

Draft Findings of the Monterey County LCP Periodic Review

CHAPTER 9: Energy

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CHAPTER 9 - Energy

A. Coastal Act Policy Framework

With regard to energy, notwithstanding the fact that coastal-dependent industrial developments may have significant impacts on coastal resources, the Coastal Act provides for the siting and development of coastal dependent industrial uses, including energy related uses, to ensure that inland as well as coastal resources are preserved while ensuring orderly economic development within the state.¹ Coastal-dependent developments are those which require a site on, or adjacent to the sea to be able to function at all. Coastal-dependent industrial developments are given priority in the Coastal Act over other land uses, except agriculture, and are permitted reasonable long-term growth where consistent with Chapter 3 policies. These developments are encouraged to locate and expand within existing sites.² Location and expansion beyond an existing site are permitted only if alternative locations are infeasible or more environmentally damaging, to do otherwise would adversely affect the public welfare, and adverse impacts are mitigated to the maximum extent feasible. New industrial development is to be located within or contiguous to existing developed areas able to accommodate it except that new hazardous industrial development is required to be located away from existing developed areas where feasible.

Coastal Act Section 30262 requires consolidation of oil and gas facilities to the maximum extent feasible and legally permissible unless (a) consolidation will result in adverse environmental consequences and (b) it will not significantly reduce the number of wells, support facilities or sites required to produce the reservoir economically and with minimal environmental impacts. Policies require protection against spillage of oil, gas, petroleum products and other hazardous materials. Coastal Act policies include specific criteria for siting new or expanded refineries or petrochemical facilities and thermal electric generating plants.

B. Monterey County Certified Local Coastal Program

North County is the only planning area that has energy and other heavy industrial uses. The major facilities are the Moss Landing Power Plant, owned and operated by Duke Energy of North America (DENA) and the adjacent electrical distribution complex, owned and operated by Pacific Gas and Electric (PG&E). South of the power plant is the mostly abandoned National Refractories (formerly Kaiser) plant that has historically produced magnesia and refractory brick. Policies specifically addressing these uses are found primarily in the *North County Land Use Plan* (see specifically Sections 4.3.6.F, 5.2.A, and 5.5); relevant energy policies are paraphrased on pages 209 and 216 of Appendix A.

¹ California Public Resources Code Sections 30001.2; 30263-30264, 30413, 30232, 30250, 30222, 30233 (a)(1), 30235, and 30254.

² California Public Resources Code Sections 30255, 30260, 30262, and 30263.

C. Local Coastal Program Implementation Issues

Coastal Commission staff review and analysis of local coastal development permits through the post-certification monitoring process and the Periodic Review, as well as evaluation of the certified LCP and public comments during Issue Scoping revealed some specific concerns with provisions for energy and other industrial facilities. LCP references to the PG&E power plant are outdated (**Issue EN-1: Duke Energy**). Recommendations are made on page 209 of Appendix A to reflect the change in ownership to Duke energy North America (DENA). The policies for oil and gas leases are adequate, but the corresponding zoning is somewhat ambiguous (**Issue EN-2: Oil and Gas Leases**). Recommendations are made on pages 210-211 of Appendix A to clarify provisions against such leases in Sanctuary waters. LCP provisions regarding federal activities are generally consistent with federal law and the Granite Rock court case, but were written prior to the final court decision. (**Issue EN-3: Granite Rock**) Recommendations are thus made on pages 212-215 of Appendix A to ensure all references to federal activity are included in the LCP and are consistent with the final court decision.³ Finally, policies for large industrial facilities were found lacking only as to an overall development plan requirement. (**Issue EN-4: Energy and Industrial Facilities**). Recommendations are thus made on pages 216-217 of Appendix A to add such a policy, consistent with *County Code* provisions.

³ California Coastal Commission v. Granite Rock Company 480 U.S. 572 (1987).