California, U.S. Geological Survey 7.5-minute quadrangle map, Township 12 South, Range 4 West, San Bernardino baseline and meridian. The EPS, which was built in 1953, is located at 4600 Carlsbad Boulevard and is fronted by Carlsbad Boulevard and Carlsbad State Beach (Figure 1-3).

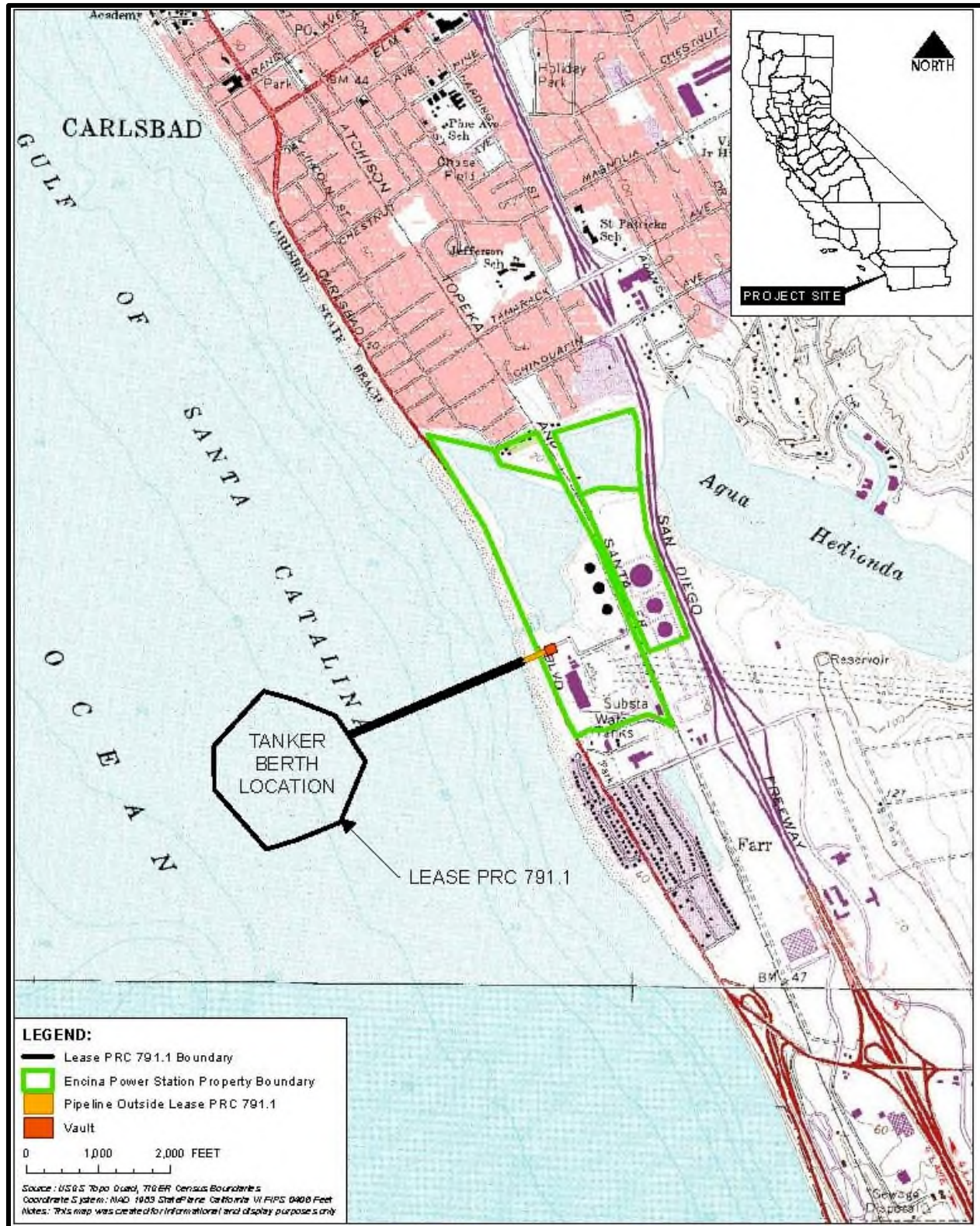


Figure 1-1. Project Site Location

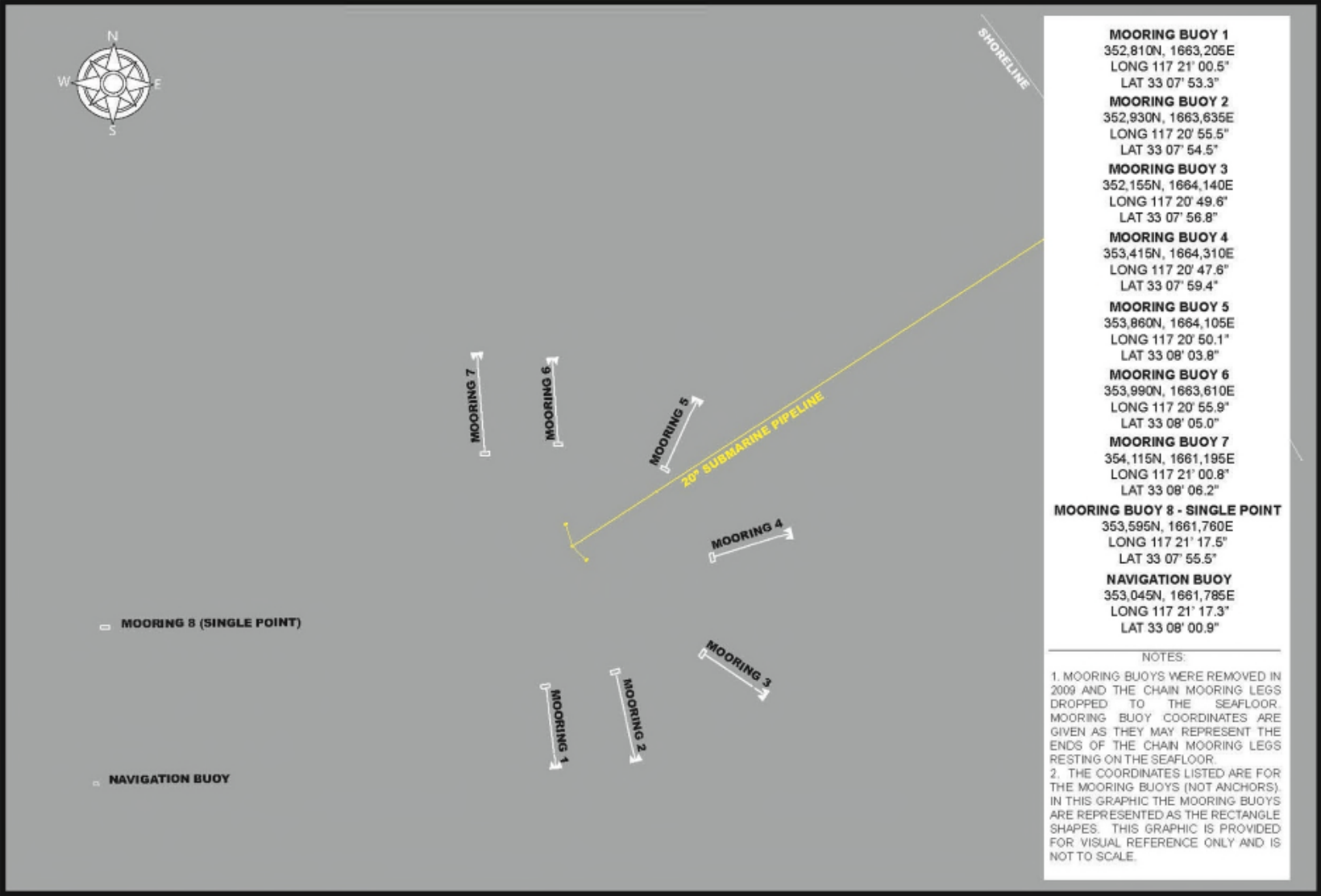


Figure 1-2. Mooring Area Detail

