CITY OF NEWPORT BEACH
PLANNING COMMISSION STAFF REPORT

May 22, 2025
Agenda Item No. 3

SUBJECT:	Coyote Canyon Landfill Gas to Energy Facility (PA2022-063) ▪ Conditional Use Permit ▪ Mitigated Negative Declaration
SITE LOCATION:	20662 Newport Coast Drive
APPLICANT:	Biofuels Coyote Canyon Biogas LLC, on behalf of Archaea Energy Inc.
OWNER:	Orange County Waste & Recycling (County of Orange)
PLANNER:	Joselyn Perez, Senior Planner 949-644-3312, jperez@newportbeachca.gov

PROJECT SUMMARY

A request for a conditional use permit to allow the construction and operation of a new renewable natural gas processing plant and pipeline interconnection facility. The facility would convert landfill gas from the closed Coyote Canyon Landfill into a pipeline-quality natural gas equivalent. The natural gas equivalent would be injected into SoCal Gas infrastructure through an existing, onsite, tie-in point. Additional project components include a new control room building, new internal access routes, utility upgrades including installation of an additional fire hydrant, a water tank, a septic tank, a storm drain for off-site disposal of stormwater, and new underground power and telecommunication lines. The facility would operate 24 hours per day, seven days a week, with one scheduled annual shut down for maintenance. Existing onsite telecom facilities approved under PA2016-091 (SCH No. 2016081012) would remain in place and be unaffected by this application.

RECOMMENDATION

1) Conduct a public hearing; and

2) Adopt Resolution No. PC2025-008, adopting the Mitigated Negative Declaration and approving the Conditional Use Permit filed under PA2022-063 (Attachment No. PC 1).

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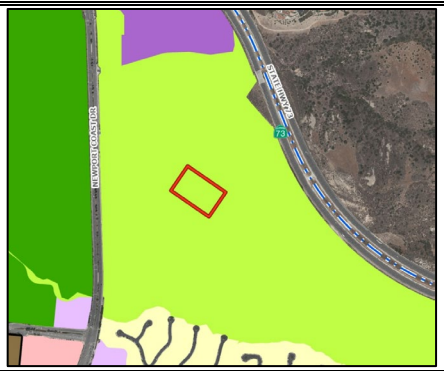
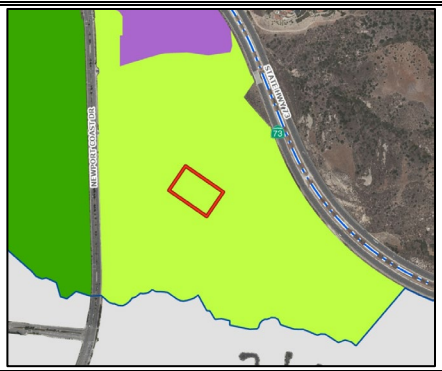
VICINITY MAP

GENERAL PLAN



ZONING



LOCATION	GENERAL PLAN	ZONING	CURRENT USE
ON-SITE	Open Space (OS)	Open Space (OS)	Landfill gas flares, telecoms
NORTH	OS and Private Institutions (PI)	OS and Private Institutions (PI)	Open space, Sage Hill School
SOUTH	OS and Single-Unit Residential Detached (RS-D)	OS and Newport Ridge Planned Community (PC 53)	Open space, Tesoro residential community
EAST	OS	OS	Open space, State Route 73
WEST	OS and Parks and Recreation (PR)	OS and Parks and Recreations (PR)	Open space, Coyote Canyon Landfill

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INTRODUCTION

Project Setting

The project site is located within the greater boundary of the closed Coyote Canyon Landfill, which received municipal solid waste from 1963 to 1990 and officially closed on May 7, 2003. The Coyote Canyon Landfill is at the northeastern edge of the City's boundaries within Newport Coast. It is owned by the County of Orange and is maintained by Orange County Waste & Recycling (OCWR). The landfill boundary occurs on both sides of Newport Coast Drive and consists of four distinct areas: (1) the main canyon landfill, located immediately west of Newport Coast Drive and addressed as 20661 Newport Coast Drive; (2) and (3) the east and south canyon landfilling areas, located east of Newport Coast Drive and with no specific address; and (4) the project site, also located east of Newport Coast Drive, at the top of a ridge, and addressed as 20662 Newport Coast Drive. These areas are graphically identified on the Vicinity Map preceding this section.

