

**CALENDAR ITEM  
C119**

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**REQUEST AUTHORITY FOR THE EXECUTIVE OFFICER TO SOLICIT  
STATEMENTS OF INTEREST FOR CONSULTANT SERVICES, NEGOTIATE FAIR  
AND REASONABLE PRICE, AWARD AND EXECUTE AGREEMENTS FOR  
PREPARATION OF ENVIRONMENTAL DOCUMENTATION AND MITIGATION  
MONITORING FOR THE PROPOSED PACIFIC GAS AND ELECTRIC CENTRAL  
COASTAL CALIFORNIA SEISMIC IMAGING PROJECT, AVILA BEACH,  
SAN LUIS OBISPO COUNTY**

**PARTY:**

California State Lands Commission  
100 Howe Avenue, Suite 100 South  
Sacramento, CA 95825-8202

**BACKGROUND:**

Pacific Gas and Electric's (PG&E) Diablo Canyon Power Plant (DCPP) is an electricity-generating nuclear power plant located on the central California coast in Avila Beach, San Luis Obispo County. In commercial operation since 1985, the DCPP is situated near several onshore and offshore fault zones, including the Hosgri, San Luis Bay, and recently-discovered Shoreline faults. Due to the presence of these zones, the DCPP and the region have been the subject of much seismic research to determine any risks and identify necessary DCCP improvements.

Chapter 722 (Assembly Bill 1632) signed into law in 2006, required the California Energy Commission (CEC) to assess the potential vulnerability of California's two largest nuclear power plants to aging or seismic activity. The CEC's 2008 final report (Report) recommended that PG&E perform, among other actions, three-dimensional (3-D) seismic reflection mapping to gather data on faults near the DCPP. The California Public Utilities Commission (CPUC) subsequently made its approval of PG&E's 2007 general rate case decision (Decision 07-03-044) contingent on the inclusion of seismic mapping in PG&E's DCPP license renewal feasibility study.

Several recent developments have also increased agency and public interest in a deeper seismic evaluation of the region surrounding DCPP and support for the prompt completion of a 3-D mapping project. In 2008, the U.S. Geological Survey (USGS),

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working cooperatively with PG&E, discovered a new fault zone (since named "Shoreline") offshore of DCCP. In 2009, the U.S. Nuclear Regulatory Commission (NRC) released Research Information Letter 09-001, which concluded that the design of DCCP could withstand movement from the Shoreline fault. In 2011, the partial meltdown of Japan's Fukushima Daiichi nuclear power plant occurred following a magnitude 9.0 earthquake and subsequent tsunami.

Pursuant to section 6826 of the Public Resources Code (PRC), the California State Lands Commission (CSLC) may grant permits to conduct geophysical surveys on State sovereign lands, including the State's tide and submerged lands, which extend from the shoreline out to three nautical miles offshore. The CSLC has been issuing geophysical survey permits in some form since 1945. In 1987, however, mounting evidence of the potentially significant effects of "high-energy" survey equipment (greater than two kilojoules [kJ] of energy input) on marine fish, mammals and reptiles, both behaviorally and physiologically, prompted the CSLC to distinguish between low- and high-energy surveys in its permitting. Since then, under its low-energy offshore geophysical permit program, which is based upon a May 24, 1984 Mitigated Negative Declaration (MND) prepared by the CSLC pursuant to the requirements of the California Environmental Quality Act (CEQA)(PRC § 21000 et seq.), the CSLC issues permits for the use of equipment using no more than 2 kJ of energy input.

In 2010-2011, PG&E conducted low-energy 3-D seismic reflection surveys offshore of the DCCP under one of the CSLC's low-energy permits (using equipment that used 2 kJ or less of energy input). In May 2011, PG&E submitted two applications to the CSLC for additional proposed seismic studies.