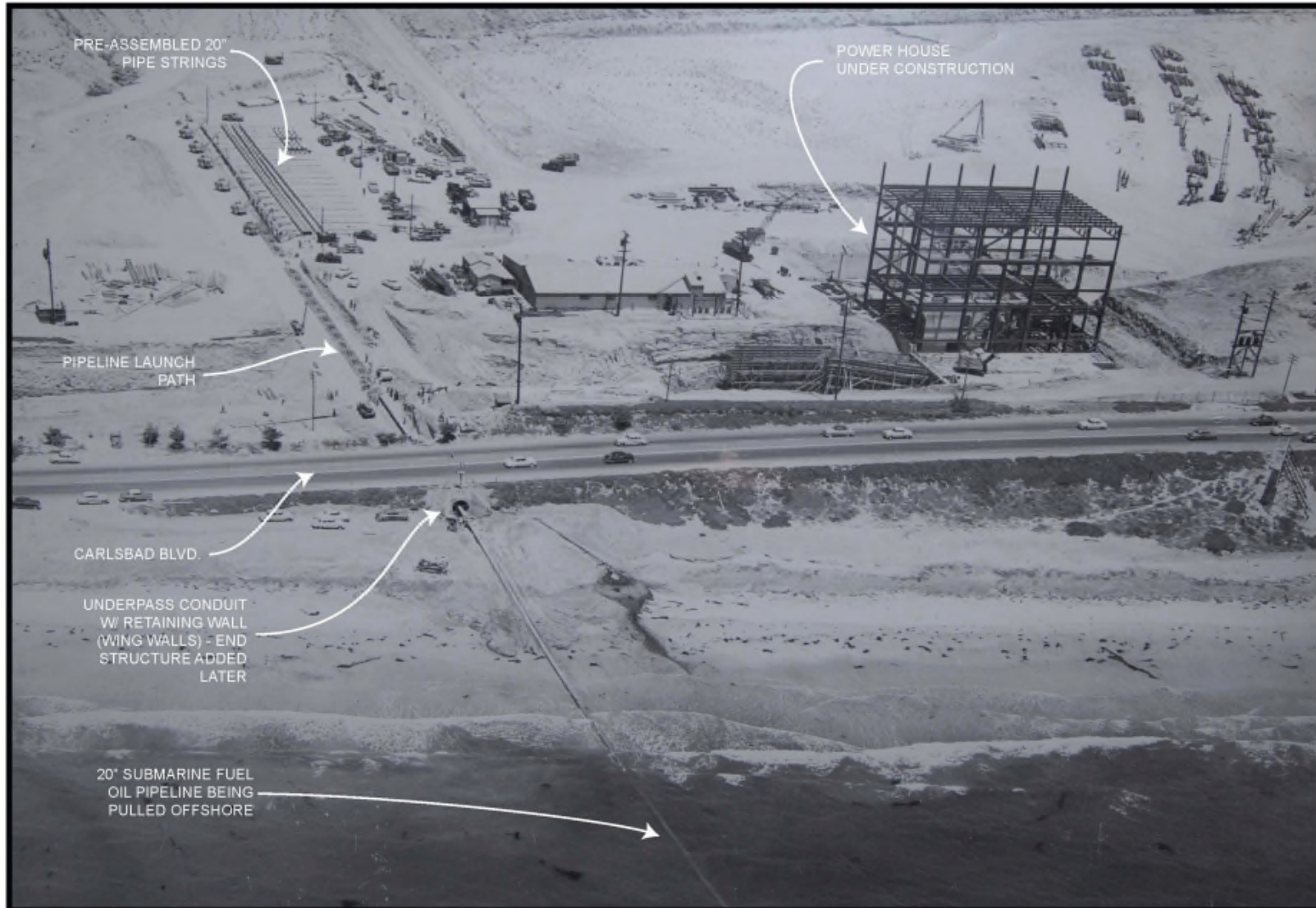


Figure 1-3. Original Construction Photograph

1 The EPS houses the onshore termination of an approximately 3,855-foot-long fuel oil
2 submarine pipeline¹ and a beach valve pit. From the EPS, this pipeline crosses under
3 Carlsbad Boulevard through an underpass conduit and underpass end structure and
4 below Carlsbad State Beach and a riprap groin to its offshore termination in
5 approximately 60 feet of water.

6 **1.4 ORGANIZATION OF MITIGATED NEGATIVE DECLARATION**

7 This Mitigated Negative Declaration (MND) is intended to provide the CSLC, as lead
8 agency under the California Environmental Quality Act (CEQA) (Pub. Resources Code,
9 § 21000 et seq.), and other responsible agencies with the information required to
10 exercise their discretionary responsibilities with respect to the proposed Project. The
11 document is organized as follows.