The entire landfill footprint, including the project site, is located within the Natural Communities Conservation Plan/Habitat Conversation Plan (NCCP/HCP) for the Central and Coastal Subregions of Orange County. The NCCP/HCP is a multi-species habitat conservation plan designed to protect sensitive plant and animal species by preserving existing habitat areas. The project site is designated as an existing use by the NCCP/HCP. Surrounding land uses include the landfill areas described above, an Irvine Ranch Water District pumping station, and undeveloped open space. The nearest sensitive receptors are Sage Hill School, located approximately 1,400 feet to the north, and the Tesoro residential community, located approximately 1,250 feet to the south.

Background

The project site has historically been the primary location for managing landfill gas (LFG), including a former LFG-to-energy facility. The facility operated from 1988 to 2015 and converted LFG into electricity. It former facility was removed as part of the Coyote Canyon Gas Recovery Demolition and Telecom Update (PA2016-091) (SCH No. 2016081012) because the quality of the LFG became inadequate for conversion into energy with the technology available at the time.

As shown on the following page in Figure 1, the project site is currently improved with emergency generators, above ground storage tanks, two 65-foot faux eucalyptus cell towers (telecoms), power panels and switchgear, a blower pad, and four flares that burn off LFG generated by the landfill. There is a small operational support building in the center of the site used by OCWR staff and three parking spaces. The project site is surrounded by a 12-foot-tall perimeter block wall, trees, with coastal sage scrub beyond.

In 2018, OCWR released a Request for Proposals (RFP) seeking the highest qualified proposal for handling LFG at the site. The Applicant was selected through the RFP process

and was offered an option agreement with the County to construct a new LFG-to-energy facility.

