

Chula Vista to begin construction on natural gas-fired peaker plant

BY Albert H. Fulcher
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Chula Vista is in the beginning evaluation of constructing a 300-megawatt natural gas-fired peaker plant and substation on 14 acres of city-owned, protected land in Otay Valley Regional Park (OVRP).

Some feel this project is being overshadowed by the controversial Sunrise Powerlink and the shutting down of the South Bay Power Plant, and is thus slipping under the community's radar. The need for additional power is not in contention, but some are concerned about this plant's impact on a protected habitat.

Pio Pico Energy Center, LLC, (PPEC) submitted an Application for Certification (AFC) to the California Energy Commission (CAEC) on June 30. With a maximum capacity of 4,000 hours per year, the application states that this plant directly satisfies San Diego's area demand for peaking and load-shaping generation.

Chula Vista mayor Cheryl Cox said she was notified by California Independent System Operator in 2007 that two of three elements were needed to remove the South Bay plant: the operation of Otay Mesa, Sunrise Powerlink and one or two additional peaker plants.

"Chula Vista has a multi-pronged approach to energy use, including conservation and solar energy," Cox said. "A replacement 300 megawatt peaker plant contributes substantially to the demolition of the South Bay plant while assuring a source of energy for the region." Michael Meacham, Director of Conservation & Environmental Service for the City of Chula Vista, said the city considered every industrial and limited industrial site more than 1,000 feet from sensitive receptors.

This resulted in four parcels, three privately owned and one owned by the city. SDG&E sent a Request for Offers. Chula Vista marketed every developer that had successfully completed the CAEC process and had built and operated a plant in California in the last four years.

Meacham said the proposed plant is roughly a mile from existing schools and housing. The location will maintain a distance of approximately 4,500 feet from the edge of proposed Chula Vista University.

"Tucked in a corner with mountainsides to the north, east and south, it will not be seen except from the valley floor. Public process addressing potential color and vegetative screening should make it almost disappear from view," said Meacham.

Gary Chandler, president of Apex Power, the project's developer, said the proposed site is the preferred and only choice for the PPEC project and is needed to support renewable energy in the region.

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Surrounded by utility trails, this property has above ground transmission lines, underground water lines, natural gas lines and is immediately adjacent to the Otay Water Treatment plant.

“We looked at other possibilities. Sites are extremely limited because of necessity for gas lines and water supply,” said Chandler. “This site already has resources in place and an industrial character to the area next to the water treatment plant.”

This mesa stands directly below Otay Lakes County Park. Made up of more than 8,000 acres, the OVRP is a diverse environment, containing at least 14 habitats that are home to several rare and endangered animal and plant species. Native nesting and migrating birds, a large variety of mammals, reptiles and tiny bionetworks depend on this river valley.

Frank Ohrmund, the secretary of Friends of OVRP, said community awareness is needed now concerning the proposal.

“I just cannot comprehend why a 20 year effort to create a regional park is being trumped so easily for expected tax revenue,” he said. “Especially when a site is for sale just south of Otay Mesa. City Council should pass on this revenue source to validate the years put into creating OVRP and save Otay Lakes Park.”

Ohrmund said there are 19 acres for sale, with a 30-inch gas line, next to the peaker plant at the corner of Otay Mesa and Harvest Road. The land has a \$5 million price tag with grading plans ready to go.

Chandler said the proposed plant can start partially or totally within 10 minutes and is designed for peak periods of power needs. He said this project will also bring revenue and jobs to the city.

“This project will generate more than 200 temporary construction jobs, all local union labor,” he said. “It will create 12 permanent jobs to run the facility.”

Meacham said revenue from PPEC has potential to replace some of the nearly \$3 million in average annual revenue from the South Bay plant, and will be reinvested in providing local public services.

“The plant’s ramping ability makes it a perfect candidate to complement growth of local solar and wind resources,” said Meacham, adding that its efficiency would lower the cost to San Diego area ratepayers.

Mayor Cox said the South Bay plant carries negative environmental impacts to the community and bayfront. But as there are plans to demolish the South Bay plant, the energy source has to be replaced.

“Chula Vista uses 125 megawatts and our current population is about 231,000,” she said. “The 2010 Census will edge us towards 240,000 by 2020.”

Environmental impact on the area falls under the guidelines of the California Environmental

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Quality Act. Preliminary reports were submitted to CAEC July 12.

Apex presented the current proposal at OVRP to the Joint Policy-Citizen's Advisory Committee (PC-CAC) on April 29. The agenda included site location and nearby facilities.

