



PO Box 6064, Chula Vista, CA 91909, (619) 425-5771

6/6/08

RE: Comments on **Executive Summary Section** of the PSA:

NOTEWORTHY PUBLIC BENEFITS

1. The proposed project would upgrade an existing power plant with a more efficient, less polluting, and quieter facility, addressing complaints received from the local residents on the current operation of the Chula Vista Power Plant. P3-4

We strongly disagree with this statement. The existing power plant lost its permission to operate in Chula Vista when it shut down for more than 12 months. It actually shut down for almost three years. No one expected it to ever restart. MMC has illegally run it a few times, but this will be stopped by the city once the city attorney's staff finishes evaluating the situation.

CLEARLY THE CVEUP AND THE EXISTING PLANT ARE NON-CONFORMING USES AND AS SUCH ARE A PRIORITY FOR ELIMINATING FOR CODE ENFORCEMENT. (On May 13th we were told that code enforcement was trying to eliminate all the non-conforming uses from this zone. Brad Remp is the assistant planning director overseeing code enforcement, who made this clear to several used car dealers and their supporters on the steps of city hall on 5/13/08.) The small plant was and is non-conforming. The proposed plant being a "large generating plant," requiring upgrading of the substation is even more non-conforming and belongs in an I General Industrial Zone, NOT HERE.

19.64.010 Declaration of policy.

Many nonconforming uses within the city are detrimental to the orderly development of the city and adverse to the general welfare of persons and property, in that said nonconforming uses constitute a special benefit or monopoly. In conformance with good zoning practices, it is the policy of the city that nonconforming uses shall be eliminated as soon as it is economically feasible and equitable to do so. (Ord. 1212 § 1, 1969; prior code § 33.1101 (A)). 19-181 Chula Vista Municipal Code 19.64.080

19.64.070 Cessation of use defined – Time limits.

A use shall be deemed to have ceased when it has been discontinued either temporarily or permanently, whether with the intent to abandon said use or not.

A. Cessation of Use of Building Designed for Nonconforming Use. A building or structure which was originally designed for a nonconforming use shall not be put to a nonconforming use again when such use has ceased 12 months or more.

This peaker did not operate for two years. It was illegally restarted several times by MMC Energy. For any other business in the I-L zone this would be considered illegal. For this business it should also be considered illegal. By ceasing operations for more than

a year they voided their SUP and have been operating without a permit. They are a non-conforming use with no SUP. This is in violation of zoning codes and city code enforcement policy. This is not a replacement of an existing plant or one that is allowed to operate in Chula Vista so CVEUP is **NOT** a benefit to the city.

2. The applicant proposes to provide peaking power and quick start capability as dispatched by SDG&E during periods of high demand (MMC 2007b, AFC §§ 1.1.1, 2.1.15, 2.2.2.1)

This statement is untrue. SDG&E does not have a contract with MMC and does not want a contract with MMC. They have a contract with the ISO. There will be no benefit to the citizens of Chula Vista from this peaker. SDG&E says the peaking power is needed in north county not here.

3. The proposed project has important public benefits in the way of both fiscal and nonfiscal effects.

Any fiscal or non-fiscal benefits are highly exaggerated by MMC, and most likely untrue. There is no way that a 100 mw plant would have an assessed value of 80 million dollars. The existing 44.5mw plant is assessed at \$2,199,766. The land is assessed at \$2,055,521. (County Assessor tax records) The city General Fund makes about 14% of the 1% of the land assessment or \$3,437.59. The RDA make 40% of the 1% of the improvement value or \$19,643.35. (The existing peaker pays \$49,108.38 taxes per year.)

There is also no way that building one that cost 80 million dollars would make financial sense for MMC. One of MMC's people was asked by Jerry Scott at one of the meetings: "How much do you guys expect to make per hour on this peaker? The answer given was \$4,000. At \$4,000 per hour the peaker would have to run 1,000 hours per year for 20 years to just make back the capital costs. It would take over two years to pay the supposed construction payroll of 8.9 million dollars. It would take 3.6 years to pay for the supposed 18.5 million dollars supposedly to be spent on construction materials. It would take 312.5 hours of operation per year to pay for operation and maintenance supplies at 1.25 million dollars. Where is the profit in this? These costs must be way out of line with actual costs. CEC staff must get actual costs from existing peakers or leave this out entirely, but please stop believing MMC and do not include this nonsense in the final report.

Also note that in the Southwest Redevelopment area tax increment is distributed with this ratio: 40% to RDA, 20% to county, 20% to schools, 20% to affordable housing.

Even if these figures were true. This is not an adequate benefit to compensate for the negative effect upon the community character, health, and LORS of the city. One employee is not a benefit to the city. We need a lot of good paying jobs. 8 months of jobs will not help our local workers, who need full-time long-term living wage employment. It is also doubtful that much of what it takes to build an electrical power plant is available locally. The most expensive pieces of equipment are very specialized and likely only available in a few places in the country. We want to see a breakdown of equipment and exactly where it will be bought. This number of people for construction seems excessive. Will these people be paid a living wage? At least some of these jobs must be highly

specialized for the construction of a power plant. Does MMC have a regular crew that they use to construct these plants?

Sincerely,

Theresa Acerro
President of Southwest Chula Vista Civic Association