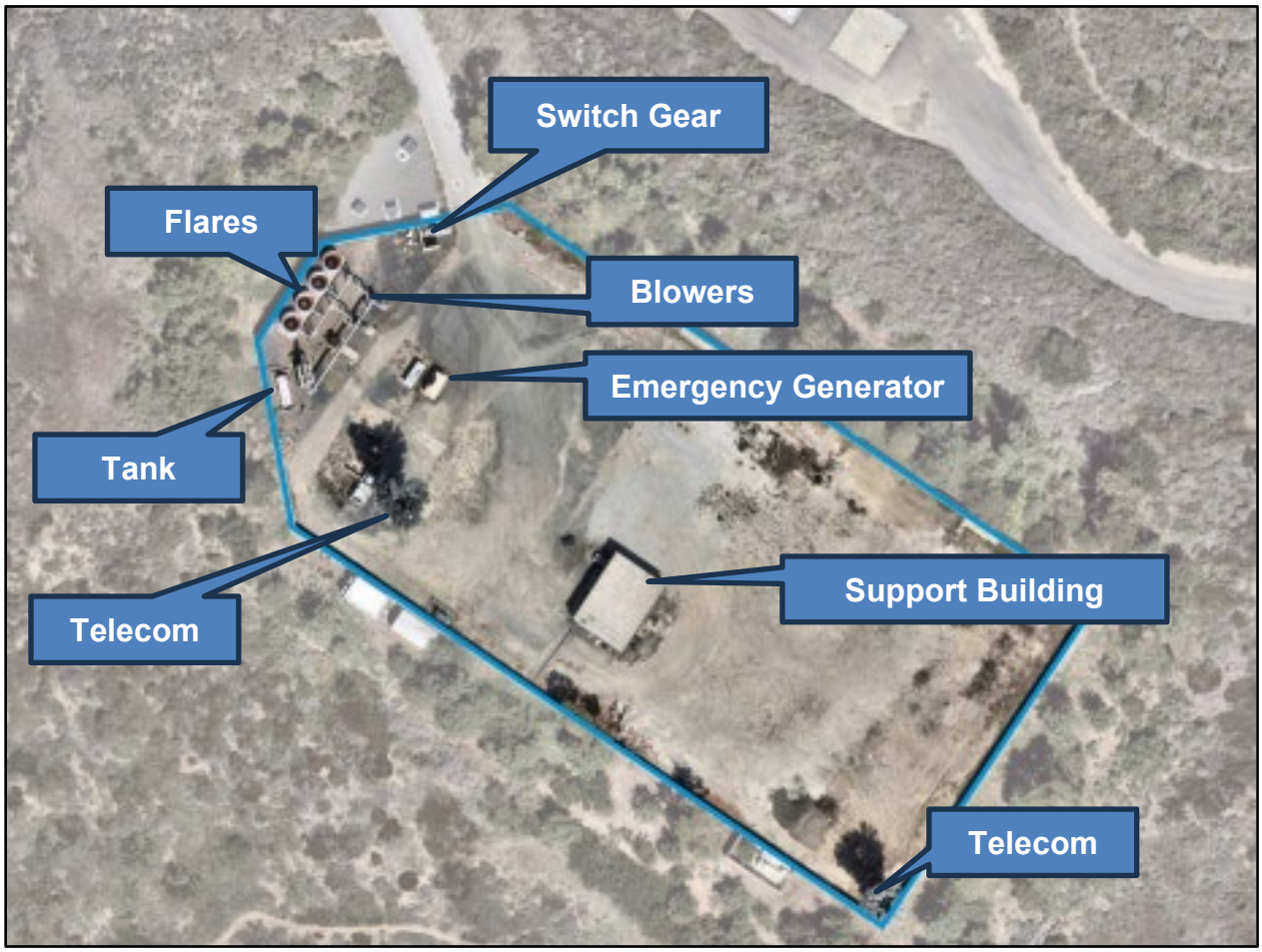

Figure 1: Existing Site Condition

Project Description

The Applicant proposes the construction and operation of a new renewable natural gas (RNG) processing plant and a pipeline interconnection facility, collectively referred to as the "RNG Facility". The RNG Facility would treat LFG that is currently being flared off by OCWR through a proprietary process and would inject the RNG into SoCal Gas infrastructure through an existing, onsite, tie-in point. The RNG would not be stored onsite, nor would the RNG Facility replace OCWR's existing LFG collection system or flares. The existing flares would be used to combust any excess LFG that cannot be sent to the RNG Facility, like in the event of a scheduled shut down for maintenance, an unscheduled shutdown arising from an irregularity, or excess quantities of LFG.

From a physical design standpoint, the RNG Facility would have a total footprint of approximately 38,500 square feet, concentrated on the eastern side of the project site, and

would be composed of pipe racks, various vessels and tanks, a new flare tower, a thermal oxidizer, and other miscellaneous processing equipment. The new flare tower, approximately 40 feet in height above finish grade, will be fully enclosed, and no flames will be visible from it. Equipment ranges in height from approximately five feet, six inches above finish grade to a maximum height of 60 feet above finish grade. Most equipment would be screened by the existing 12-foot-tall perimeter wall apart from the vessels, tanks, flare tower, pipe rack, and thermal oxidizer. The tallest piece of RNG Facility equipment, the thermal oxidizer, is proposed at a height of 60 feet above finish grade. It is important to highlight that all equipment will be below the 65-foot height of the adjacent faux-eucalyptus telecoms. As shown below in Figure 2, the Applicant proposes enhanced aesthetic treatment of the equipment, consisting of camouflage paint, to help the RNG Facility blend in with the surroundings. Photographic simulations from additional vantage points are available as Attachment No. PC 2 (Visual Simulations).

