

## **Restructuring in the Rearview Mirror – a 10-Year Retrospective of California's Doomed Experiment with Electric Deregulation. By The Energy Overseer**

### **Rich or Poor, Some Communities Will Not Roll Over for Expedited Siting**

It's not unusual to find a tent encampment in front of a public building, occupied by citizens protesting some government act or unwanted commercial development in their community. But it is highly unusual when the protestors include the mayor and vice mayor of the town.

Raul Moriel, mayor of South Gate, an economically distressed city in Los Angeles County, along with vice mayor Xochilt Ruvacaba, last week joined in a hunger strike and tent occupation on the street in front of their own city hall to protest possible construction of a new 550 MW power plant in South Gate by Sunlaw Energy.

Though the proposed Nueva Azalea facility boasted advanced air-quality controls, called Sconox, that the company claims to be the cleanest system available, the community opposed the project because it does not want any additional pollutants. The issue went beyond simple environmentalism, however, becoming one of "environmental justice" as the largely Latino community believes it is being unfairly burdened with a development meant to provide power for other parts of the state and profits for a company based elsewhere.

Mayor Moriel did not last very long in his hunger strike and had to be taken to the hospital after four days. But he made his point. On Tuesday, citizens of South Gate approved an advisory referendum against the development, and developer Sunlaw immediately asked for suspension of its certification process at the California Energy Commission.

Wayne Gould, president of Sunlaw, stressed a continued belief that the Sconox system to be employed at Nueva Azalea offered "unprecedented low NOx emissions" and that the facility would provide the kind of "safer, cleaner and more reliable" generation demanded by California's energy crisis. However, Gould said, "We've looked at our business plan and objectives and we've determined not to move forward with Nueva Azalea."

Not far away on a map--but a world apart in terms of demographics--the city of Huntington Beach is also in the midst of an antidevelopment fight. In this case, it is not a new facility but the proposed modernization and expansion of the Huntington Beach generating station. AES Corporation bought the Huntington Beach plant from Southern California Edison and has applied to the CEC for approval of a plan to upgrade units 3 and 4 of the aged facility, increasing available capacity and modernizing emissions controls to allow for increased operations [00-AFC-13].

Originally filed under the traditional CEC review process, the Huntington Beach project has become a pioneer of new expedited siting rules brought about by Governor Gray Davis' emergency declaration [D-22-01]. Though the community had expressed its misgivings about the project meeting all of its concerns to begin with, the CEC siting committee this past week approved a 60-day review process for the upgrade project.

In the order, commissioners Art Rosenfeld and Bob Pernell acknowledged the bind. "The commission's traditional, 12-month AFC process cannot meet the governor's goal of bringing significant new generating capacity online for summer of 2001." AES could complete the upgrade in 90 days, the CEC noted. "Based on simple arithmetic, 90 days

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of construction subtracted from the beginning of 2001 summer peak loads requires certification of the retooling project in early to mid-April 2001."

Though bowing to "the objectives of environmental protection and protection of public health and safety," the CEC committee adopted an expedited schedule for the project that would produce a proposed decision in three weeks and schedule full consideration by April 11.

During a recent public hearing on the project, CEC project manager Jack Caswell admitted the difficulties faced by the siting staff. "It's going to be a tough, tough process here. I have great concerns about how to get this done," he said.

The complexity of the case was underscored March 1, when the city submitted to the CEC a 27-page list of the environmental and economic conditions it wants to have imposed on the AES project. Air quality, ocean quality and visual impacts top the city's list, but there were also demands for a \$1 million community contribution plus requirements that 20 percent of the work force be hired locally and 25 percent of procurement come from local vendors.

The city wants the company to build an effluent pipe more than one mile long to limit beach pollution, but most importantly, it wants to be put in charge of monitoring the construction program, with powers to halt or further condition operations if AES violates any part of the package.

And that was just part one of Huntington Beach's list. The city's hired attorney promised further details after CEC staff issue their assessment.

"We're not trying to stop the power plant," attorney Al Pak told me this week. "We want to make sure that if it's operating, it's a good neighbor. We want to see all the impacts mitigated."

But the city also wants a novel condition attached--that all power from the upgraded facility be sold within California, with similar limits on AES' operations at Los Alamitos and Redondo Beach to prevent those plants from being pressed into the service of unfettered interstate commerce. "We want to put handcuffs on the other plants," Pak said, stating that this, of course, would be a "voluntary" agreement by the developer.

These two cases, representing a minority community willing to go to political and physical extremes to prevent any generation development, and an affluent community pushing the envelope of legal argument to make sure its concerns are met, may be taken as harbingers of the coming battles over the siting of power plants in California.

California regulators have a daunting task ahead of them to compress a lengthy and detailed public review of projects into a matter of weeks. Prospective developers are cast in a dual role, as saviors of a faltering energy system and as suspected plunderers of public resources. Community activists face an uphill struggle made even more difficult by the crisis mentality and the rush to fill holes in a deteriorating energy infrastructure.

But it should be obvious, at least from the two examples given above, that opponents of development (and even those who just want to see development carried out with regard

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for community concerns) are not going to simply roll over, despite emergency  
declarations by politicians

**[Arthur O'Donnell].**

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