

**STAFF REPORT  
C72**

A 35  
S 17

04/19/18  
PRC 9105.9  
C. Hudson

**AMENDMENT OF LEASE**

**LESSEE:**

Pacific Gas and Electric Company

**AREA, LAND TYPE, AND LOCATION:**

Sovereign land in the intake cove, Diablo Canyon Power Plant near Avila Beach, San Luis Obispo County.

**AUTHORIZED USE:**

Use and maintenance of a salp bubble curtain pilot project.

**LEASE TERM:**

5 years, beginning December 2, 2013.

**CONSIDERATION:**

The lease premises are assessed rent under Lease No. PRC 4307.1. No annual rent will be charged for this lease.

**PROPOSED AMENDMENT:**

**Section 1, Term,** would be amended to extend the term of the lease to August 26, 2025.

Section 2, Special Provisions, paragraph 2 is deleted in its entirety and replaced with the following:

Lessee shall submit a year-end report on the effectiveness of the salp bubble curtain project and any change in behavior of marine mammals no later than December 31 of each year.

All other terms and conditions of the lease shall remain in effect without amendment.

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**STAFF ANALYSIS AND RECOMMENDATION:**

**Authority:**

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503;  
California Code of Regulations, title 2, sections 2000 and 2003.

**Public Trust and State's Best Interests Analysis:**

On December 2, 2013, the Commission authorized a General Lease – Protective Structure Use to Pacific Gas and Electric Company (PG&E) for the use and maintenance of a salp bubble curtain pilot project associated with Diablo Canyon Power Plant ([Item C97, December 2, 2013](#)). The lease will expire on December 1, 2018. The Lessee is now applying for an amendment to the existing Lease to extend the lease term to August 26, 2025, to allow periodic deployment of the salp bubble curtain.

Salp (gelatinous ocean dwellers similar to jellyfish) can pose a threat to the intake system at Diablo Canyon Power Plant. The bubble curtain is similar to an aquarium aeration system using compressed air through perforated piping at the bottom of the ocean floor to create a curtain of air. The air bubbles lift the salp and similar organisms to the surface where a boom is used to redirect them away from the intake system. Maintaining a clear intake system is essential to the plant's efficiency, safety, and operational needs. If the intake system becomes less effective due to entrapment or blockage, then plant operators may have to trip or shut down the units, which could immediately jeopardize PG&E's ability to safely provide electricity from the power plant.

The salp bubble curtain was deployed on July 29, 2013. During the operation of the salp bubble curtain, PG&E divers performed subsurface observations of the ocean side and plant intake side of the operating salp bubble curtain air curtain during the influx peaks. The curtain was observed to successfully break up and disperse dense salp aggregations. The air curtain reduced the incoming concentrations by diverting large numbers of salps to the southern portion of the intake cove. The salp bubble curtain operated until August 2, 2013, and has not been deployed since because the oceanographic conditions that typically produce large influxes of salps have not occurred.

The amendment to this lease to extend the lease term does not alienate the State's fee simple interest or permanently impair public rights. The recommended action will not substantially interfere with the Public Trust needs at this location, at this time, and for foreseeable term of the lease. For these reasons, staff recommends finding the proposed action is in the best interests of the State.

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**OTHER PERTINENT INFORMATION:**

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. The Lessee submitted an application the California Coastal Commission for a de minimus Coastal Development Permit waiver and a permit application to the U.S. Army Corps of Engineers for a Letter of Permission to extend the term for operating the salp bubble curtain.
3. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 4, Minor Alterations to Land; California Code of Regulations, title 14, section 15304.

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300.

**FURTHER APPROVALS REQUIRED:**

U.S. Army Corps of Engineers  
California Coastal Commission

**EXHIBITS:**

- A. Land Description
- B. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 4, Minor Alterations to Land; California Code of Regulations, title 14, section 15304.

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Find that the proposed amendment of the existing lease will not substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease.

STAFF REPORT NO. **C72** (CONT'D)

**AUTHORIZATION:**

Authorize the amendment of Lease No. PRC 9105.9, a General Lease – Protective Structure Use, to amend the term of the lease to August 26, 2025, to allow periodic deployment of the salp bubble curtain and include special lease provisions related to the salp bubble curtain; as described in Exhibit A and shown on Exhibit B (for reference purposes only), effective April 19, 2018; all other terms and conditions of the lease will remain in effect without amendment.

**EXHIBIT A**

**PRC 9105.9**

**LAND DESCRIPTION**

A parcel of tide and submerged land situate in the bed of the Pacific Ocean, County of San Luis Obispo, State of California, more particularly described as follows:

All those lands as described in Exhibit "A" of Document No. 18496, recorded August 28, 1969 in Volume 1529 Pages 349 to 355 in Official Records of said County.

EXCEPTING THEREFROM any portion located landward of ordinary high water mark of said ocean.

