

## Item 14, Supporting Document 10

### NO MORE SOUTH BAY POWER PLANT COALITION

*Environmental Health Coalition    San Diego Coastkeeper    South Bay Forum  
Southwest Chula Vista Civic Association    Coastal Environmental Rights Foundation  
San Diego Audubon Society    San Diego Chapter of the Sierra Club  
Surfrider Foundation, San Diego Chapter*

November 30, 2009

Chairman and Boardmembers  
California Regional Water Quality Control Board, San Diego Region  
9174 Sky Park Court, Suite 100  
San Diego, CA 92123-4340

RE:    Consideration of Permit Minor Modifications to CA0001368, Order No. R9-2004-0154    for  
Dynegy South Bay, LLC- South Bay Power Plant

Dear Members of the Regional Board:

Our organizations represent over 25,000 residents of the San Diego region. We are writing today to express our strongest support for actions to end the 50 years of devastation brought on the Bay from the South Bay Power Plant

**The minor modifications alone will not achieve the desired goal of ending the devastation of the discharge from the SBPP as required and additional action must be taken.**

To ensure that the power plant discharges are ended, the Board must take further actions at the earliest possible date. The Board should direct staff to:

1. Schedule a hearing for February's meeting to:
  - o Receive testimony on the water quality and environmental impacts of the discharge from the South Bay Power Plant;
  - o Consider DENYING the Waste Discharge Application for any re-issuance of a discharge permit for the South Bay Power Plant, **and**
  - o Deliberate on a Tentative Order for prohibition of the discharge and rescission of the entire discharge permit no later than March 1, 2010.
  
2. Issue a directive under authority of Water Code Section 13267, to Dynegy, directing that a Workplan to restore and rehabilitate the areas of the Bay impacted by the power plant discharges be developed and funded per the 2004 permit.

**Minor Modifications only partially implement the duty of the Board to protect water quality.**

The minor modifications accomplish half of what was promised to the community and the Regional Board by the discharger in 2004. They end the discharge from units 3 and 4 by January 1, 2010. However, they do not do end the discharge from the other two units early enough and the basis of the action is misguided in that it appears to link the action to CALISO action. The Regional Board should direct staff to set up an action that will allow termination of units 1 and 2 at an earlier date and should link the action to the water quality impacts of the discharge—not some arbitrary, irrelevant, decision of the ISO

We believe that the following tenets must guide your decision-making on this matter.

1. The Regional Board must base decisions on impacts to water quality in making decisions and eliminate discharges that impact water quality negatively where possible and necessary.
2. Evidence is over-whelming that the discharges and intake damages the bay's water quality and beneficial uses and can be eliminated only by termination of all discharges.
3. There evidence that the power plant is no longer needed.
4. ISO's determination of any 'need' for SBPP is irrelevant to the Board's decision making process and cannot be the justification for on-going damage to the Bay.
5. Legal authority exists and compels the Water Board to end this discharge.
6. Environmental Justice guidelines demand you take action to terminate this permit and provide environmental justice for the residents of South Bay area.

In September, the direction of the Board to the staff seemed clear—bring back an opportunity to act on the Waste Discharge application and an Order that could address ending or establishing a schedule for termination of the discharges. Unfortunately, the current minor modifications proposal and meeting notice do not appear to provide a forum for receiving testimony on the environmental impacts of the plant and for acting accordingly - it simply reflects the current plans of California Independent Systems Operator (CALISO) and Dynergy.

As we have seen based on past experience, CALISO's position changes frequently and without full disclosure of information (as we have described below) but always ensuring the power plant stays available to them no matter what the cost to the local environment, the cost to ratepayers, or any rational 'need' for the plant..

In our view it is also completely improper for the staff to have linked the termination of these damaging discharges to actions of an outside agency. The staff appears to allege a basis for the action in the activities of the CALISO, a non-governmental agency with no public accountability and no responsibility for water quality. The Regional Board cannot hand over its authority to protect water quality to another agency. The Board must regulate this discharge with consideration of its significant impacts to water quality.

Further, in the minor modifications no additional mitigation is required and the modification doesn't even invoke the mitigation requirements contemplated in the existing permit.

By attempting to limit testimony to the permit modifications alone, the hearing process is not what you promised the community in September. We request that the Board take the following actions at the December 16, 2009 hearing:

- Ratify the minor modifications as an interim step to ensure Units 3 and 4 are eliminated by Jan 1, 2010.
- Schedule a hearing for February’s meeting to:
  - Receive testimony on the water quality and environmental impacts of the discharge from the South Bay Power Plant;
  - Consider DENYING the Waste Discharge Application for any re-issuance of a discharge permit for the South Bay Power Plant, and
  - Deliberate on a Tentative Order for prohibition of the discharge and rescission of the entire discharge permit no later than March 1, 2010.
- Issue a directive under authority of Water Code Section 13267, to Dynegy, directing that a Workplan to restore and rehabilitate the areas of the Bay impacted by the power plant discharges be developed and funded per the 2004 permit.

Again, we request that the Regional Board hold the meeting in Chula Vista so that impacted communities can come and speak to you.

**The evidence is clear—the discharge has major, negative impacts on water quality.**

That the discharge causes significant damage to the Bay is already well established by the Regional and State Boards. We site the evidence documenting these impacts in the 2005 proceeding’s. The Fact Sheet is a good record of the evidence and analysis of what is known about the power plant discharge. Even if the discharge is reduced, impacts will continue. Specifically, this statement is relevant:

*It is evident that the impacts on Beneficial Uses due to the discharge of once-through-cooling water cannot be eliminated except through termination of the discharge.....<sup>1</sup>*

Based on the evidence already in the record from the 2005 proceeding, the State’s OTC policy proceeding and the extensive evidence outlined in the December 1, 2009 Coastkeeper letter, the Board could make the finding that the discharge negatively impacts the Bay and must be completely terminated by March 1, 2009.

**ISO’s determination of any ‘need’ for SBPP is irrelevant and cannot be relied on as the basis for on-going damage to the Bay.**

While we do not believe that the machinations of CALISO and the RMR are relevant to your decision, we know that they have engaged your staff with this. We would like to share the following history with you so that you can put their claims in some perspective. Our concern with the Minor Mods is that they only reflect the story about the ‘need’ for the power plant that Dynegy and ISO are telling today. Unfortunately, these entities cannot be trusted to keep their word in this regard. Our distrust is directly related to our experience with these groups and their failure to make good on promises in the past. CALISO, in particular, has a different story about the need for the power plant and when the RMR can be removed each time they are asked.

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<sup>1</sup> Fact Sheet, page 18

In January 2008, CALISO wrote Chula Vista Mayor Cheryl Cox that a combination of several projects could allow the removal of RMR. These projects were listed as the Otay Mesa Power Plant, Sunrise Powerlink, SDGE contracted peaking units. They stated that from the CAISO's perspective **two out of three** of the projects must occur before the RMR designation at the SBPP can be removed by 2010.<sup>2</sup> (For information 2 out of 3 have occurred and they have not removed all of the RMR)

In July of that year, they responded to MMC corporation in much the same way but invoked the need for 'black start and dual fuel' replacement energy....a requirement not mentioned in the January letter.<sup>3</sup>

By April, 2009 they told Senator Denise Ducheny that essentially that to remove RMR before all **three** projects were constructed would take two out of three plus 400 to 500 MW in region and that now it could be needed until the end of 2013.<sup>4</sup>

In September, they appeared before you with a chart of 'simple math' demonstrating the need for only 186 MW of the plant in 2010 based on the 2007 California Energy Commission worst-case projections.