- 12 • **Section 1** provides the Project background, Agency and Applicant information,
13 Project Objectives and anticipated agency approvals, and a summary of the
14 public review and comment process.
- 15 • **Section 2** describes the proposed Project including its location, layout,
16 equipment, and facilities. Section 2 also provides an overview of the Project's
17 operations and schedule.
- 18 • **Section 3** provides the Initial Study (IS), including the environmental setting,
19 identification and analysis of potential impacts, and discussion of various Project
20 changes and other measures that, if incorporated into the Project, would mitigate
21 or avoid those impacts, such that no significant effect on the environment would
22 occur. The IS was conducted by the CSLC pursuant to section 15063 of the
23 State CEQA Guidelines.²
- 24 • **Section 4** includes an environmental justice analysis and discussion consistent
25 with CSLC Policy.
- 26 • **Section 5** presents the Mitigation Monitoring Program (MMP).
- 27 • **Section 6** presents information on report preparation and references.
- 28 • **Appendices.** The appendices include specifications, technical data, and other
29 information supporting the analysis presented in this MND.
 - 30 ○ **Appendix A:** Project Description Support Exhibits
 - 31 ○ **Appendix B:** Nalco EC6106A Material Safety Data Sheet

¹ The fuel oil submarine pipeline is the only subsea pipeline at the EPS that will be decommissioned as part of this Project. The subsea intake and discharge pipelines for the EPS and adjacent Poseidon desalination plant are not part of this Project.

² The State "CEQA Guidelines" are found in Title 14 of the California Code of Regulations, commencing with section 15000.

- 1 ○ **Appendix C:** Drawing AA 62302-B Underpass at Coordinate 7+00 and State
- 2 Highway
- 3 ○ **Appendix D:** Letter Report Regarding Pre-Demolition Asbestos and Lead
- 4 Paint Survey Encina Power Station Marine Terminal, Carlsbad, California.
- 5 Prepared by Royal Environmental Services Inc.
- 6 ○ **Appendix E:** Marine Safety and Anchoring Plan
- 7 ○ **Appendix F:** Marine Wildlife Contingency Plan
- 8 ○ **Appendix G:** Oil Spill Response Plan
- 9 ○ **Appendix H:** Air Quality and Greenhouse Gases Spreadsheets
- 10 ○ **Appendix I:** Encina Power Station Marine Biological Resources Survey to
- 11 Support the Project to Abandon or Remove the Marine Oil Terminal Facilities,
- 12 Prepared by Merkel & Associates
- 13 ○ **Appendix J:** Underwater Noise Impacts of Encina Power Station's Marine Oil
- 14 Terminal Decommissioning, Carlsbad, California 2015. Prepared by
- 15 Greeneridge Sciences, Inc. (Report 518-1)
- 16 ○ **Appendix K:** Cultural Resources Support Material
- 17 ○ **Appendix L:** Technical Memorandum: Shoreline Evolution Analysis of
- 18 Impacts Related to Removal of the South Beach Groin at Encina Power
- 19 Station, Carlsbad, CA. Prepared by Scott A. Jenkins, PhD (February 2013)
- 20 ○ **Appendix M:** Noise Support Information
- 21 ○ **Appendix N:** Comments on the Draft Mitigated Negative Declaration

22 **1.5 PROJECT BACKGROUND AND OBJECTIVES**

23 Use of State tidelands for the Encina MOT mooring facilities and fuel oil submarine
24 pipeline is authorized under CSLC Lease PRC 791.1. This site was originally leased to
25 San Diego Gas and Electric (SDG&E) in 1953 for 49 years. In that same year, the EPS
26 and offshore MOT were built. The EPS was originally constructed as an oil burning,
27 steam generating, electric power generation plant, with the MOT designed to transfer
28 bunker fuel oil between ocean vessels and shore-side storage facilities; however, in the
29 1980s, the power plant was converted to use natural gas as a fuel source, while the
30 MOT was retained to provide an alternative fuel source as required by the California
31 Independent System Operator. This requirement is no longer in place (effective January
32 1, 2009), and the need to maintain the MOT has ceased.

33 In 1999, Cabrillo Power I LLC acquired the EPS and MOT from SDG&E. The original
34 lease expired on March 23, 2002, but was continued in holdover status while an
35 Environmental Impact Report for a companion project was being prepared for the
36 extension of two rock groins protecting the entrance to Agua Hedionda Lagoon. That
37 project was ultimately abandoned, thus requiring the negotiation of a replacement lease

1 for the MOT to allow time to prepare a formal plan for removal or abandonment as an
2 independent project.

3 During the holdover period, the offshore MOT was placed into “caretaker” status after
4 decommissioning/abandonment activities occurred in 2010. On February 8, 2011, the
5 CSLC retroactively approved a 10-year lease that expired on March 23, 2012. Formal
6 abandonment planning lead to the issuance of a 3-year General Lease-Industrial Use to
7 Cabrillo Power I LLC beginning March 24, 2012, for the continued maintenance of
8 portions of the partially abandoned MOT. The current lease expired on March 23, 2015;
9 however, an application to extend the lease another 5 years is pending CSLC approval.