"The whole review process will be very public and conducted locally," said Chandler.

Established in 1990, PC-CAC is a multi-jurisdictional OVRP planning effort by the County of San Diego, San Diego and Chula Vista. It consists of a three-member Policy Committee of elected officials and a 30-member Citizens Advisory Committee (CAC).

San Diego County Supervisor Greg Cox, a policy committee member, said the peaker plant is much more energy efficient and affective than the South Bay plant, calling it a big improvement with less pollution.

"All things being equal, this site would not be my first choice," he said. "This site is part of Otay Lake Park and will impact the look and feel of the park. Taking family out for a picnic by Otay Lake, they will see a power plant. It is not necessarily what people want to see."

Katie Westfall, CAC member and WiLDCOAST Otay River conservation manager, said there are still unanswered questions about direct impacts to habitat, wildlife and future trail connections, but it is not a place for a power plant. She said the PC-CAC has done a great job creating the OVRP.

"It is one of the last areas of open space in south San Diego County and represents a place where community members can go hiking, biking and appreciate nature," said Westfall. "Bottom line, it is a public land for people to enjoy the outdoors and a crucial habitat for wildlife."

Supervisor Cox said he understands why this site is attractive, with access to natural gas and reclaimed water, and if approved, mitigation is needed to ensure the least amount of impact possible.

"We want, and are asking for, a call for public meetings and being kept abreast of policies," he said. "We want to know specific impacts this project has on this area's environment."

Meacham said there are undoubtedly other places in SDG&E's service area physically large enough, but he doubts there are many, if any, equally based on available resources.

"If a better site can be found, I hope and encourage the public to give alternatives, addressing challenges through robust open, transparent and inclusive local process," said Meacham.

This project contains a property purchase of equal or greater habitat value adding 16.5 acres adjacent to the park. Requirements include a set of open space parcels of at least 14 acres near the park to be preserved.

Meacham said at the end of the lease, all property remains under city ownership and can be

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restored and reverted to the park. OVRP will gain at least 30.5 additional acres and have a substantial new infrastructure. PPEC is applying for a 20-year power agreement.

Chula Vista is a leader in sustainability, reducing municipal operations' greenhouse gas emissions by 43 percent since 1990, double the Kyoto commitments any country has made.

"We have lowered our energy use and cost, increased total square feet of parks, recreation facilities and roads for public use and are working on water and energy conservation every day," said Meacham.

He said this plant would use reclaimed water, treat it on site and put it into a sewer trunk in Chula Vista.

"New sewer infrastructure will make park ground water cleaner," he said. "It will extend the water agency's reclaimed water lines, conserving potable water for best use in the South Bay and give access to reclaimed water for irrigation and industrial use."

Meacham said the city believes this design and location is the best option in the community's fair share to maintain regional energy reliability while complementing the long-range goal of reducing fossil fuel dependence.

"This improves local air quality by reducing total local emissions. The city continues to lead implementation of conservation for municipal operations and community consumption of energy and water," he said.

Mike McCoy, an environmentalist and member of the OVRP Committee, disagrees. He has worked evaluating soft energy paths and implementation of alternative energy since 1976.

"If you are going to protect a park, then protect it," he said. "We keep compromising the OVRP and are turning it into a great spectacle. You cannot compromise one area without putting an end to the whole process."

McCoy said the city needs weaning off fossil fuels and strongly supports community choice aggregation as a viable alternative, as Marin County, Calif. adopted in February.

"Chula Vista needs to return to its path of less fossil fuel dependence and costly imported energy, and look beyond immediate tax revenues. Decisions we make today will affect the local and global community over the next century," said McCoy. "Every bit of carbon loading we prevent now will save our future generations. Not to do it is just irresponsible."

Dr. Serge Dedina, executive director at WiLDCOAST, said WiLDCOAST is committed to preserving the OVRP. Future trail plans will allow community access from Chula Vista Bayfront to Cuyamaca.

"Protecting our open lands to the community is essential. The more people are involved in nature, the happier they are. Quality of life depends on the balance of nature and access to

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healthy, open spaces is part of that balance,” said Dedina.

On July 30, CAEC Data Adequacy Recommendation stated, “Of the 23 technical disciplines reviewed, we believe the information contained in the AFC is deficient in eleven areas which are: air quality, alternatives, biological resources, cultural resources, efficiency, project overview, soils, traffic and transportation, transmission system engineering, visual resources and water resources.”

Chula Vista City Council approved a resolution giving the city manager authorization to negotiate and execute a lease for the property subject to final CAEC approval on February 2.