### SAN DIEGO 2010 LOAD & RESOURCE PROFILE

2010 Load	Import Capability (L-1; with SWPL out)	Firm Capacity (in Service)	DR	Non Firm Capacity (573 Otay Mesa and 94 Pala)	Generation contingency (G-1=Otay or G-1=Palomar)	LCR Need (Load – Imports + G-1)	Gen. surplus (Total gen. + CPUC-approved DR - LCR need)	Min. South Bay Gen (708-gen surplus)
5134	2500	2977	85	0	565 firm	3199	-137	708
				573 (w Otay Mesa)	573 w non-firm	3207	428	280
				667 (w Otay Mesa & Pala)	573 w non-firm	3207	522	186

However, the following week, the California Energy Commission downgraded the estimated peak demand for 2010 by 171 MW and new contracts were approved for SDGE by the PUC wiping out any need for any units that use the Bay water for cooling. These actions eliminate the need for any of SBPP to remain on RMR status for 2010—but ISO did not eliminate all of the RMR.

<sup>2</sup> CAISO to Mayor Cheryl Cox, January 18, 2008

<sup>3</sup> CAISO to Jane Luckardt of MMC, July 24, 2008

<sup>4</sup> ISO to Senator Denise Ducheny, April 1, 2009

Generation Calculation Based On New CEC Peak Demand Estimates<sup>5</sup>

A	B	C	D	E	F	G
<b>CEC's Peak Demand estimates for 2010</b>	<b>Imports with SWPL out</b>	<b>Firm Capacity minus SBPP</b>	<b>DR</b>	<b>New Capacity by June 1</b> 573MW Otay 94 MW Pala 25 MW Celerity <b>TOTAL 692</b>	<b>G-1 Contingency Depends on how largest generator is calculated</b>	<b>Surplus Energy in the region</b>  <b>MW OVER peak demand</b>
Worst day in 10 years) <b>4963</b>	2500	2269	85	692	573 Otay	<b>+10</b>
Worst day in 5 years <b>4863</b>	2500	2269	85	692	573 Otay	<b>+110</b>
Worst day in 2 years <b>4513</b>	2500	2269	85	692	573 Otay	<b>+469</b>

This calculation is based on ISO's own 'math, do not include the following expected resources or emergency reserves coming on-line to address future growth.

- Redesignation of G-1 (>200 MW)
- Lake Hodges Pumped Storage 40 MW
- Wellhead peaker 45 MW

On October, 9 2009 the letter from CALISO to Regional Water Board supported Dynegey's request for an extension of the NPDES permit "for a minimum of one year....ISO will require RMR services from the extended RMR units until such a time as replacement capacity within the San Diego Gas and Electric service area is available"<sup>6</sup> which they do not define and thus attempting to leave the whole question open-ended. However, it appears that they told Jim Avery from SDGE that once the Pala peakers were on-line and a transmission improvement was done the final RMR units could be removed by March or April of 2010.<sup>7</sup>

While we are glad that the RMR was removed on units 3 and 4, this only came after intense scrutiny of their activities by many elected representatives, regulators and the public. It is instructive to note that left to their own devices, CALISO was proposing continue with full designation of RMR until this Board sent a message to them that they questioned the continued operation of this plant. Then they quickly removed two units in what, we can only guess, is an attempt to stave off further action by you. Please don't fall for this chicanery again.

<sup>5</sup> B+C+D+E-F must equal or exceed A (peak demand) or Imports (minus Southwest Power Link) + in-basin generation + Demand Response – Largest in-basin generator must equal or exceed worst case estimated peak demand

<sup>6</sup> CALISO to John Robertus, Regional Board, October 9, 2009

<sup>7</sup> Email from Jim Avery to Jim Detmers recounting conversation, dated October 12, 2009 and attached.

By November, 2009 ISO describes the timeline to Cindy Gompers-Graves of South County Economic Development Corporation in terms of "...months and years...."as the horizon they are considering before the rest of the RMR is removed.<sup>8</sup>

While we know who gets the impacts of operating the SBPP (the community and the Bay) it is less clear who gets the benefit of the energy. In interview with the Union Tribune, Greg Fishman of CALISO would not confirm that the energy from SBPP was for the benefit of our local region and that it is hard to determine where the energy goes<sup>9</sup>. We would request that you ask them (if they even come to the meeting) how often grid problems in Los Angeles or out-of-basin demands cause them to call up the SBPP.

### **Representations to Federal Energy Regulatory Commission**

We do take some heart in the **official** representation that Dynegy has filed with the Federal Energy Regulatory Commission (FERC). Given that this appears to be an official communication, we think that you should ask CAISO and Dynegy about it. In Dynegy's filing to the FERC it is represented that

*"...the CAISO has informed South Bay that it may wish to terminate the RMR Agreement prior to the conclusion of the 2010 Contract Year due to other generation scheduled to become commercial during the term of the 2010 Contract Year."*<sup>10</sup>

Unlike CAISO's other claims, this one is being represented in an official process. This '*other generation*' should be identified and CAISO should be held to their representation.

The Regional Board should understand that a lucrative contract was issued and justified in part because the RMR contracts were allegedly going away. In our reading of this filing, it appears that Dynegy will recoup upwards of \$36 million for non-operational expenses alone<sup>11</sup>. Taken together with the operational funding and their revenue profits, Dynegy will receive \$52 million<sup>12</sup> this year to have two, inefficient, environmentally destructive, aged power plants, that aren't even needed, on stand by-- a very lucrative deal for Dynegy, a very bad deal for the Bay and community. Again, we feel compelled to remind you that they were not required to do extensive retrofitting and mitigation as part of the 2004 permit because it was supposed to be the last.

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<sup>8</sup> CALISO to Gompers-Graves, SCEDC, November 2, 2009

<sup>9</sup> San Diego Union Tribune, *South Bay Power Plant Closer to being decommissioned*, October 14, 2009

<sup>10</sup> Filings of Dynegy South Bay with the FERC for revisions to their RM rate schedules, October 30, 2009, p.3

<sup>11</sup> Ibid, Schedule Q

<sup>12</sup> Ibid, Appendix B, Enclosure 1

**Regional Board should Issue a 13267 letter to Dynegy directing that a workplan to restore and rehabilitate the bay be developed and funded per the 2004 permit.**

If the Board keeps this permit in place with the Minor Mods, it should initiate the 13267 letter that was contemplated when the current permit was issued. Mr. Robertus' representation to on November 18<sup>th</sup> that this intention was only to address impacts of removing the discharge was incorrect or he was referring to another section of the permit. The plain language in the Fact Sheet speaks for itself.