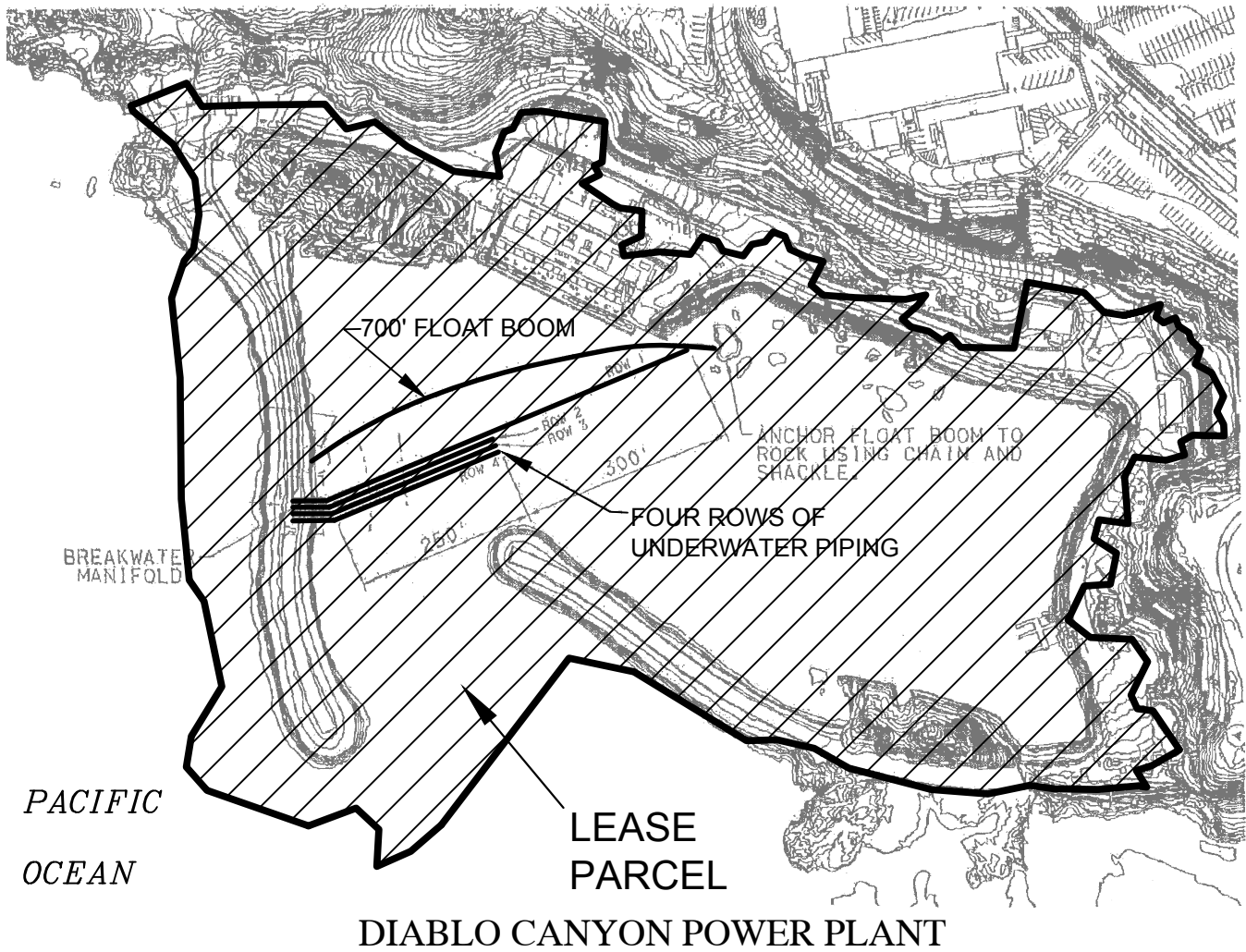
**END OF DESCRIPTION**

Prepared 12/06/17 by the California State Lands Commission Boundary Unit



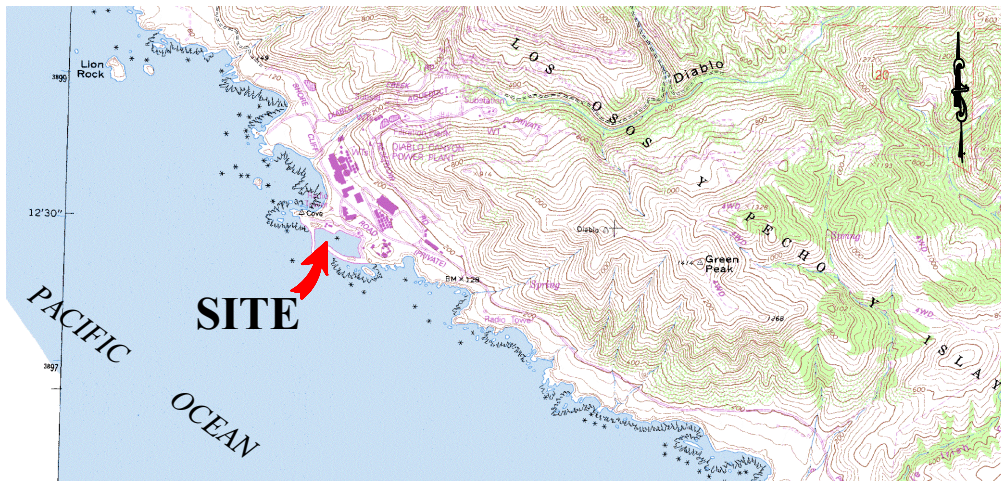
NO SCALE

# SITE



NO SCALE

# LOCATION



MAP SOURCE: USGS QUAD

# Exhibit B

PRC 9105.9  
 PACIFIC GAS & ELECTRIC  
 COMPANY  
 GENERAL LEASE -  
 PROTECTIVE  
 STRUCTURE USE  
 SAN LUIS OBISPO COUNTY



**SITE**

TS 12/06/17

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.