



Once Through Cooling Interim Mitigation Fee Annual Report- December 2022

[State Coastal Conservancy Interim Mitigation Funds](#)

The State Water Resources Control Board established the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling ([Once-Through Cooling or OTC Policy](#)) in 2010. The policy required existing power plants to phase out the use of once-through cooling technology, with specific deadlines. Power plants that continued using once-through cooling after October 2015 were required to implement measures to mitigate for the interim impacts of impingement and entrainment between October 2015 and the time the power plant phases out once-through cooling. One option in the policy for meeting this interim mitigation requirement was “providing funding to the California Coastal Conservancy which will work with the California Ocean Protection Council to fund an appropriate mitigation project”. Several plants selected this interim mitigation strategy.

In 2016, the State Water Resources Control Board (State Water Board), the Ocean Protection Council (OPC), and the State Coastal Conservancy (Conservancy) entered into a Memorandum of Understanding (MOU) regarding to the acceptance and use of the once-through cooling mitigation funds. The MOU between the OPC, the State Water Board, and the Conservancy provides that \$5.4 million dollars of the interim mitigation funds will be used by the OPC annually for projects to enhance the State Marine Protected Areas. If there are remaining funds (Remainder Funds) beyond the \$5.4 million, those funds will be used by the Coastal Conservancy for wetland restoration projects.

Separately, under a settlement agreement with the operator of the Ormond Beach and Mandalay power plants, interim mitigation payments from those two plants will be applied to “an Oxnard wetland restoration project”. These funds are paid directly to the Conservancy (Ormond Beach and Mandalay Funds).

Here is a summary of both funds available to the Conservancy:

Ormond Beach and Mandalay Funds:

Under a settlement agreement with the operator of the Ormond Beach and Mandalay power plants, interim mitigation payments from those two plants will be applied to “an Oxnard wetland restoration project”. To date the Conservancy has received \$1,152,747.35. As described below, the Conservancy intends to use \$1,051,263 of these funds for the Environmental Impact Report (EIR) for the restoration

of the Ormond Beach wetlands. The Conservancy plans to use \$101,484 of these funds to pay for administrative costs.

Remainder Funds

In July 2020, the OPC transferred \$2,803,580 of the remainder funds to the Conservancy for the operating years 15/16 and 16/17. In November 2020, the OPC transferred \$1,988,189 the remainder funds from operating year 17/18. The Conservancy authorized two grants, a total of \$646,871, to fund the Newland Marsh Acquisition and Los Cerritos Wetlands Southern Area Restoration Plan. There is \$4,144,898 that will be allocated to restoration projects in the future.

Ormond Beach and Mandalay Funds

In May 2021, the Conservancy authorized funding of up to \$1,300,000 to fund the Environmental Impact Report (EIR) analyzing the proposed restoration of wetlands at Ormond Beach. The Conservancy authorization will include all of the interim mitigation funds received from the Mandalay and Ormond Beach Generating Stations and the remaining funds will come from an appropriation of the Habitat Conservation Fund to the Conservancy. The Conservancy notified the State Board of this planned approval in March 2021.

The project team for the Ormond Beach Restoration and Access Project is consulting with the California Department of Fish and Wildlife (CDFW) to determine whether this project could qualify under the statutory exemption for restoration projects established under Senate Bill (SB) 155. If the CDFW Director concurs that the project meets the qualifying criteria, this will result in significant cost savings and the Conservancy will not need to spend the \$1,300,000 authorized for the EIR and will move immediately to permitting. We anticipate a final decision on the statutory exemption early in 2023.

Ormond Beach Wetlands: Project Description

Ormond Beach is in southern Ventura County, predominantly in the City of Oxnard. The Coastal Conservancy, The Nature Conservancy (TNC) and the City of Oxnard (Oxnard) own 630 acres immediately adjacent to the Ormond Beach generating stations.



The site has been identified by wetland experts as one of the most important coastal wetland restoration opportunities in Southern California. It has long been targeted for protection, enhancement and improved public access owing to its proximity to the large population centers in the greater Los Angeles metropolitan area and the relatively rare opportunity to protect and restore a large area of contiguous beach, dune, wetland, and upland habitat on the Southern California coast. Unlike most Southern California coastal wetlands, there is no freeway, trains tracks, housing or other infrastructure preventing the habitats at Ormond Beach from migrating inland as sea level rises.

The Coastal Conservancy, The Nature Conservancy (TNC) and the City of Oxnard (Oxnard) have been working together to conserve and plan for restoration of wetlands at Ormond Beach for many years. A planning process funded by the Coastal Conservancy was recently completed to identify a preferred alternative for restoration at Ormond Beach. That report is posted [here](#). The preferred alternative will restore salt marsh, brackish marsh, coastal dunes, and transitional habitats. It also includes improved public trails and access to the site.

The preferred alternative is being refined and a 30% engineering and landscape architecture design of the alternative will be completed by spring 2020. The 30% preliminary design will detail the wetland, dune, transition, and upland habitats and public access features adequately for analysis under California Environmental Quality Act (CEQA) and permitting review. The Conservancy will hire a contractor to complete an EIR analyzing the impacts of the proposed project under CEQA. This includes scoping, public engagement and impact analysis. It will include preparing and circulating a draft EIR, responding to comments and finalizing the EIR.

Budget:

The current estimate for the EIR is \$1,500,000. The Conservancy intends to use the OTC funds for this work and to provide all additional funds needed to complete the environmental review. Matching funds will be provided from a grant already awarded from the Ocean Protection Council to TNC and from the Coastal Conservancy's Habitat Conservation Fund appropriation. As discussed above, if the exemption is approved, the OTC funds will be redirected to fund permitting and final design.

[Remainder Funds](#)

The remainder funds will be used on wetland restoration projects from the Southern California Wetland Recovery Project (WRP) work plan. The Southern California Wetland Recovery Project is an existing regional collaboration well-structured to select wetland projects for Once Through Cooling (OTC) interim mitigation funds. The WRP consists of all the state and federal government agencies currently funding and regulating wetland projects between Point Conception and the Mexican border.

The WRP is chaired by the California Resources Agency and supported by the California State Coastal Conservancy. Directors from each of 18 partner agencies form the WRP Directors Group, the governing body of the WRP, and agency staff form the WRP Wetland Managers Group. The Wetland Managers

Group meets on a quarterly basis to make decisions that guide the WRP's programmatic goals and to select projects to be on the WRP Work Plan. The Work Plan contains acquisition, restoration, and enhancement projects vetted by the member agencies and adopted by the WRP Directors Group at its annual meeting. The remainder funds will be allocated to projects on the Work Plan with input from the WRP Wetland Managers Group.

The [WRP Regional Strategy 2018](#) articulates long-term goals and specific implementation strategies to guide the efforts of the WRP and was developed as a guide for wetland restoration over the next few decades using scientifically-based, quantitative objectives that will improve wetland resilience to climate change and other stressors. The Wetland Managers Group evaluated all Work Plan project proposals using the quantitative restoration objectives outlined in the Regional Strategy 2018.

The Conservancy will work with the Wetland Managers Group over the next year to identify additional priority projects for use of the remainder funds.