*It is evident that the impacts on Beneficial Uses due to the discharge of once-through-cooling water cannot be eliminated except through termination of the discharge.....Duke Energy will be required to take measures to abate the detrimental impacts of the SBPP discharge to the discharge channel. Duke Energy will also have to propose measures to restore the Beneficial Uses of south San Diego Bay and to rehabilitate the damage caused to the biological resources of the Bay. In an action separate from the adoption of the Order, the Regional Board will consider the issuance of a CWC Section 13267 letter to Duke Energy directing it to provide a Workplan that proposes specific abatement and restoration measures. Duke Energy will be responsible for the financial costs associated with the implementation of the abatement and restoration measures. Duke Energy will be required to develop and implement the abatement and restoration Workplan in consultation with representatives of the USEPA, Department of Fish and Game (DFG), U.S. Fish and Wildlife Service (USFWS), National Marine Fisheries Service (NMFS), RWQCB/SWQCB, and the California Coastal Commission.<sup>13</sup>*

**Legal authority exists for the Water Board to end this discharge.**

More importantly, the Board has authority under Water Code Section 13243 and federal regulations<sup>14</sup> to prohibit a discharge. The magnitude of the impacts from this discharge over-rule consideration of impacts on staff resources. The evidence supporting termination of this discharge is abundant and the authority is clear. Best Professional Judgment is an acceptable standard for decision-making and a finding is easy to make to support this action given that your staff has already found, using Best Professional Judgment, that the only way to end the impacts to beneficial uses is to terminate the discharge.<sup>15</sup>

**Termination of the discharge will not impact turtles**

We would like to take this opportunity to dispel concern related to the relationship between the power plant discharges and the presence of the turtles. The real problem for turtles is the excessive hot water in the summer that drives them deeper into the bay where they were more likely to get hit by boats<sup>16</sup>. In terms of the relationship to the hot water in winter, comments from Jeffrey Seminoff from Southwest Fisheries Science Center were summarized in an article this way...*According to his findings, the turtles are in the bay for the bounty of eel grass. That thing about the tropical power-plant waters is a rumor*

<sup>13</sup> NPDES SBPP 2004 Fact Sheet, Page 18

<sup>14</sup> See C.F.R. Section 122.64 (a) (Deering 2009).

<sup>15</sup> Fact Sheet, P. 18

<sup>16</sup> Pers. Communication, Tina Fege, NMFS

he says. He goes on to explain that sea turtles travel thousands of miles foraging for food. The Navy plants cel grass out in the Bay. "Imagine you are a sea turtle," he said. "Wouldn't you stay here too?"<sup>17</sup> In addition, turtles have been seen in La Jolla Cove<sup>18</sup> and at Seal Beach in winter months where there are no heated water discharges and water is much colder than in south San Diego Bay.

The SBPP often does not run at highest level most of the time in recent years. A review of 2008 data from the plant shows that 57% of the time the average hourly megawatts (MW) produced by the plant were less than 200. The plant was not running at all for a full 19 days in 2008 and for 25 days in 2007.

Below shows the analysis of average and maximum hours by month in 2008 and days of no operation in 2008 and 2007<sup>19</sup>:

Month	Average Hourly Load	Days of no operation 2008	Days of no operation 2007
January	248.4		3
February	112.8		5
March	39.8	5	3
April	89.8	4	2
May	90.2		4
June	58.9	10	6
July	62.3		
August	81.7		
September	175.2		1
October	211.3		1
November	160.3		
December	161.5		
Overall	124.5	19	25

**The Community considers this issue a high priority.**

As you have heard, this is a high priority for the community. The continued presence of this plant is an egregious environmental injustice.<sup>20</sup> We are very disappointed that you have refused to hold this meeting in Chula Vista. As a result, there are hundreds of people who will not be offered the

<sup>17</sup> Reader Article, April 30, 2009

<sup>18</sup> You-Tube video <http://www.youtube.com/watch?v=curVK13r3r4>

<sup>19</sup> EPA Clean Air Markets Data and Maps <http://camddataandmaps.epa.gov/gdm/index.cfm?fuseaction=prepackaged.results>

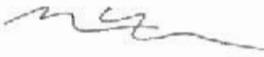
<sup>20</sup> A Tale of Two Power Plants: An Environmental Justice perspective on recreational access to water and fishing for South Bay Communities, EHC Fact Sheet, December, 2009.

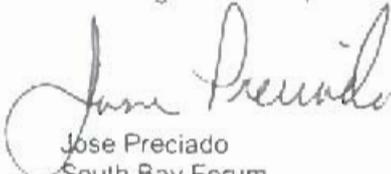
opportunity to provide their input on this very important decision. We repeat our request that you direct staff to hold another hearing at your next meeting in February, in Chula Vista, to discuss the proper date for Recission of the existing NPDES permit.

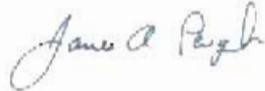
Then and only then, can we know for certain when the community and the bay receive the relief they need and deserve.

Sincerely,

  
Laura Hunter  
Associate Director  
Environmental Health Coalition

  
Bruce Reznik  
Executive Director  
San Diego Coastkeeper

  
Jose Preciado  
South Bay Forum

  
James A. Peugh,  
Conservation Chair  
San Diego Audubon Society

  
Scott Harrison  
Chairman  
Surfrider Foundation, San Diego  
Chapter

  
Marco Gonzalez  
Coastal Environmental Rights  
Foundation

  
David Grubb  
North County Coastal Group  
San Diego Sierra Club

  
Theresa Acerro  
Southwest Chula Vista Civic  
Association



California ISO

Your Link to Power

California Independent System Operator Corporation

Yakout Mansour  
President & Chief Executive Officer

January 28, 2008

Honorable Cheryl Cox  
Mayor  
City of Chula Vista  
276 Fourth Avenue, MS A-101  
Chula Vista, CA 91910

Dear Mayor Cox:

Thank you for your letter of January 7, 2008, regarding the future of the South Bay Power Plant ("SBPP"). The letter asks the California Independent System Operator (ISO) to respond to the following questions:

- 1) What is the function of the SBPP as it relates to reliability and transmission?
- 2) What needs to occur in order to reduce the reliability designation on the SBPP enough to allow the lattice towers and transmission lines to be removed by December 2008?
- 3) What needs to occur in order to eliminate the Reliability Must Run (RMR) designation on SBPP so that it can be decommissioned and removed by February 2011?

I understand that the City of Chula Vista is in negotiations with various parties regarding the future use of the bay front that would require removal of the SBPP. Thus, the timing of the possible retirement of the SBPP is an important factor in these negotiations. As you know, the generating units at the SBPP are currently designated by the CAISO as Reliability Must-Run (RMR) units. This designation cannot be removed until local reliability requirements can be met without the SBPP.

The CAISO is a non profit public benefit corporation chartered under the laws of the State of California for the purpose of operating and maintaining the reliability of the statewide electric transmission grid. The reliability of the transmission grid is dependent on a number of specific power plants located in specific areas. SBPP is, in fact, critical to maintaining the reliability of the San Diego area. In order to remove the RMR designation from SBPP, the California ISO must find that reliability requirements can be met without SBPP units.

In May 2007, San Diego Gas & Electric ("SDG&E") entered into an agreement with the operator of the SBPP to fill SDG&E's Local Capacity Area Resource requirement needs as mandated by the California Public Utility Commission (CPUC). This agreement runs through December 31, 2009 and

will secure all of the 704-megawatt capacity from the SBPP to the region. Although this agreement will provide SDG&E more flexibility over the operation of the facility and will ensure that the output from the plant is available to the CAISO to support the local area needs, the CAISO concluded that continued RMR designation was required in order to ensure availability of the resource to meet local reliability needs.

The CAISO is aware of the widespread interest that exists to see SBPP decommissioned and has been in discussions with SDG&E about the requirements necessary to remove the SBPP'S RMR designation. In order to remove the RMR designation, there are a number of modifications to the transmission and/or generation infrastructure that must happen first to ensure that local area reliability is maintained.

