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## **2. ENERGY MARKETS: Shuttered PG&E station might become 'clean tech' zone**

**Arthur O'Donnell, special to *Greenwire***

SAN FRANCISCO -- Eight years after promising to close and dismantle the aged Hunters Point power station, Pacific Gas & Electric hosted a community ceremony yesterday on the shore of San Francisco Bay, during which the 77-year-old power station was disconnected from the nearby transmission switchyard.

PG&E will spend \$65 million to tear down the plant and clean up the property for reuse. Exactly what that will entail is uncertain, but San Francisco Mayor Gavin Newsom told *Greenwire* he has an idea.

"I want whatever the community will want," Newsom said. "But I am tipping toward creating an industrial green zone for renewable and clean technologies."

Newsom has promoted a solar installation at the city-owned convention center, and he supports a plan to provide payroll tax incentives for businesses to expand "green collar" jobs. He pointed to the electrical switchyard, which will be the only part of the plant to remain after the teardown, as a good point of interconnection for alternative energy projects.

Newsom said there is as yet no formal plan, and whatever is decided will need community support. The city has right of first refusal if PG&E decides to sell the property, he said.

The station ended power operations on May 15, two weeks after PG&E energized a new high-voltage transmission line that enables it to replace the energy provided by the 215 megawatt plant. The facility, originally built in 1929, also houses what remain of two older generation units that were retired previously.

"PG&E kept its promise," said Linda Richardson, head of the Close It Coalition, one of several community organizations that have dogged PG&E to meet its commitment. "We have fought desperately for this moment," added supervisor Sophie Maxwell, who represents Bayview/Hunters Point on the San Francisco County Board of Supervisors.

The surrounding Bayview/Hunters Point neighborhoods are poor and have high rates of asthma, cancers and other health problems associated with the area's industrial legacy -- which includes a former naval shipyard, municipal waste-treatment facilities, auto dismantlers and scores of heavily polluted sites.

Former Mayor Willie Brown, who pressed PG&E to commit to the shutdown in July 1998, praised the community for its unflagging effort to "eliminate this plant as a polluter" and eyesore. "You started this effort with zero resources and involved the politicians who saw the wisdom of your votes," Brown said. "This will be a model for other communities."

## **A model for other communities?**

Geoffrey Brown, a member of the California Public Utilities Commission, seconded this sentiment. "This is the model we are going to replicate all over California," he said. "Using new technology and clean energy, we are going to be able to retire those plants that are noxious to their communities."

According to the California Energy Commission, there are at least a half dozen old power facilities with over 1,630 MW of capacity that will be retired before 2008. Like Hunters Point, many of these plants have been running at reduced output or relying on special contracts with the state's transmission system operator to ensure they are available when needed.

Closure of the PG&E facility was delayed several years because San Francisco could not import enough power to ensure reliable electric service. PG&E's President and CEO Tom King said that the utility spent \$300 million on the new transmission lines, and it will continue with the work of demolition and remediation over the next year until only the still-operational electrical substation remains.

PG&E has received permission from state regulators to spend as much as \$65 million for environmental remediation to the highest residential standards. King also promised to "work with the community to determine what is the best use for this site" in the future.

At this point it is uncertain what will happen to the land -- whether it will become open space as part of the two shoreline parks that surround the plant, or whether it will see residential or mixed-use development. Local groups have already begun discussions about what that future reuse might be, said supervisor Maxwell.

"When the developers come at us, we have to involve the community first. If we don't it's going to be another fight," Maxwell said. "But I promise, if [the decision] is community driven, something better than you ever conceived will come from it."

## **Closure fights common**

San Francisco has only one other operation power plant, which is also facing community pressure to close down. The nearby Potrero station (sold by PG&E to Mirant Corp in 1998) was recently ordered by local officials to cease all adverse environmental impacts caused by using bay water to cool its generators. The city is trying to replace the Potrero station with smaller peaking power units, but is encountering opposition from residents who object to adding any new gas-fueled power facilities in the area.

Communities around the country are facing similar uncertainties about aged power stations, though it is rare to find a utility willing to foot the bill for complete dismantling and environmental remediation to the extent promised in San Francisco.

Currently, municipal utility of Austin, Texas, is pursuing a phased shutdown of its Holly Street power plant. Two units were closed at the end of 2004, when a new power plant was built at the airport. The two remaining units are set for termination in 2007. Austin activists have long

complained about pollution and noise from the facility.

A more challenging situation exists in Alexandria, Va., where city officials are trying to close Mirant Corp.'s 482 MW Potomac River generating station because of pollution violations. Mirant had shut down the facility last August, but was later told by the U.S. Department of Energy to keep operating the plant after the District of Columbia Public Service Commission argued that closure would impair electric system reliability. The plant supplies much of the business district in Washington, D.C., as well as federal government buildings and the local sewage treatment plant.

DOE issued an emergency order on Dec. 20, forcing Mirant to restart the plant under environmental waivers. Mirant, meanwhile, says it has been using a novel "trona injection" process to reduce sulfur dioxide emissions without increasing other airborne pollutants.

[Click here](#) to view Mirant's recently released test results.

*O'Donnell is an independent energy and environmental writer in San Francisco.*

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