1. **Offshore Central Coastal California Ocean Bottom Seismometer (OBS) Project.** A proposal to place OBS units onto the seafloor adjacent to active faults offshore of the DCCP in order to record real-time data on earthquakes within the fault zone. The long-term OBS units will be connected to shore via a 2-inch diameter cable, which will provide power to the OBS units and transmit data to DCCP. The CSLC intends to prepare an Initial Study/MND for this proposed project, which may be brought for Commission action as early as October 2011.
2. **Central Coastal California Seismic Imaging Project.** This proposal involves the use of high-energy equipment (requiring more than 2 kJ of energy input), and will require the preparation of an Environmental Impact Report (EIR), which is the subject of this Staff Report.

### **PROPOSED PROJECT:**

The Central Coastal California Seismic Imaging Project (CCSIP or Project) as proposed by PG&E would implement the recommendations of the CEC and CPUC by conducting deep, high-energy seismic surveys of the various fault zones, particularly the intersections of fault lines, surrounding the DCCP. The Project would include the following components:

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- Offshore High-Energy Seismic Survey– Conducting a high-energy offshore seismic survey in two zones, totaling approximately 830 square kilometers bounded by Cambria on the north and Pt. Sal on the south. Surveys will be conducted using a geophysical vessel, assisted by support/monitoring vessels, towing a series of sound-generating air guns and sound-recording hydrophones along pre-determined shore-parallel and shore-perpendicular transects; and
- Nearshore Seismic Data Collection – Deploying a grid of nodal seafloor geophones in the near shore and tidal areas off of Point Buchon and Point San Luis and producing sound on the shore, employing nitrogen spring accelerated weight drop (AWD) methods, Vibroseis technology, or a mixture of the two.

The EIR would address both proposed offshore and nearshore seismic activities.

### **PROPOSED ACTIVITY:**

Based on the information provided by PG&E, and pursuant to the California Code of Regulations Title 14, Chapter 3, section 15051, the CSLC has determined it is the appropriate lead agency for preparing an EIR for the Project under CEQA.

Consideration of this Project will require environmental documentation, and possibly monitoring, in accordance with CEQA. The Executive Officer requests delegation of authority to engage a consultant to prepare an EIR for the CCSIP, and possibly conduct mitigation monitoring, in accordance with CEQA. Consultant selection shall be conducted consistent with procedures as specified in CSLC Regulations and in the State Contract Manual on the basis of demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price. All staff and consultant costs shall be recovered from the Project applicant, PG&E.

### **OTHER PERTINENT INFORMATION:**

1. Pursuant to the Commission's delegation of authority and the CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

2. Approval of this item by the Commission does not constitute approval of a proposed lease or permit; it only authorizes consultant contracts for environmental review.

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STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section 6106 (Delegation to execute written instruments)
- B. State Contracts Manual section 11.00 A & E method (rev. 10/05)
- C. Public Contract Code section 6106
- D. Government Code section 4526
- E. California Administrative Code Title 2 Article 13 section 2980.0 - 2990.0
- F. Government Code section 19130
- G. California Administrative Code Title 14 section 15045

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15060(c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.
2. Find that the services are of limited duration and are of such urgent, temporary and occasional nature that the delay in their implementation under civil service would frustrate their very purpose as specified in Government Code section 19139(b)(10).
3. Find that the selection of consultants under this process does not affect small businesses as defined in Government Code section 11342.610, because they will be accorded equal opportunity to submit statements of qualifications and performance data.
4. Find that the selection of consultants under this process for professional services of architectural, landscape architectural, engineering, environmental, land surveying or construction project management services will be consistent with procedures and policies adopted by the Commission as specified in Government Code section 4526 and Title 2, California Code of Regulations sections 2980–2980.9.
5. Authorize the Executive Officer or his designee to solicit proposals, negotiate a fair and reasonable price, award and execute contracts for environmental documentation and mitigation monitoring in accordance with State policies and procedures.
6. Authorize the Executive Officer or his designee to enter into an agreement with project applicant to recover costs incurred in the consideration of this project.