Three projects are underway to meet this local area reliability requirement. First, with respect to the need for new resources, construction of the Otay Mesa Energy Center is currently underway. Second, SDG&E has filed an application with the CPUC to construct the Sunrise Powerlink Transmission Project that will enable SDG&E to substantially improve system reliability and provide access to renewable resources. Third, SDG&E has recently executed contracts with two developers for new peaking generation resources in its service territory.

From the CAISO's perspective, at least two out of three of these major modifications must occur before the RMR designation at the SBPP can be removed. In addition to these modifications, the new Silvergale 230 kV substation and its related upgrades (scheduled for December 2008) as well as the new Baja Norte natural gas interconnection (scheduled for January 2008) must both be in service.

Given that the Otay Mesa Energy Center is under construction, the future addition of Sunrise Powerlink would satisfy the requirements for removal of RMR designation at SBPP. If Sunrise is delayed or not constructed, additional new peaking generation will be required within SDG&E's service territory. The amount of new capacity would be based on the CAISO's existing grid reliability standards, which are analyzed each year. Based on the current status of the previously noted projects, the RMR designation at the SBPP could be removed as early as 2010. However, delays in construction of the Sunrise Powerlink, lack of sufficient new peaking capacity, or delays in the in-service dates in implementing the new Baja Norte natural gas interconnection, would clearly delay this date. Once the RMR designation is removed, there should be no CAISO-related impediment to retiring and decommissioning SBPP.

Mayor Cox  
January 28, 2008  
Page Three

I trust that this sheds some light on the California ISO's role in determining the generation and transmission infrastructure necessary to ensure grid reliability and its analysis of local reliability needs related to the SBPP. If you have additional questions, please call Ali Chowdhury, Director of Regional Transmission South, at (916) 608-1113.

Sincerely,



Yakout Mansour  
President & CEO

cc: Ali Chowdhury (CAISO)  
Mike Niggli (SDG&E)  
Steve Castaneda (City of Chula Vista) ✓  
David Garcia (City of Chula Vista)  
Scott Tulloch (City of Chula Vista)  
Michael Meacham (Conservation & Environmental Services)

JUL 28 2008

July 24, 2008

Jane E. Luckhardt  
Downey Brand Attorneys LLP  
555 Capitol Mall, 10th Floor  
Sacramento, CA 95814

**Subject: MMC Chula Vista and Reliability Must-Run Status of the South Bay Power Plant**

Dear Ms. Luckhardt:

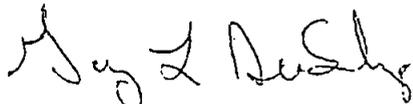
This letter responds to your June 25, 2008 letter concerning the relationship between your client's Chula Vista Energy Upgrade Project (Project) and the Reliability Must-Run (RMR) status of the South Bay Power Plant (SBPP). Specifically, you request clarification concerning a statement allegedly attributed to a representative of the California Independent System Operator Corporation (CAISO) at a meeting with the City of Chula Vista, that the additional capacity created by the Project "could not be counted to support the removal of the RMR designation" of the SBPP.

To set the record straight, consistent with CAISO CEO Yakout Mansour's January 28, 2008 letter to Chula Vista Mayor Cheryl Cox, any new resource, with Resource Adequacy (RA) deliverable capacity, located within the San Diego local area would contribute toward the peaking resources required (including your client's Project) to meet the capacity need for San Diego local area reliability. In other words, in the event either the Olay Mesa Energy Center or Sunrise Power Link Transmission Project is delayed, the capacity of the Project would contribute to meeting San Diego's local reliability requirements provided that sufficient additional new capacity in the San Diego local area were available in order to allow for the entire SBPP to be retired.

As noted in Mr. Mansour's January 28, 2008 letter, two infrastructure enhancements will also be needed: the Silvergate 230kV substation and the new Baja Norte natural gas interconnection projects must both be in service. In addition, local capacity is not the only local reliability need served by SBPP. SBPP also has black start and dual-fuel capabilities. Before the CAISO releases SBPP, the CAISO must be satisfied that suitable alternatives are available that would replace these services or obviate the need for these services.

We hope this letter provides the clarification that you requested. Should you have any questions regarding this letter, please contact Catalin Micsa at (916) 608-5704 ([cmicsa@caiso.com](mailto:cmicsa@caiso.com)), Irina Green at (916) 608-1296 ([igreen@caiso.com](mailto:igreen@caiso.com)), Ali Chowdhury at (916) 608-1113 ([ACHowdhury@caiso.com](mailto:ACHowdhury@caiso.com)) or myself at (916) 608-5880 ([GDeShazo@caiso.com](mailto:GDeShazo@caiso.com)).

Sincerely,



Gary DeShazo  
Director, Regional Transmission North  
California ISO



California's Independent  
System Operator Corporation

April 1, 2009

Hon. Denise Moreno Ducheny  
State Capitol  
Room 5035  
Sacramento, CA 95814

Via email and fax transmitted

**Subject: South Bay Power Plant**

Dear Senator Ducheny:

This letter responds to your office's request for additional factual information concerning the statements in the January 28, 2008 letter from ISO Chief Executive Officer, Yakout Mansour to Chula Vista Mayor, Cheryl Cox regarding the Reliability Must Run ("RMR") status of South Bay Power Plant. The purpose of Mr. Mansour's letter was to identify the minimum conditions that must be met before the ISO would be able to remove the RMR designation of the 708 MW South Bay Power Plant.

In summary, at least two of the following three conditions must be met in order to remove the RMR designation from the South Bay Power Plant: (1) the Otay Mesa Energy Center must be in service; (2) the Sunrise Powerlink Transmission Project must be in service; and (3) additional new peaking generation resources within the SDG&E service area must be available. The letter also indicated that the Silvergate 230kV substation and its related upgrades as well as the new Baja Norte natural gas interconnection must both be in service. At the time of the January 28, 2008 letter, the ISO noted that the earliest possible date that the RMR designation could be removed would be 2010 provided that the above condition was satisfied. Finally, the letter noted that the annual reliability assessments depend on an analysis of all relevant facts and, given delays or other circumstances unanticipated at that time of the letter, RMR designation may continue to be necessary beyond 2010.

To bring you up to date, the Otay Mesa project, which will provide 581 MW of new capacity, is scheduled for completion in 2009. The California Public Utilities Commission has approved the Sunrise Powerlink project, which has a 1,000 MW transfer capability, and it is currently scheduled to be completed in June of 2012. If the Sunrise Powerlink project is delayed or deferred, preliminary load growth estimates indicated that we would need an additional 400 - 500 MW of capacity (i.e. in addition to Otay Mesa) in the San Diego local area in service in 2012 to remove the RMR designation from the South Bay Power Plant beginning as of the 2012 RMR contract year. These are preliminary estimates and would need to be updated as part of the ISO's annual local reliability assessment. At this time both the Silvergate and Baja Norte projects are complete. If the Sunrise Powerlink project is complete and in service on schedule, the ISO would be in a position terminate the RMR contract at the end of the 2012 RMR contract year.

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Hon. Denise Moreno Ducheny  
April 1, 2008  
Page 2 of 2

Finally, the ISO is contractually required to make its decision to extend the term of the RMR contract by October 1 of each year for the following year. If there is any doubt as to whether the Sunrise Powerlink project would not be in service by the end of 2012, the ISO will have to extend the term of the contract for the 2013 RMR contract year.

We hope this information is helpful. Please feel free to contact me if you have any questions, I can be reached at (916) 802-3576.