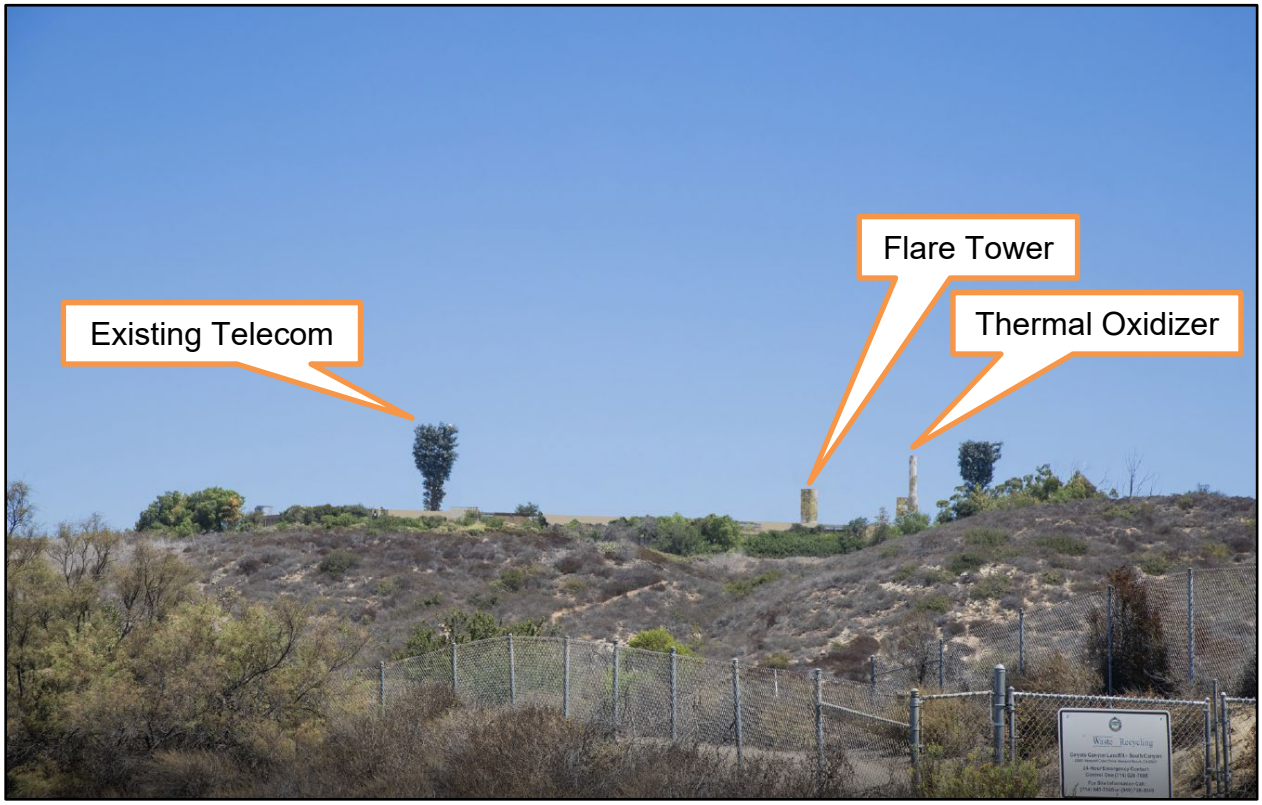

Figure 2: Visual Simulation of the RNG Facility with camouflage motif, taken from Newport Coast Drive, north of its intersection with San Joaquin Hills Road.

Other project components include a new control room building, striping for two new parking spaces, new internal access routes, utility upgrades including installation of an additional fire hydrant, a water tank, a septic tank, oil/water separator, storm drain for off-site disposal of stormwater, and new underground power and telecommunication lines. The RNG Facility would operate 24 hours per day, seven days a week, with an annual scheduled shutdown for plant maintenance. The faux eucalyptus telecoms, along with existing OCWR

infrastructure, would be protected in place and not affected by the current project. Project plans are available as Attachment No. PC 3 (Project Plans).