10 The 2010 decommissioning activities and existing conditions are described below.

- 11 • The fuel oil submarine pipeline was pigged and flushed three times with potable
12 water to bring the hydrocarbon content of the water below non-detect limits. This
13 pipeline was then charged with a mixture of potable water and Nalco EC6106A
14 corrosion inhibitor to prevent internal corrosion of the pipeline. The pipeline has
15 since been under vacuum.
- 16 • The fuel oil cargo hose, hose buoy, and steel pipe reducer were removed when
17 the fuel oil submarine pipeline was pigged and flushed.
- 18 • Two 14,000-pound Danforth pipeline end anchors, which were not
19 decommissioned in 2010, are located on either side of the fuel oil submarine
20 pipeline to anchor it in position.
- 21 • Prior to 2010, the fuel oil submarine pipeline end marker buoy broke loose and
22 was lost. The buoy anchoring cable remains on the seafloor next to the end of
23 the fuel oil submarine pipeline.
- 24 • The beach valve was removed from the onshore termination of the fuel oil
25 submarine pipeline inside the beach valve pit. This pipeline was blind flanged on
26 both ends and fitted with a flushing port. The bypass piping, which attaches the
27 fuel oil submarine pipeline to the fill line, remains intact and has also been blank
28 flanged.
- 29 • The beach valve pit, underpass conduit, underpass end structure, and riprap
30 groin remain intact (no decommissioning work was performed).
- 31 • The mooring buoys of the seven-point and single-point mooring systems were
32 removed, but the chains and anchors remain on the seafloor.
- 33 • The navigation buoy was removed, but its mooring chain and concrete clump
34 remain on the seafloor.

1 The Project objective is to decommission the MOT components in a manner that
2 satisfies the terms of CSLC Lease PRC 791.1 and other public agencies with
3 jurisdictional authority over Project elements.

4 **1.6 PUBLIC REVIEW AND COMMENT**

5 In accordance with State CEQA Guidelines sections 15072 and 15073, the CSLC is
6 releasing this MND for a minimum 30-day public review period to provide local and
7 State agencies and the public the opportunity to review and comment on the document.
8 In accordance with State CEQA Guidelines section 15074, subdivision (b), the CSLC
9 will review and consider the MND, together with any comments received during the
10 public review process and any modifications made in response to comments, prior to
11 taking action on the MND and Project.

12 **1.7 APPROVALS AND REGULATORY REQUIREMENTS**

13 The CSLC's authority is set forth in Division 6 of the California Public Resources Code
14 and it is regulated by the California Code of Regulations, Title 2, sections 1900–2970.
15 The CSLC has authority to issue leases or permits for the use of sovereign lands held in
16 the public trust, including all ungranted tidelands, submerged lands, and the beds of
17 navigable lakes and waterways, as well as certain residual and review authority for
18 tidelands and submerged lands legislatively granted in trust to local jurisdictions (Pub.
19 Resources Code, §§ 6301, 6306). All tidelands and submerged lands, granted or
20 ungranted, as well as navigable lakes and waterways, are subject to the protections of
21 the Common Law Public Trust. As general background, the State of California acquired
22 sovereign ownership of all tidelands and submerged lands and beds of navigable lakes
23 and waterways upon its admission to the United States in 1850. The State holds these
24 lands for the benefit of all people of the State for statewide Public Trust purposes, which
25 include but are not limited to waterborne commerce, navigation, fisheries, water-related
26 recreation, habitat preservation and open space. On tidal waterways, the State's
27 sovereign fee ownership extends landward to the mean high tide line, except for areas
28 of fill or artificial accretion. For the proposed Project, the CSLC has received an
29 application for decommissioning of the Encina MOT in accordance with the
30 requirements of Lease PRC 791.1 and termination of the lease.

31 The CSLC must comply with CEQA when it undertakes an activity defined by CEQA as
32 a "project" that must receive some discretionary approval (i.e., the CSLC has the
33 authority to deny the requested lease, permit, or other approval) which may cause either
34 a direct physical change in the environment or a reasonably foreseeable indirect change
35 in the environment. CEQA requires the CSLC to identify the significant environmental
36 impacts of its actions and to avoid or mitigate those impacts, if feasible.