Sincerely,



Mary McDonald  
Director, State Affairs

Cc: John Ferrera  
Kimberly Craig  
Yakout Mansour  
Karen Edson  
Laura Manz  
Jim Detmers  
Nancy Saracino

Sidney Davies  
All Chowdury  
David Le



November 2, 2009

Ms. Cindy Gompper-Graves  
Chief Executive Officer  
South County Economic Development Council  
1111 Bay Blvd., Suite E  
Chula Vista, CA 91911

RE: South Bay Power Plant

Dear Ms. Gompper-Graves:

Thank you for extending an invitation to our Board of Governors Chairman Mason Willrich to speak at your November 5 meeting. Unfortunately, Mr. Willrich's schedule and the pressing time commitments of other ISO representatives prevent us from attending. So, we regretfully must decline your invitation. We understand from your October 14 letter that your meeting topic is a worthy one: the future of South Bay Power Plant.

While we are unable to personally convey our role in managing the majority of California's power grid and our current status in regards to the South Bay Power Plant, we would like to offer a few thoughts to share with your members.

The ISO is a nonprofit public benefit corporation established by state statute to manage just over 25,000 circuit miles of transmission lines and operate a fully transparent and open wholesale electric market for the power that Californians buy. Our mission is to ensure power is available when required by our state's residents and businesses. We call this "reliability" and it is our first priority.

To meet this responsibility, we are continuously evaluating the status of the transmission system and available generating resources to meet the needs of the world's seventh largest economy. This includes planning and managing system upgrades that keep pace with load growth, among other drivers. In some cases, maintaining grid reliability requires us to keep ready at a moment's call existing generating facilities that are critically needed in local areas to shoulder generation responsibilities should transmission facilities become unavailable. This is the most obvious need, but we also need these plants to support the greater grid with such things as voltage support. Pulling a facility off the grid produces a number of side effects on the entire network beyond just losing megawatts. Some facilities must be able to run when the grid needs them and we call these reliability must run resources.

The South Bay facility, we have determined, is one of a small number plants in our control area that is critically needed. Once we can ensure that the people of San Diego have enough generation and transmission capacity to meet reliability requirements, this will remove the need for the South Bay power plant to have reliability must run designation and potentially lead towards its removal or repowering. In our efforts to consider lifting the South Bay's reliability must-run designation this next year, we found that an operational Otay Mesa Energy Center could help reduce the need for keeping the entire South Bay facility available for service. Recently, the Otay Mesa power plant began operational testing and is expected to be fully available in 2010. Upon confirming that good news, the ISO on October 9<sup>th</sup> was able to release South

Bay generating units #3 and #4 from the reliability must-run agreement. This removes more than half of the South Bay power plant from the reliability must-run designation, i.e. 397MWs out of 708MWs.

We are vigilant in continually assessing the grid conditions in San Diego. In the coming months and years, more improvements to the electric system in and around San Diego are expected. As a result, we are anticipating that new infrastructure will be placed into service that specifically allows us to modify the reliability must run status of the remaining generating units located at the South Bay site, as warranted.

We hope this information is helpful to your members and contributes to their understanding of the complexity required to operate the integrated system that handles California's electricity needs. Please call me if I can be of further service. My office number is (916) 608-7241.

Sincerely,



Phil Pettingill  
Director, State Regulatory Affairs

# Power plant could close next spring

## Action may come earlier than previously revealed

By Tanya Sierra

Friday, November 6, 2009 at midnight

### OVERVIEW

**Background:** Chula Vista officials and environmentalists have been trying for years to decommission the South Bay Power Plant that dominates the city's coastline.

**What's changing:** An e-mail between an SDG&E official and the organization that manages the state's power grid indicates the plant's generators may be decommissioned as early as next spring.

An e-mail between officials at SDG&E and the organization that manages the state's power supply indicates the South Bay Power Plant that dominates the Chula Vista skyline could be out of commission sooner than previously revealed.

Officials announced last month that half the power plant's two generators would be decommissioned at the end of the year. But an e-mail between Jim Avery, SDG&E's vice president of power supply, and the state's Independent System Operator show they had been discussing the imminent fate of the remaining generators as well.

The e-mail said reliance on the remaining generators could come to an end in March or April, as more power sources come online. Avery asked ISO officials to write a letter to the city of Chula Vista explaining that the remaining two generators would not be needed much longer.

Just days before, ISO told Dynegy, which leases and operates the 49-year-old facility, that its "must run" status on two of its four generators would not be renewed.

"Would it be possible for you to send a letter to the City of Chula Vista outlining our discussions this morning?" Avery wrote in an Oct. 12 e-mail to Jim Detmers, the vice president of operations for ISO.

"I am trying to settle this very contentious issue down before it erupts into law suits (sic) and a full blown media circus," Avery wrote. "I plan to share this information with the water quality board later today, but I believe a letter from you would go along (sic) way to make the peace in the city."

Mayor Cheryl Cox said she never received a letter and did not know about the exchange.

Stephanie McCorkle, a spokeswoman for ISO, denied that an agreement was made and said

Detmers did not respond to Avery's e-mail because an energy analysis is under way.

Last month, Councilman Steve Castaneda said officials from both agencies told him the South Bay Power Plant is no longer needed.

City officials are eager to see the power plant dismantled and the prime bay-front real estate on which it sits developed for other uses. They and environmentalists accused ISO of flip-flopping in what it would take to decommission the generators during a panel discussion yesterday in Chula Vista hosted by the South County Economic Development Council.

"The problem with the ISO is you always get a different answer from them," said Laura Hunter of the Environmental Health Coalition.

In January 2008, the ISO said two of three requirements must be met before the power plant could be decommissioned. They include an Otay Mesa plant, which came online last month, more peaker plants being built and the Sunrise Powerlink being completed.

Those requirements have been met, but the plant has still not been decommissioned, Hunter said.

"This is an ever-changing story," she said.

McCorkle said the ISO frequently re-evaluates its energy needs.

"If people mistakenly take that as different answers, they need to look at the time frame when the analysis was performed," she said. "We are constantly updating our technical analysis."

Next week, the San Diego Regional Water Quality Control will consider whether to renew the power plant's water permit, which is needed to run its cooling system. The plant takes in water from San Diego Bay, which can kill and damage large quantities of larvae and fish.

The Chula Vista City Council and other elected state, local and federal representatives are urging the water agency to deny the permit. If the permit is denied, the plant won't operate, Dynegy executive Dan Thompson said during the panel discussion.

Even if the plant were decommissioned by next spring, it would take two years to secure the permitting to tear it down, Thompson said.

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**SIGNON**  
S A N D I E G O

PRINT THIS

## South Bay Power Plant closer to being decommissioned



By Tanya Sierra

Wednesday, October 14, 2009 at 8:17 p.m.

### OVERVIEW

**Background:** Chula Vista officials have been yearning for the removal of the South Bay Power Plant, which dominates the city's coastal skyline.

**What's changing:** The state's Independent System Operator said this week that two of the four generators at the South Bay Power Plant will be decommissioned by the end of the year.

**The future:** Local officials are hopeful the plant is on the brink of becoming unnecessary. They are looking at a possible decommission date of May 1.

CHULA VISTA – The South Bay Power Plant, which Chula Vista officials have sought to remove from the city's waterfront for years, will soon be halfway to decommissioned status, according to the state's Independent System Operator.

In an Oct. 9 letter to Dynegy, which leases and operates the 49-year-old facility from the San Diego Unified Port District, an ISO official said the agency will not extend the plant's "must-run" status on two of its four generators.

