



Staff Report

File #: REPORT 20-0192, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of April 14, 2020**

**A LETTER TO THE STATE WATER RESOURCES
CONTROL BOARD OPPOSING AN EXTENSION OF THE
OPERATION OF THE AES REDONDO BEACH FACILITY**
(Environmental Programs Manager Douglas Krauss)

Recommended Action:

Staff recommends that City Council approve a letter to the State Water Resources Control Board (State Water Board) and authorize the Mayor to sign it.

Executive Summary:

The City of Hermosa Beach has been actively monitoring and participating in the City of Redondo Beach's efforts to ensure the timely closure of the AES facility and the site's consequent rehabilitation into a development that will benefit the region. This letter declares Hermosa Beach's opposition to any extension of the plant's operation and reiterates our support and commitment to Redondo Beach's ongoing efforts on this matter.

Background:

The 50-acre AES Redondo Beach property, just south of the Hermosa Beach border in the City of Redondo Beach, has been used for electricity generation purposes for over a century. Originally developed by Henry Huntington under the Pacific Light and Power Company, the property was acquired by Southern California Edison in 1917, redeveloped in the 1940s, and sold to the AES Corporation in 1997. AES proposed to rebuild the site with a smaller footprint and more efficient equipment, filing an application with the California Energy Commission (CEC) in 2012.

Between 2015 and 2016, the City of Hermosa Beach engaged as an intervenor in proceedings related to the AES site, providing support to Redondo Beach based on the cities' shared concerns about the impacts of a potential new power plant. During that time, Hermosa Beach staff participated in CEC meetings related to the project including telephone participation at status conferences, monitoring the CEC's project docket, attending community workshops, and participating in joint conference calls with state agencies.

In response to State Water Resources Board regulations affecting coastal power plants that use ocean water for cooling, AES proposed to retire the power generating units by 2020. Any change in

the use of the site, other than for park and open space, would require a zoning amendment and General Plan amendment (both subject to approval by the voters of Redondo Beach), as well as California Coastal Commission approval. The site has previously been the subject of two public votes on development concepts with neither receiving a majority vote.

In May 2019, Redondo Beach City Council approved the formation of an Enhanced Infrastructure Financing District to help fund public improvements on the site, in anticipation of the plant's closure and anticipated future development. Redondo Beach was also recently successful in securing a grant of \$4.8 million from the California Natural Resources Agency to help fund purchase of a portion of the site for public park space.

Discussion:

In November 2019, the California Public Utilities Commission recommended the extension of the deadline for the AES facility's closure to December 31, 2022 with the rationale of ensuring extended power grid reliability. Final approval of the extension is subject to an upcoming vote by the State Water Board. The final date of this vote has not yet been determined. In addition, the site has recently been purchased by a private developer. The terms of the sale of the property include an account set aside by AES to fund environmental remediation of the site. The amount of the fund increases dependent upon the length of the facility's operation. If the facility were to be permitted to operate an additional three years to 2022, AES would transfer \$14 million to the new owner for remediation efforts, though these efforts could potentially begin prior to the closure.

Redondo Beach has authored a letter to the State Water Board opposing the extension of the facility's operation. Staff recommends the City Council approve a letter to the State Water Board supporting Redondo Beach's efforts and opposing the extension of operations at the AES plant.

Past Council Actions

Meeting Date	Description
July 26, 2016	Heard status report and discussion of City's involvement on the Redondo Beach Waterfront Project and AES Property
April 24, 2018	Submitted a letter to Los Angeles County in support of Redondo application to form an Enhanced Infrastructure Financing District AES site

General Plan Consistency:

This report and associated recommendations have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Governance

Goal 4. A leader and partner in the region.

Policies:

- **4.3 Collaboration with adjacent jurisdictions.** Maintain strong collaborative relationships with adjacent jurisdictions and work together on projects of mutual interest and concern

Land Use

Goal 13. Land use patterns that improve the health of residents.

Policies:

- **13.1 Restrict health-harming uses.** Prohibit new land uses that harm the physical health and well-being of the community.

Sustainability and Conservation

Goal 3. Improved air quality and reduced air pollution emissions.

Policies:

- **3.7 Regional air quality.** When possible, collaborate with other agencies within the region to improve air quality and meet or exceed State and Federal air quality standards through regional efforts to reduce air pollution from mobile sources, including trucks and passenger vehicles and other large polluters

Fiscal Impact:

There are no fiscal implications from this action.

Attachments:

1. Draft Letter to State Water Board

Respectfully Submitted by: Douglas Krauss, Environmental Programs Manager

Approved: Suja Lowenthal, City Manager