

STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION

STAFF REPORT FOR REGULAR MEETING OF OCTOBER 23, 2009
Revised September 22, 2009

ITEM NUMBER: 14

SUBJECT: Rescission of Waste Discharge Requirements Order No. R3-2004-105 for Class I Wastewater Surface Impoundments for Morro Bay Power Plant, Morro Bay, San Luis Obispo County

KEY INFORMATION

Discharger: Dynegy Morro Bay, LLC
Location: 1290 Embarcadero Road, Morro Bay, CA 93442
Discharge Type: Hazardous and nonhazardous waste generated primarily from process cleaning, and formerly stored and treated in three surface impoundments
Waste Management Units: Three hazardous waste surface impoundments
Discharge Volume: Estimated 890,000 gallons
Present Volume: Unknown; Discontinuous batch discharge
Treatment: pH adjustment and chemical precipitation and settling
Disposal: Supernatant eventually discharged to surface water pursuant to National Pollutant Discharge Elimination System (NPDES) permit and treated sludge is sent offsite for disposal and/or recycling
Existing Orders: Waste Discharge Requirements Order No. R3-2004-105
NPDES Permit EPA Id. No. CA0003743, WDR Order No. 95-28
Industrial Stormwater Permit Order No. 97-03-DWQ NPDES General Permit No. CAS000001
This Action: Rescind WDR Order No. R3-2004-105, which includes Monitoring and Reporting Program No. R3-2004-105

SUMMARY

On October 22, 2004, the Central Coast Regional Water Quality Control Board (Central Coast Water Board) adopted Waste Discharge Requirements Order No. R3-2004-105, regulating three Morro Bay Power Plant (MBPP) hazardous waste surface impoundments. Dynegy no longer needs the impoundments as part of its operations. Pursuant to California Code of Regulations (CCR) Titles 22 and 23, Dynegy physically removed the waste, decontaminated the impoundments, performed confirmation testing, and reported this clean closure certification to the Department of Toxic Substances Control (DTSC). DTSC, as the lead agency, concurred with Dynegy's clean closure certification on August 15, 2008. Accordingly, Central Coast Water Board staff recommends the Water Board rescind WDR Order No. R3-2004-105 (Attachment 1).

DISCUSSION

Pacific Gas and Electric (PG&E) constructed the MBPP in the early to mid-1950s. PG&E sold MBPP to Duke Energy (Duke) in 1998, who sold it to LS Power in 2006, which merged with Dynegy Inc. (Dynegy) in 2007. In 1985, PG&E applied to the USEPA and California Department of Health Services (DHS), which is now DTSC, for impoundment permits, which were originally issued in June

1988 and renewed/revised as necessary. The impoundments are also subject to CCR Title 23, Division 3, Chapter 15, which authorized waste discharge requirements. The Toxic Pits Cleanup Act of 1984 allowed continued operation and exemption of the impoundments if MBPP added double liners and leachate collection and removal systems (LCRS). In 1988, PG&E retrofitted the impoundments with triple liners with LCRS below each of the upper two and a groundwater collection and removal system below the lowest.

MBPP operators formerly stored and treated hazardous wastes (because of high metals concentrations and/or high or low pH) generated primarily by process cleaning as part of power plant operations. In 2006, LS Power decided to close the impoundments because they were no longer needed. Dynegy "clean closed" the impoundments after: a) reviewing subsurface soil, groundwater, waste stream and operations characterization and operations data; b) removing all remaining wastes; and c) decontaminating and testing pipelines, appurtenances and impoundments. Physical impoundment closure activities included residual waste removal; piping and appurtenance decontamination and sampling; liner decontamination and sampling; liner inspection; and liner rinsing, followed by rinsewater sampling. The Fletcher Consultants, Inc. January 18, 2008 "RCRA Closure Certification Report..." concludes all impoundment related wastes were removed, no such waste impacted materials remained in place and the impoundments were clean closed. The DTSC August 15, 2008 "Closure Certification Acknowledgement and Permit Expiration..." documents DTSC conditional concurrence with the clean closure and notifies of impoundment Hazardous Waste Facility Permit expiration.

Dynegy reported closure to both DTSC and Central Coast Water Board. DTSC, as the lead agency, conditionally concurred with the closure and allowed the Hazardous Waste Facility Permit to expire. Portable tanks and transportable treatment units will replace the impoundments' function, if needed. Dynegy is retaining and maintaining existing groundwater monitoring wells for possible future utility. In the future, the impoundments are expected to only contain rainwater, which will be discharged pursuant to Dynegy's Industrial Stormwater Permit Order No. 97-03-DWQ, NPDES General Permit No. CAS000001. Dynegy will manage the impoundments for health and safety, nuisance, wildlife, etc. protection pursuant to internal operating procedures.

COMMENTS AND RESPONSES

On June 17 and July 13, 2009, Dynegy published and mailed notice of impoundment clean closure and public notice that the Central Coast Water Board would rescind WDR R3-2004-105 at its regularly scheduled meeting on September 11, 2009. Because of the state mandated furloughs, the public hearing for this action was postponed to October 23, 2009. Central Coast Water Board staff posted a revised public notice, the Staff Report, WDR Order No. R3-2004-105, and MRP No. R3-2004-105 on our internet website and State Water Resources Control Board's Geotracker website on August 13, 2009. In addition, Central Coast Water Board staff notified the public and other interested parties about the change in meeting date and directed those parties to the agenda items available on the internet and at the Central Coast Water Board office. Central Coast Water Board staff also notified the public and interested parties that public comments on the proposed rescission should be submitted by September 14, 2009, when the public comment period ends. No public comments were submitted by the end of the public comment period.

RECOMMENDATION

Rescind Waste Discharge Requirements Order No. R3-2004-105, which includes Monitoring and Reporting Program No. R3-2004-105.

ATTACHMENTS

1. Waste Discharge Requirements Order No. R3-2004-105.
2. Monitoring and Reporting Program Order No. R3-2004-105.

S:\Shared\Site Cleanup Program\REGULATED SITES\San Luis Obispo Co\Morro Bay Power Plant\Dynergy-LS-Duke\Hazardous Waste Ponds, WDR\2009 Permit Rescission\10-23-09 Brd. Mtg. Staff Rpt. (9-22-09 Revision)