- 1 In addition to the CSLC, the Project is subject to the review and approval of other
- 2 Federal, State and local entities with statutory and/or regulatory jurisdiction over various
- 3 aspects of the Project (see Table 1-1).

Table 1-1. Agencies with Review/Approval over Project Activities

Permitting Agency		Anticipated Approvals/Regulatory Requirements
Local	City of Carlsbad	Demolition Permit Grading Permit Roadway Encroachment Permit Development Permit (if necessary) Haul Route Permit (if necessary) Stormwater Pollution Prevention Plan (SWPPP) Permit
	County of San Diego Department of Environmental Health (SDDEH) - Voluntary Assistance Program	California Health and Safety Code sections 101480-101490 authorize the SDDEH to enter into voluntary agreements for the oversight of remedial action at sites contaminated by wastes
	San Diego County Air Pollution Control District (APCD)	Rules compliance
State	California State Lands Commission (CSLC)	Lease Offshore Geophysical Survey Permit
	California Coastal Commission (CCC)	Coastal Development Permit
	California Department of Fish and Wildlife (CDFW)	California Fish and Game Code California Endangered Species Act
	California Department of Parks and Recreation (State Parks)	Public Resources Code sections 5001-5019.5 Right-of-Entry Permit
	Native American Heritage Commission (NAHC)	Tribal Consultation (see Appendix K)
	San Diego Regional Water Quality Control Board (San Diego RWQCB)	CWA Section 401 Water Quality Certification
Federal	U.S. Army Corps of Engineers (USACE)	Clean Water Act Section 404 (under Nationwide Permit No. 12)
	U.S. Fish and Wildlife Service (USFWS)	Section 7 Consultation under Federal Endangered Species Act (if necessary)
	National Marine Fisheries Service (NMFS)	Title 33 Code of Federal Regulations - Navigation and Navigable Waters Navigation consultation
	U.S. Coast Guard (USCG)	Notice to Mariners

- 4 Because Project components are proposed in the coastal zone within the jurisdiction of
- 5 the California Coastal Commission, Table 1-2 identifies coastal-related Federal and
- 6 State laws and programs that are relevant to the Project; specific policies are listed in
- 7 Section 3, Environmental Analysis and Checklist, of this MND for each environmental
- 8 issue area.

Table 1-2. Major Coastal Laws, Regulations, and Policies

U.S.	Coastal Zone Management Act (CZMA) (42 USC 4321 et seq.)	The CZMA recognizes a national interest in coastal zone resources and in the importance of balancing competing uses of those resources, giving full consideration to aesthetic, cultural and historic, ecological, recreational, and other values as well as the needs for compatible economic development. Pursuant to the CZMA, coastal states develop and implement comprehensive coastal management programs (CMPs) that describe uses subject to the CMP, authorities and enforceable policies, and coastal zone boundaries, among other elements. The CZMA also gives state coastal management agencies regulatory control (“federal consistency” review authority) over federal activities and federally licensed, permitted or assisted activities, if the activity affects coastal resources; such activities include military projects at coastal locations and outer continental shelf oil and gas leasing, exploration and development. The CCC and San Francisco Bay Conservation and Development Commission coordinate California’s federally approved CMPs and federal consistency reviews within their respective jurisdictions.
CA	California Coastal Act (Coastal Act) of 1976 (Pub. Resources Code, §§ 30000 et seq.) CCC Federal Consistency Program/ California Coastal Management Program	Pursuant to the Coastal Act, the CCC, in partnership with coastal cities and counties, plans and regulates the use of land and water in the coastal zone. The Coastal Act includes specific policies (see Chapter 3) that address issues such as shoreline public access and recreation, lower cost visitor accommodations, terrestrial and marine habitat protection, visual resources, landform alteration, agricultural lands, commercial fisheries, industrial uses, water quality, offshore oil and gas development, transportation, development design, power plants, ports, and public works. Development activities in the coastal zone generally require a coastal permit from either the CCC or the local government: (1) the CCC retains jurisdiction over the immediate shoreline areas below the mean high tide line and offshore areas to the 3 nautical mile State water limit; and (2) following certification of county- and municipality-developed Local Coastal Programs, the CCC has delegated permit authority to many local governments for the portions of their jurisdictions within the coastal zone. The CCC also implements the CZMA as it applies to federal activities (e.g., development projects, permits, and licenses) in the coastal zone by reviewing specified federal actions for consistency with the enforceable policies of Chapter 3 of the Coastal Act.