Project Construction

Construction is anticipated to take up to 12 months and would include the demolition and rerouting of water and condensate lines, site preparation, rough and fine grading, pipeline trenching and installation, soil hauling, vertical construction, paving, architectural coating, landscaping, and punch list/finish items. In compliance with the City's requirements and as conditioned, the construction would occur from 7:00 a.m. to 6:30 p.m., Monday through Friday, except on federal holidays. The Applicant will implement a traffic control plan during demolition and construction, which must be reviewed and accepted by the Community Development and Public Works Departments. The Applicant proposes notifying nearby residential community members at least one week prior to the start of construction activities with broader notifications required through various means, including placing signs at road crossings, indicating that large trucks may be present.

The primary laydown area for material deliveries is proposed on the project site with a secondary laydown area proposed within an already disturbed portion of the main landfill area, across Newport Coast Drive. Vehicle parking for construction employees would be provided in the secondary laydown area, and a shuttle would transport crews daily to and from the project site.

DISCUSSION

Analysis

General Plan Consistency

The project site is categorized as Open Space (OS) by the Land Use Element of the General Plan. The OS category is intended to provide areas appropriate for a range of public and private uses to protect, maintain, and enhance the community's natural resources. This category allows for incidental buildings, which are not traditionally included in determining intensity limits. The project is consistent with the OS categorization, as it proposes new equipment and limited incidental structures within an already improved area of Coyote Canyon Landfill. The project introduces new technology to capture and convert LFG and preserves the community's natural resources, as it does not expand the footprint of the project site and perimeter block wall at the top of the ridge.

Additionally, the project is consistent with the following policies of the General Plan:

Table 1 - Applicable General Plan Polices	
General Plan Policy	**Consistency**
LU 1.3 (Natural Resources): *Protect the natural setting that contributes to the character*	The Project comprises less than one acre of the 375-acre landfill footprint and preserves the

Table 1 - Applicable General Plan Polices	
General Plan Policy	**Consistency**
and identity of Newport Beach and the sense of place it provides for its residents and visitors. Preserve open space resources, beaches, harbors, parks, bluffs, preserves, and estuaries as visual, recreational and habitat resources. **NR 17.1 (Open Space Protection):** *Protect, conserve, and maintain designated open space areas that define the City's urban form, serve as habitat for many species, and provide recreational opportunities*	community's natural resources because it does not develop current open space and instead sites the new improvements adjacent to existing improvements. All project components are proposed within the perimeter of the wall. Additionally, the RNG Facility provides a net benefit to the existing Open Space (OS) by converting LFG generated by CCL into a pipeline-quality natural gas equivalent
LU 1.6 (Public Views): *Requires protection, and where feasible, enhancement of significant scenic and visual resources that include open space, mountains, canyons, ridges, ocean, and harbor from public vantage points* **NR 21.1 (Signs and Utility Siting and Design):** *Design and site signs, utilities, and antennas to minimize visual impacts*	From a distance, the new flare tower and thermal oxidizer would be the most visible improvements. The flare tower would be enclosed, shielding the visibility of the flame. The Applicant is proposing enhanced aesthetic treatment of the equipment to help the RNG Facility blend in with its surroundings.
LU 3.3 (Opportunities for Change - Coyote Canyon Landfill): *Intends for the CCL to support a comprehensive vision that balances future land uses with environmental stewardship and public access. Future development should adapt the closed landfill as an area that supports a variety of outdoor recreational uses such as golf, hiking, and nature interpretation alongside housing opportunities with complementary nonresidential uses*	The project is proposed within an area of CCL where there are existing utilities, including telecoms and infrastructure for LFG collection and flaring. The project is not located in an area of the CCL that is conducive for redevelopment into any of the mentioned uses without the removal of the existing infrastructure. The project does not prohibit the implementation of Policy LU 3.3 within other areas of Coyote Canyon and instead sites new improvements in a complementary fashion with existing improvements.
NR 3.9 (Water Quality Management Plan): *Require new development applications to include a Water Quality Management Plan (WQMP) to minimize runoff from rainfall events during construction and post-construction* **NR 4.4 (Erosion Minimization):** *Require grading/erosion control plans with structural BMPs that prevent or minimize erosion during and after construction for development on steep slopes, graded, or disturbed areas*	A Water Quality Management Plan (WQMP) was prepared for the Project by BKF Engineers, dated December 14, 2023. The Project implements Best Management Practices and is designed to prevent surface water from flowing over slope faces.