Permission to operate two of the generators "will terminate at midnight as of Dec. 31, 2009," the letter states.

The two remaining generators provide emergency power during peak use. That power is supposed to be for San Diego County residents, but Chula Vista Councilman Steve Castaneda, a leader in the movement to shut down the plant, said it is not.

"The power that the South Bay Power Plant generates is going to Los Angeles and not San Diego," Castaneda said.

ISO officials said it is hard to determine where the energy goes.

"Chances are it's being consumed locally most of the time," said Gregg Fishman, a spokesman for the

ISO, a nonprofit corporation that manages the statewide power supply.

Calls to Dynegy were not returned.

Forces that have been working to remove the plant from the South Bay skyline say its demise is imminent.

The San Diego Regional Water Quality Control Board last month decided to take a closer look at the plant's cooling system, which can kill or injure more than 1.6 million fish and larvae each year because it sucks in water from San Diego Bay. Also, the California Energy Commission last month downgraded the county's forecast for peak-demand power through 2020.

Castaneda said ISO and San Diego Gas & Electric Co. officials told him the ISO could acknowledge next week that the South Bay Power Plant will soon no longer be needed. A new Otay Mesa power plant that is up and running and another plant near Pala that comes online next year will more than make up for the loss of electricity, he said.

"We need (the) ISO to release the whole plant," said Laura Hunter of the Environmental Health Coalition. "It's time. This community has been patient. It's time for the ISO to pay attention to the impacts their decisions have."

A call to Jim Avery, vice president of power supply for SDG&E, was not returned Wednesday, but Castaneda said he has had discussions with him about the agency not needing energy from the South Bay Power Plant.

Chula Vista has been trying to develop its bayfront for years and has entertained interest from the San Diego Chargers and Gaylord Entertainment.

The Chargers considered building a new stadium at the site of the South Bay Power Plant, while Gaylord wanted to build a hotel and convention center. Both projects fell through.

Castaneda said talks with the Chargers have not been revived.

"I think that without being overly optimistic, (shutting down the plant) is the most important thing we can do to improve the attractiveness and the viability of our city's bayfront," he said.

**Find this article at:**

<http://www.signonsandiego.com/news/2009/oct/14/bn14plant-south-bay>

Check the box to include the list of links referenced in the article.

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~~CONFIDENTIAL~~ **Avery, James**

---

**From:** Avery, James  
**Sent:** Monday, October 12, 2009 11:58 AM  
**To:** Avery, James  
**Subject:** FW: South Bay Units 1 & 2

---

**From:** Avery, James  
**Sent:** Monday, October 12, 2009 10:24 AM  
**To:** Jim Detmers (jdetmers@caliso.com)  
**Cc:** Niggli, Michael R.; Mitchell, Eugene ; Brown, Linda P.  
**Subject:** South Bay Units 1 & 2

Jim,

Would it be possible for you to send a letter to the City of Chula Vista outlining our discussions this morning pertaining to the need to RMR South Bay Units 1 & 2 on a short term basis. Specifically, I plan to convey that you informed me that the ISO is prepared release the South Bay Units 1 & 2 from RMR once SDG&E installs the cap banks we discussed and JPower successfully commissions the two peaker units that are under construction in Pala (currently anticipated in March or April of 2010). I am trying to settle this very contentious issue down before it erupts into law suits and a full blown media circus.

I know that the ISO's decision to release the South Bay Units 3 & 4 from RMR at the end of 2009 was received with a sigh of relief.

I plan to share this information with the Water Quality Board later today, but I believe a letter from you would go along way to make the peace in the City.

Jim

---

*James P. Avery*  
*Senior Vice President - Power Supply*  
*San Diego Gas & Electric*  
☎ Office: (858) 650-6102  
☎ Fax: (858) 650-6106  
✉ Mail Location: CP33A  
✉ [javery@semprautilities.com](mailto:javery@semprautilities.com)



## A Tale of Two Power Plants

### An Environmental Justice perspective on recreational access to water and fishing for South Bay Communities

San Diego County has two communities with large, aging, baseload power plants located on their waterfronts: Carlsbad, with Encina power plant at the coast, and Chula Vista, with the South Bay Power Plant on its bayfront at the end of San Diego Bay. Both plants create limitations on access to the waterfront close to the plant, but this is a much more serious issue for Chula Vista. This less affluent community has twice as many residents as Carlsbad and very limited access to recreational resources.



*Carlsbad beach*



*View from Bayside Park, Chula Vista*

While Carlsbad has 4.5 miles of beautiful swimmable and fishable beaches, Chula Vista must make do with only about one mile of recreational bayfront. Much of this has steep, rock-lined slopes down to the water, and is not accessible for swimming. In fact, only about **one-fourth mile** of Bayfront Park is sandy and beach-like. Chula Vista's potential fishing spots are posted with fish consumption warnings, and water quality suffers more frequently from sewage-related contamination, as evidenced by its much greater count of Beach Mile Days.

Community	Population	Poverty percent	Miles of Waterfront Beach or Park	Waterfront miles accessible for swimming	Beach Mile Days (advisories) 2006*	Acceptable for Swimming	Acceptable for fishing
Carlsbad	104,650	16%	4.5 miles	4.5	0.34	Yes	Yes
Chula Vista	233,108	30%	1.1 mil	0.28	4.09	Marginal	Marginal Posted with Warnings

\*Most recent year on record.

**Sources:** Population data: SANDAG Profiles, current estimates. Poverty estimates: SANDAG Data Warehouse, 2000 Census, population up to 2 times federal poverty level

Carlsbad beach miles: City of Carlsbad website <http://www.carlsbadca.gov/about/Pages/AbouttheCityofCarlsbad.aspx>

Chula Vista bayfront park miles: GPS & map measurements

## Fishing Compromised

The promise of fishable waterways is also seriously compromised for residents in South Bay area impacted by the power plant. During 2004, EHC conducted a community survey of people fishing from the southernmost piers in the Bay. The survey sought to determine who fishes, how often people fish, who eats the fish, whether they eat fish skin or other organs, and how they cook the fish.



*Fishing in the shadow of the fish consumption warning sign, Pepper Park, National City*

Survey respondents were largely from low-income communities and many appear to be engaged in subsistence fishing. Among this subpopulation are individuals who fish daily, who catch up to 20 fish at a time, who stew fish, who eat fish parts other than fillets, and who feed fish to their children.

This survey provides the first San Diego-specific data on subsistence fishing. It confirms that estimates made of the quantities of fish eaten by subsistence fishers in other places also apply here. The frequency of fishing and fish eating in our pier fishing population is very different than that of statistically average Americans and may reach or exceed the 161 grams per day level recommended by OEIHA taken from the Santa Monica survey value.<sup>1</sup> A selection of key results indicates any Health Risk Assessment (HRA) based on the assumption that only fillets are consumed or that less than 161 grams per day is consumed understates the human health risk for this group.<sup>2</sup>

EHC did a confirmation survey in 2007 which reaffirmed the trends found in the 2004 survey; there is a subpopulation of residents who fish from San Diego Bay and eat the fish. Many of these fishers follow a subsistence-type fishing pattern -- they fish on a daily or weekly basis, eat the fish and feed the fish to their children. The majority use cooking methods that do not minimize intake of contaminants that may be in the fish. As in the previous survey, the majority of people surveyed were Latino or Filipino.

