



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
Southwest Region
501 West Ocean Boulevard, Suite 4200
Long Beach, California 90802-4213

FEB 18 2010

Mr. Robert Valderrama
Chair, Board of Port Commissioners
3165 Pacific Highway
San Diego, California 92101

Dear Chairman Valderrama:

Representatives from NOAA's National Marine Fisheries Service (NMFS) and other resource agencies attended a meeting hosted by the Port of San Diego (Port) on September 17, 2009, regarding upcoming projects proposed by the Port and its tenants. One of the projects discussed was the proposed decommissioning of the South Bay Power Plant (SBPP) located in Chula Vista, California. According to the information provided by Dynegy Inc., the responsible party for decommissioning of the SBPP, they are obligated to restore the area to its previous condition down to four feet below the surface. Although it is unclear exactly when the decommissioning will occur, Dynegy Inc. anticipates the process would begin within a couple of years. There is also pressure from local communities and elected officials to expedite the process and close the plant as early as 2010. Recent discussions within NMFS regarding the closure of the SBPP have revealed concerns with the proposed decommissioning plans, and we believe it is important this issue is brought to your attention while this project is still in the early planning phase.

The existing proposal for decommissioning the SBPP would leave much of the subsurface portions of the intake and discharge structures in place and simply cover them with a concrete cap. NMFS is concerned that allowing the subsurface structures to permanently remain in San Diego Bay (Bay) could preclude the area from potentially being used in the future for habitat improvement purposes. These structures would likely interfere with any proposed habitat configuration and would have to be removed prior to conducting this type of work. Similarly, the cost of the removal of these structures as part of a future habitat improvement project could make it cost-prohibitive.

Since the Port is frequently involved in construction projects that require some form of in-kind compensatory mitigation, and the land available within the Bay to implement these efforts is very limited, we believe the Port has a vested interest in all aspects of the SBPP decommissioning process, including the mitigation potential of this property. In addition, setting aside this area for habitat improvement would be consistent with the goal of the San Diego Bay Integrated Natural Resources Management Plan to ensure the long-term health, recovery and protection of San Diego Bay's ecosystem in concert with the Bay's economic, Naval, recreational, navigational and fisheries needs.



In a related matter, we believe the Port should incorporate appropriate language into the Chula Vista Bayfront Master Plan (CVBMP), currently being developed, such that enough flexibility exists to use the SBPP property for habitat improvement purposes. The CVBMP is a large-scale coastal development project that may have substantial environmental impacts. NMFS, along with other resource agencies, will be working closely with the U.S. Army Corps of Engineers during the permitting process to address any project-related impacts. At present, the most recent version of the CVBMP Draft Environmental Impact Report (EIR) includes elements that potentially designate portions of the SBPP property for other uses, including a switching yard and RV park, which could prevent this area from being restored in the future. Therefore, revising the EIR to allow for the potential use of SBPP port property for habitat improvement purposes would be an appropriate step to take at this time.

In addition to the need to plan for future restoration projects that may be required, there is also an existing potential mitigation obligation that could be appropriately addressed at this site. In November, 2004, an NPDES Tentative Order issued for this facility found that the SBPP's discharge of once-through cooling water had adversely impacted various habitats within the Bay. Consequently, the Regional Water Quality Control Board may require that a mitigation and restoration workplan be developed and implemented to compensate for the detrimental impacts associated with over 40 years of plant operation. We believe that restoring a portion of the SBPP property would be an appropriate method for satisfying this potential mitigation obligation.

The decommissioning of the SBPP provides a unique opportunity to set aside an area for habitat improvement and/or mitigation projects that would allow the Port of San Diego to continue modifying and constructing the facilities required to meet its needs well into the future. With careful planning early on in the decommissioning process, the amount of land that could be made available to offset impacts from port development projects could be significant. Additionally, the land adjacent to the SBPP has either been restored, has the potential to be restored, or is undeveloped; therefore, any future habitat improvement projects completed at this site would provide extensive, uninterrupted habitat for fish, birds and other wildlife. However, should the power plant decommissioning and subsequent land use decisions be conducted in a manner that hinders or prevents these types of habitat improvement projects from occurring, NMFS has serious concerns as to where future required Port compensatory mitigation efforts might be implemented in the Bay.

We look forward to working with you on this project as well as others that have potential to improve the ecological health of the Bay. Please feel free to contact me with any questions.

Sincerely,



Robert S. Hoffman
Assistant Regional Administrator
for Habitat Conservation Division

Cc: Mr. Charles Wurster, President, Port of San Diego
Cc: Mr. Scott Peters, Vice Chair, Board of Port Commissioners
Cc: Ms. Lee Burdick, Board of Port Commissioners
Cc: Mr. Bill Paznokas, California Department of Fish and Game
Cc: David Zoutendyk, U.S. Fish and Wildlife Service
Cc: Brian Kelley, San Diego Regional Water Quality Control Board
Cc: Eileen Maher, Port of San Diego