Table 1 - Applicable General Plan Polices	
General Plan Policy	**Consistency**
NR 10.2 (Orange County Natural Communities Conservation Plan): *Comply with the policies contained within the Orange County Natural Communities Conservation Plan*	The project is within an area of the NCCP/HCP that is acknowledged as an existing use. The project does not expand the use beyond the existing perimeter wall. Temporary staging areas used during construction have been sited to avoid impacts to avoid coastal sage scrub, chaparral, and other native plant communities.

Zoning Code Consistency

The project site is within the special purpose Open Space (OS) Zoning District. Like the OS General Plan category, the OS District is intended to provide areas to maintain and protect the community's natural open and landscaped open space areas. "Major Utilities" are allowed within the OS District, subject to the approval of a Conditional Use Permit.

Section 20.26.030 (Special Purpose Zoning Districts General Development Standards) of the Newport Beach Municipal Code (NBMC) specifies that development standards in the OS District shall be established during review of the required permit. The development standards typically regulated in other zoning districts include setbacks, floor-area-ratio, and height. Additionally, Chapter 20.40 (Parking) of the NBMC establishes parking ratios. Given the uniqueness of the proposed use, City staff recommends applying the following development standards identified in Table 2 below. All are included in the Conditions of Approval in Exhibit "D" of Attachment No. PC 1 and will regulate the implementation of the proposed project.

Table 2 – Proposed Development Standards		
Standard	Proposal	Rationale
Setbacks	0 feet	All project components are proposed within the perimeter block wall and most equipment is setback approximately 12 feet from the wall to allow sufficient site circulation. No additional setbacks are proposed as requiring additional setbacks from the property line would further constrain the layout of the RNG Facility and would likely result in taller equipment.
Floor-Area-Ratio (FAR)	N/A	The approximately 500-square-foot control room building is the only enclosed area proposed. Given the control room building is incidental to the RNG Facility, no maximum FAR is proposed.
Height	60 feet from finish grade	City staff has worked with the Applicant to ensure that the RNG Facility is designed to the lowest height technically feasible. The two tallest components are the 40-foot-tall flare tower and the 60-foot-tall thermal oxidizer, which are critical pieces of the operation and

		require a minimum distance to allow for complete combustion. As shown in Figure 2, most equipment will be lower in height and will not be overly visible above the perimeter wall. Condition of Approval No. 4 has been included to set height limits for specific equipment that exceeds 35 feet in height.
Parking	2 spaces	The control room building will be staffed by one to two employees, per shift. Two parking spaces are proposed to accommodate the anticipated parking demand. There are access roads within the project site which can provide additional vehicle staging areas in the event additional workers are required during a maintenance event or plant shutdown.

Conditional Use Permit

In accordance with Section 20.52.020 (Conditional Use Permits and Minor Use Permits) of the NBMC, the Planning Commission must make the following findings for approval of a use permit:

1. *The use is consistent with the General Plan and any applicable Specific Plan;*

2. *The use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning Code and Municipal Code;*

3. *The design, location, size, and operating characteristics of the use are compatible with the allowed uses in the vicinity;*

4. *The site is physically suitable in terms of design, location, shape, size, operating characteristics, and the provision of public and emergency vehicle (e.g., fire and medical) access and public services and utilities; and*

5. *Operation of the use at the proposed location would not be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed use.*

All facts to support the required findings are presented in detail within Attachment No. PC 1 with several key facts shared below.