To the extent that a healthy ecosystem does not thrive in South San Diego Bay, due to significant impacts of discharges like those of the South Bay Power Plant, there is an impact to environmental justice communities. Termination of the discharge would alleviate some of these impacts.

<sup>1</sup> [http://www.oehha.ca.gov/fish/special\\_reports/consumexec.html](http://www.oehha.ca.gov/fish/special_reports/consumexec.html)

<sup>2</sup> EHC Survey of Fish Consumption on Piers in San Diego Bay, September 2004

# KING & SPALDING

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Washington, D.C. 20006-4706  
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Direct Dial: (202) 626-5510  
E-mail: brichardson@kslaw.com

October 30, 2009

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

FILED  
SECRETARY OF THE  
COMMISSION  
OCT 30 2009 3:30  
FEDERAL ENERGY  
REGULATORY COMMISSION

**Re: Dynegy South Bay, LLC Annual RMR Section 205 Filing and RMR  
Schedule F Informational Filing, Docket No. ER10-166-000**

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act,<sup>1</sup> and Part 35.13 of the Federal Energy Regulatory Commission's ("Commission") regulations,<sup>2</sup> Dynegy South Bay, LLC ("South Bay" or "Owner") submits for filing, in Appendix A hereto, revisions to certain Reliability Must-Run ("RMR") Rate Schedules ("RMR Schedules") of its Must-Run Service Agreement ("RMR Agreement") with the California Independent System Operator Corporation ("CAISO") and amendments to the RMR Agreement (the "Annual 205 Filing"). South Bay also submits in Appendix B hereto, an informational filing detailing and supporting the proposed changes to its Annual Fixed Revenue Requirement ("AFRR"), pursuant to Schedule F of South Bay's RMR Agreement ("Schedule F Filing").

South Bay submits its Annual 205 Filing and its Schedule F Filing together for administrative efficiency, given that several of the revisions in the Annual 205 Filing incorporate the AFRR derived in the Schedule F Filing. South Bay requests that all of the rate revisions herein become effective as of January 1, 2010.

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<sup>1</sup> 16 U.S.C. § 824d (2006).

<sup>2</sup> 18 CFR § 35.13 (2009).



By way of background, San Diego Gas & Electric Company ("SDG&E") owned and operated the Facility until April 22, 1999, at which time the Facility was conveyed to the Unified Port District of San Diego ("Port"), which leased the Facility to Duke Energy South Bay, LLC. In May 2006, LS Power Generation, LLC ("LSP Generation") acquired all of the indirect ownership interests in the Facility held by Duke Energy Corporation. In 2007, Dynegy Inc. ("Dynegy") acquired the Facility from LSP Generation. For the period April 1, 1998 through December 2002, the CAISO designated all of the units at the Facility as RMR units. For Contract Year 2003, Unit 4 was not subject to such designation. For Contract Years beginning January 1, 2004 through Contract Year ending December 31, 2009, all units at the Facility have been designated as RMR units by the CAISO. The CAISO released South Bay Units 3 and 4 from RMR service and designated South Bay Units 1 and 2 plus the combustion turbine as RMR ("RMR Units") for Contract Year 2010. Notwithstanding the selection of the RMR Units for Contract Year 2010, the CAISO has informed South Bay that it may wish to terminate the RMR Agreement prior to the conclusion of the 2010 Contract Year due to other generation scheduled to become commercial during the term of the 2010 Contract Year. Accordingly, it is expected that the Facility will be retired no later than December 31, 2010, with Units 3 and 4 being retired no later than December 31, 2009.

In connection with the retirement of the Facility, South Bay has determined that the revenues collected under the RMR Agreement are insufficient to pay for the costs of the closure, including, but not limited to, demolition and remediation costs, labor retention and severance payments, and lease costs after the 2009 Cost Year. New Section 8.7 and Schedule Q are designed to recover the balance of ESL Costs.

For purposes of Schedule Q, South Bay has separated the ESL Costs into four categories. The first category consists of severance and labor retention pay. Severance will be paid to employees who are released due to the Facility closure and the retention plan is designed to retain employees in order to operate the Facility in a safe and reliable manner. The retention payments in Phase I of the plan are payable to employees who remain through January 31, 2010. All Facility employees were eligible for Phase I of the retention plan and payments are scheduled to be made in February 2010. These retention payments are based on a percentage of base salary. A portion of these costs have been collected in rates through Contract Year 2009. In Phase II of the retention plan, payments provide an incentive to employees to remain in order to continue to operate and shut down the plant in a safe and reliable manner until the closure of the remaining units at South Bay. Payment is based on the employee's salary and scheduled to be made following the closing of the last unit.

Severance pay is also subject to a phased approach. In Phase I, released employees will receive severance pay based on their respective years of service when Units 3 and 4 are shut down. In Phase II, released employees will receive severance pay based on their respective years of service when the remaining RMR Units are shut down.

**SCHEDULE Q  
END OF SERVICE LIFE COSTS**

Owner shall recover costs in connection with the closure of the Facility, including, but not limited to, the following costs:

**ESTIMATED COSTS**

**Labor Retention and Severance Costs**

**Phase I Retention Costs and Severance due to the closing of Units 3 and 4 on December 31, 2009**

Labor retention costs not previously collected in AFRR	\$ 1,810,746
Severance costs	1,137,028

**Phase II Retention Costs and Severance due to the closing of the remaining units at the Facility**

Labor retention costs	907,520
Severance costs	<u>2,805,546</u>
Total	\$6,660,840

**Maintenance and other costs not previously collected in AFRR**

Refund of demolition costs included in AFRR for 2010	(\$160,125)
Capitalized maintenance not previously collected in AFRR	854,427
Maintenance charged to Work In Progress and not previously collected in AFRR	201,260
Increase in allocated Western Region costs	<u>171,725</u>
Total	\$1,067,287

**Port Rent**

Rent to the San Diego Unified Port District during 2010	\$6,250,484
Rent to the San Diego Unified Port District during demolltion period	<u>13,605,291</u>
Total	\$19,855,775

**Demolition and Remediation Costs**

Demolition and remediation costs in excess of amounts previously collected through AFRR	\$8,555,984
---	-------------

<b>TOTAL</b>	<b>\$36,139,886</b>
--------------	---------------------

Monthly Payment for 2010	\$3,011,657
--------------------------	-------------

Issued by: Eric P. Watts,  
V.P. Commercial Power Operations  
Issued on: October 30, 2009

Effective Date: January 1, 2010

**DYNEGY SOUTH BAY  
APPENDIX B  
Enclosure 1**

**REVENUE FOR EACH RMR UNIT  
CONTRACT YEAR 2010**

	Allocation Percentages	Schedule F AFRR	Capital Components	Reduction Due to Closing Units 3 and 4	Total AFRR
Unit No. 1	47.2%	\$ 10,517,455		\$ (2,833,876)	\$ 7,683,579
Unit No. 2	48.5%	10,807,582		(2,912,052)	7,895,540
CT	4.2%	942,844		(254,072)	688,873
<b>Total</b>	<b>100.0%</b>	<b>\$ 22,267,882</b>	<b>\$ -</b>	<b>\$ (6,000,000)</b>	<b>\$ 16,267,882</b>

**CONTRACT YEAR 2009  
FOR COMPARISON PURPOSES**

	\$ 20,905,027	\$ 11,819,770	\$ -	\$ 32,524,797
<b>Change</b>	<b>\$ 1,362,855</b>	<b>\$ (11,619,770)</b>	<b>\$ (6,000,000)</b>	<b>\$ (16,256,805)</b>

SAN DIEGO WEEKLY  
VOLUME 38 / NUMBER 17  
APRIL 30, 2004

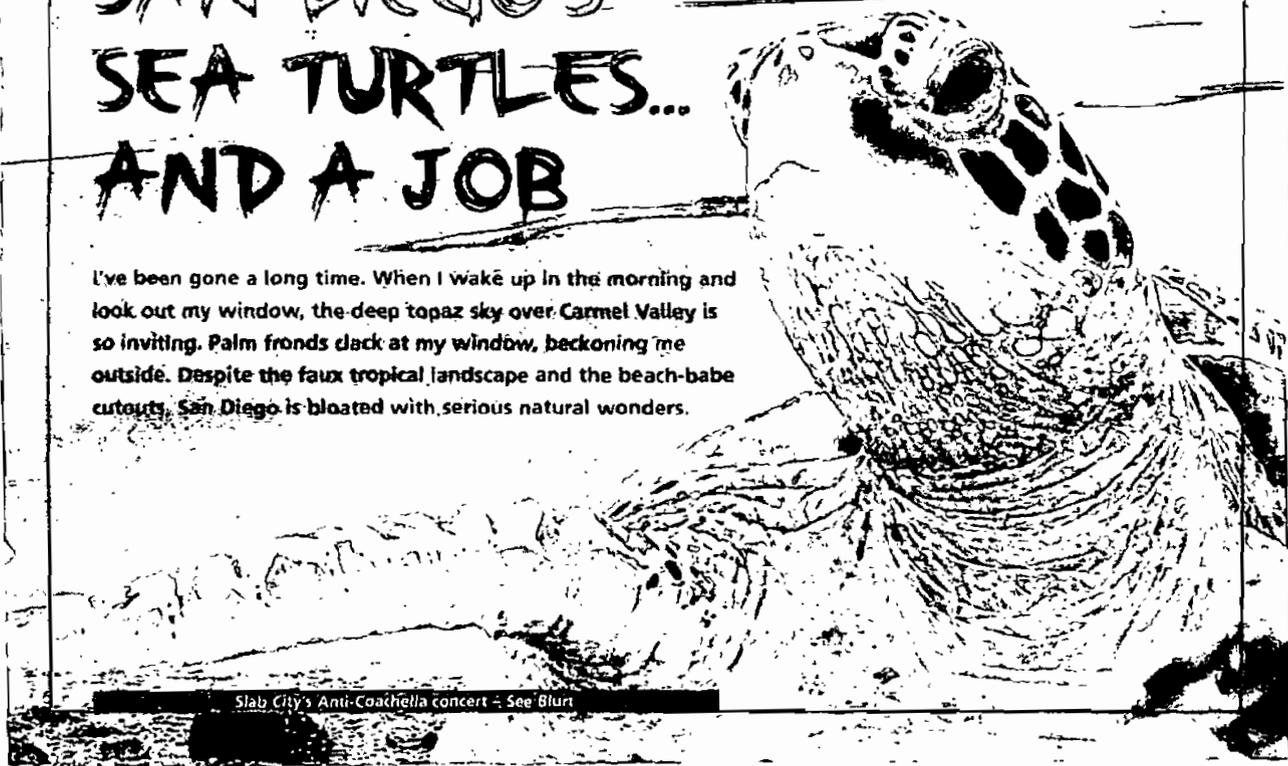
# Reader

337  
COUPONS  
INSIDE



## SEARCHING FOR SAN DIEGO'S SEA TURTLES... AND A JOB

I've been gone a long time. When I wake up in the morning and look out my window, the deep topaz sky over Carmel Valley is so inviting. Palm fronds cack at my window, beckoning me outside. Despite the faux tropical landscape and the beach-babe cutouts, San Diego is bloated with serious natural wonders.



Slab City's Anti-Coachella concert - See Blurt

toward me and gurgles like a snorkel-face. "There's a sea turtle!" There it is, fins flapping away, slowly disappearing into the watery blue shadows, elusive yet adorable. It wouldn't have been more magical if we had just seen a unicorn. Even though I was born and raised in San Diego, I had never seen or heard of sea turtles here.

And so my summer ended in San Diego. I had no job and was completely broke. It was only two weeks since I had moved back into my parents' house after living in San Francisco.

I have a lot of pressure to realize the American dream. My father is Syrian, my mother is American. Ever since I was a kid I have been told how great it is to be an Atassi. I'm told that being an Atassi in Syria is something akin to being

a Kennedy in America. Sure, we've had our share of Syrian presidents in the past, but these days Atassis are getting ridiculously educated abroad. We have even published books about our great legacy. In fact, someone has put them in the

myriad hobbies, solving the turtle mystery to my family. I do some research and find that it is actually an Eastern Pacific green turtle with a distribution typically between 30 degrees north and 30 degrees south. San Diego is

## "Imagine you're a sea turtle. Wouldn't you stay here, too?"

University of Michigan Dearborn Library.

Being an Atassi heiress is something I might mention casually to boyfriends to mix things up. It's a convenient parlor trick. I even got complimentary baklava once.

It's difficult to explain my obscure interests and

right outside this range. Was that turtle I saw smuggled home over the Mexican border in a suitcase packed with novelty-size sombrero hats and artisan ceramics? All it would take is one accidental spill down the storm drain for a clutch of eggs to spawn an exotic species.

San Diego is home to a thriving and established colony of approximately 60 turtles. There are several stories explaining their origins.

One story describes the sea turtles as renegades busted free from turtle-meat farms where they awaited slaughter during the earlier half of the 20th Century. Another eerily posits the turtles being attracted to the warm-water canals of the power plant in south San Diego Bay.

Sandwiched between Interstate 5 and the South Bay, the electric power plant sits on the edge of the Sweetwater Marsh National Wildlife Refuge. This complicates things because it seems these endangered sea turtles are protected in an area where they exist artificially. To a species swimming around, foraging for eel grass and generally being turtles, it makes no difference.

I call ecologist Jeff Seminoff at the Marine Turtle Research Program for the Southwest Fisheries Science Center. According to his findings, the turtles are in the bay for the bounty of eel grass. That thing about tropical power-plant waters is a rumor, he says. He goes on to explain that sea turtles travel thousands of miles foraging for food. The Navy plants eel grass out in the Bay.

"Imagine you are a sea turtle," he says. "Wouldn't you stay here, too?"

He seems rushed, and we don't get to talk much before the phone conversation ends. His obvious explanation doesn't explain why there are so many stories about the turtles.

One day, back in San Francisco, I was having a chat with my fun-loving boss, Mustafa. He owned Cafe du Soleil, where I worked as a barista. Mustafa held a wad of receipts in one hand and used the

other to pour beer from the tap. The foam spilled onto the bills, when he said to me, "You're young, you don't need to be so serious. Just go have fun, get yourself a boyfriend or

two, get yourself a girl friend — I'm not the kind to judge — enjoy your self. I'm stuck here, I gotta go down to city hall, I gotta get some papers signed the kids are driving m-

nuts, the customers..."

I sold everything I owned and flew to South America.

My parents reminded me I was running out of money, but I explained that

the exchange rate would actually make me better off. All I needed was a backpack.

When I came home my dad took me to Syria. It was a bummer. The idea

of getting married was brought up by relatives between suggestions about grad school. Why wasn't I pursuing a profession or an engagement, the family asked. There was a cousin