While the project generally replaces existing LFG flaring, the project still has the potential to release gaseous emissions of criteria pollutants and dust into the ambient air. An Air Quality Impact Analysis (AQIA) was prepared for the project by SCS Engineers, dated December 2023 and is available as Appendix B2 in the Initial Study/Mitigated Negative Declaration. The AQIA evaluated the criteria air pollutants that would be emitted by the

RNG Facility. The net change in emissions from implementation of the project would be lower than the significance thresholds established by the South Coast Air Quality Management District (SCAQMD). Projects below the SCAQMD significance thresholds are not expected to generate sufficient emissions to violate any air quality standards and are not expected to pose a risk to the health of people residing or working nearby. Further, while the RNG will be odorized prior to injection into SoCal Gas infrastructure, the odorization process is a sealed-loop system and there should be no release of odors. Construction activities may generate odors, but they would be temporary and typically confined to the immediate vicinity of the construction equipment.

A Noise Impact Analysis was prepared for the project by LSA, dated July 17, 2024, and is available as Appendix K in the Initial Study/Mitigated Negative Declaration. The study found that neither the construction of the RNG Facility nor the long-term operation of the facility would result in noise impacts to the nearby sensitive receptors.

Vehicle traffic will increase during the construction phase of the project. As such, the project will be subject to four traffic mitigation measures. For example, the Applicant must prepare a traffic control plan for demolition and construction which staggers truck trips on Newport Coast Drive throughout the day so that the minimum number of truck trips practical will occur during the AM peak period (i.e., during student drop off for Sage Hill School). Long term operation of the RNG Facility will result in a negligible increase in the number of vehicles traveling to the project site daily and is not likely to be noticed by the surrounding community. The project is anticipated to generate eight average daily trips, well below the 300 average daily trip threshold provided in Chapter 15.40 (Traffic Phasing Ordinance) of the NBMC to require the preparation of a traffic study.

The project was reviewed by the City's Utilities Department, Public Works Department, and Building Division. All input and recommendations provided on implementation of the project if approved have either been incorporated into project design or have been included in the Conditions of Approval of the draft resolution (Exhibit "D", Attachment No. PC 1).

The project was also reviewed by the Newport Beach Fire Department (NBFD). The NBFD provided recommendations and conditions, including vegetation removal, to ensure that the necessary fire prevention and emergency response features are incorporated. As required by the NBFD, 28 trees outside of the perimeter wall will need to be removed to reduce the risk of fire. The recommendation for removal of trees is based on the spacing, health, and species. Condition of Approval No. 29 requires a Fuel Modification Plan be reviewed and approved by the NBFD prior to the issuance of any building permit. A conceptual Fuel Modification Plan is available as Attachment No. PC 4 (Conceptual Fuel Modification Plan). The City does not have a tree preservation policy or ordinance that protects trees on privately owned land and the project does not require replacement trees. Additionally, the 28 trees identified to be removed are not considered a take of coastal sage scrub, chaparral, or other native plant communities inconsistent with

the NCCP/HCP. Through coordination in project design and the implementation of both mitigation measures and conditions of approval, the NBFD does not object to the project.

Lastly, the historic use of the project site as a LFG-to-energy facility from 1988 to 2015 without notable incidents or code enforcement issues suggests both the site is physically suitable and the RNG Facility will operate in a compatible way with the surrounding uses.

Community Outreach and Comments Received

While not required by the City or CEQA, the Applicant with OCWR hosted a community meeting on February 28, 2024, to provide an overview of the project to the surrounding community and any interested parties. There were no substantial concerns raised at the meeting.

Summary

If approved, the project would allow the construction and operation of an LFG-to-energy facility at the Coyote Canyon Landfill. The RNG Facility would take LFG and convert it into a natural gas equivalent through proprietary treatment methods and would inject the RNG into SoCal Gas infrastructure. The RNG Facility includes new pipe racks, various vessels and tanks, flare tower, thermal oxidizer, and other miscellaneous processing equipment, along with an approximately 500 square foot control building. The RNG Facility would operate 24 hours a day, seven days a week, with one to two employees, per shift, and anticipates one annual shut down for maintenance. The existing faux-eucalyptus telecoms, along with existing OCWR infrastructure at the project site, would not be affected by the project and would be protected in place. Staff believes the project is consistent with Title 20 (Planning and Zoning) of the NBMC and the General Plan, as discussed in the analysis above.

Alternatives

Should the Planning Commission determine the required findings cannot be made as presented, then the Planning Commission may:

1. Suggest specific changes that are necessary to alleviate concerns such as equipment height and abrupt changes in scale, blending, screening, or project compatibility with the area. If the requested changes are substantial, the item could be continued to a future meeting. Should the Planning Commission choose to do so, staff will return with a revised resolution incorporating new findings and/or conditions after the Applicant has an opportunity to revise the project; accordingly, or

2. If the Planning Commission believes that there are insufficient facts to support the findings for approval and a denial action is more appropriate, the Planning

Commission could deny the CUP and the landfill would continue to flare off LFG through existing site infrastructure, pursuant to its air quality permit.

Environmental Review

In accordance with the California Environmental Quality Act (CEQA) and City Council Policy K-3, an Initial Study/Mitigated Negative Declaration (IS/MND) was prepared for the project. Prior to taking action on the project, the Planning Commission must first review, consider, and adopt the IS/MND (Exhibit "A", Attachment No. PC 1). The IS/MND includes the Notice of Intent (NOI), Initial Study (IS), Environmental Analysis, and Appendices.

Based upon the analysis of the IS, the environmental categories within which the project would have either no impact or less than significant impact were: *Aesthetics, Agricultural/Forest Resources, Air Quality, Energy, Greenhouse Gas Emissions, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Recreation, and Utilities/Service Systems.*

*T*he environmental categories which the project would have potentially significant impacts were: *Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Waste, Public Services, Transportation, Tribal Cultural Resources, and Wildfire.* Specific mitigation measures have been required to reduce the potentially significant adverse effects to a less than significant level.

The IS/MND was completed and circulated for a 45-day public review period that began on November 27, 2024, and concluded on January 13, 2025. Five comment letters were received during the commend period. Two of the five letters received were from public agencies (California Department of Transportation and the South Coast Air Quality Air Management District), one letter was received from the Gabrieleño Band of Mission Indians – Kizh Nation, and two letters were received from the law firm Adams, Broadwell Joseph & Cardozo, on behalf of California Unions for Reliable Energy ("CURE"). Although not required for an IS/MND by the CEQA Guidelines, those letters have been catalogued and are responded to as part of the Final Mitigated Negative Declaration (Exhibit "C", Attachment No. PC 1). The comments received did not result in changes to the project of a substantive nature.

Based on the entire environmental review record, the project, with mitigation measures, will have a less than significant impact on the environment.

Public Notice

Notice of this hearing was published in the Daily Pilot, mailed to all owners of property within 300 feet of the boundaries of the site (excluding intervening rights-of-way and waterways) including the Applicant, and posted on the subject property at least 10 days before the scheduled meeting, consistent with the provisions of the NBMC. Additionally,

the item appeared on the agenda for this meeting, which was posted at City Hall and on the City website.

Prepared by:

Joselyn Perez
Senior Planner

Submitted by:

Jaime Murillo, AICP
Deputy Community Development Director

BMZ/jp

ATTACHMENTS

PC 1 Draft Resolution to Approve the Project and Adopt the IS/MND
PC 2 Visual Simulations
PC 3 Project Plans
PC 4 Conceptual Fuel Modification Plan

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