

State of California

The Resources Agency of California

Memorandum

DOCKET 04-AFC-1
DATE APR 13 2006
RECD. APR 14 2006

To: James D. Boyd, Presiding Member
John L. Geesman, Associate Member

Date: April 13, 2006

From **Bill Pfanner**



Telephone: (916) 654-4206

California Energy Commission
1516 Ninth Street
Sacramento CA 95814-5512

Subject: **San Francisco Electric Reliability Project (AFC 04-AFC-1) Errata**

Attached are minor modifications to the San Francisco Electric Reliability Project (SFERP) Final Staff Assessment's Air Quality and Cultural Resources sections. These changes were discussed at the Final Staff Assessment Workshop on March 6, 2006 and agreed to by the applicant and staff. This Errata will be open for discussion at the project's Evidentiary Hearings to be held in May 2006.

**PROOF OF SERVICE (REVISED 2.17.06) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 4-14-06**



AIR QUALITY ERRATA

The Bay Area Air Quality Management District (District) informed staff that it has reduced the turbines' particulate matter (PM10) emissions limit from 3 to 2.5 lbs/hour to reflect the best available control technology (BACT) requirement for this type of turbine. Reducing the turbines' PM10 limit would reduce the project emissions estimates and its mitigation liability. In addition, staff proposes to add some wording changes to clarify and to correct some minor typographical errors found elsewhere in the staff analysis. Below are the staff proposed corrections to the Final Staff Assessment (FSA).

- Page 4.1-16, Project Description, replace Air Quality Table 3 with the following

AIR QUALITY TABLE 3
Facility's Maximum Hourly, Daily and Annual Emissions

Equipment	NO _x	VOC	SO _x	CO	PM10 ¹
Maximum Hourly Emissions (lb/hr)					
Turbine (start-up) ²	120	6	1.3	30	<u>97.5</u>
Turbine (normal operation)	13.2	<u>63.7</u>	1.3	30	<u>97.5</u>
Cooling Towers	-	-	-	-	<0.1
Total Hourly	120	6	1.3	30	<u>97.5</u>
Maximum Daily Emissions (lb/day)					
Turbine ³	744	97.8	32.3	378	<u>246</u> <u>180.1</u>
Cooling Towers ⁴	-	-	-	-	1
Total Daily	744	98	32.3	378	<u>247</u><u>181</u>
Maximum Annual (ton/year)					
Turbine ⁵	39.8	7.7	2.7	27.9	<u>4815</u>
Cooling Towers	-	-	-	-	0.2
Total Annual Emissions	39.8	7.7	2.7	27.9	<u>48.2</u><u>15.2</u>

- Page 4.1-21, Mitigation: PM2.5, paragraphs 1 and 2 should be revised to read:

The City has estimated that the project's PM2.5 emissions to be as much as 4815 TPY. As such, a minimum of 4815 TPY of PM2.5 emission reduction credits would be needed to fully mitigate the project's contribution. As mentioned above, the City's proposed implementation of high-efficiency street sweepers can only generate about three tons of PM2.5 emission reduction credits. The City proposes to implement another program to subsidize area homeowners to replace existing wood stoves and fireplaces with natural gas or propane fueled units. The emission reductions from this measure would be used to mitigate the project's 54 tons of fine particulate matter contribution during wintertime, based on the annual shortfall of 4512 tons prorated for the four winter months (November through February) when the PM2.5 violations occur. Staff estimates that the City would have to subsidize replacement or modification of approximately 40786 wood stoves (93 lbs/unit) or 964769 fireplaces (10.4 lbs/unit) to generate 54 TPY of PM2.5.

...Using the 3:1 SOx:PM2.5 ratio, staff estimates that the City would need to provide 4536 tons of SOx emission reduction credits to mitigate the remaining 4512 TPY of PM2.5.

3. Page 4.1-34, Condition of Certification AQ-SC3.b. should be revised to read:

b) No vehicle shall exceed 4015 miles per hour within the construction site.

4. Page 4.1-41, Condition of Certification AQ-SC11 should be revised to read:

AQ-SC11 The project owner shall provide an additional 54 TPY of PM2.5 emission reduction credits by subsidizing the replacement or modification (blocking chimneys) of wood stoves or fireplaces.

Verification: At least 30 days prior to the start of any site clearing or ground disturbance activities, the project owner shall provide the CPM, for approval, a final plan to acquire 54 TPY of PM2.5 emission reduction credits. The wood stove and fireplace replacement or modification programs must start after the plan approval, and no later than 60 days prior to initial startup.

5. Page 4.1-41, Condition of Certification AQ-SC12 should be revised to read:

AQ-SC12 In lieu of compliance with Condition **AQ-SC11**, the project owner shall provide 4536 TPY of SOx emission reduction credits acquired in the local Hunters Point and/or Potrero areas to provide an annual equivalent of 4512 TPY of PM2.5.

6. Page 4.1-47, Condition of Certification AQ-12 should be revised to require that source test results should be submitted to the District and the Compliance Project Manager within 60 days after the source testing date.

7. Page 4.1-49, Condition of Certification AQ-18(h) should be revised to reflect the new PM10 emission limit of 2.5 lbs/hour.

8. Page 4.1-51, Condition of Certification AQ-21 should be revised to reflect the new PM10 emission rate of 15 tons per annual (365 rolling days) period.

CULTURAL RESOURCES ERRATA

CUL-6 The project owner shall ensure that the CRS, alternate CRS, or CRMs shall monitor ground disturbance (including grading and landscaping) full-time at the project site and for the full width and length of excavations for linear facilities (such as underground transmission lines, and water, gas, and sewer pipelines), except for the process water pipeline along Third and Marin Streets, to ensure there are no impacts to undiscovered cultural resources and to ensure that known cultural resources are not impacted in an unanticipated manner. If ground disturbance (such as grading for run-off control) becomes necessary at the laydown or any other ancillary areas, full-time monitoring shall be conducted there as well. Full-time archaeological monitoring is defined as archaeological monitoring of all earth-moving activities on a construction site for as long as the activities are ongoing. Full-time archaeological monitoring may require one monitor per active earthmoving machine working in archaeologically sensitive areas. In the event that the CRS determines that full-time monitoring is not necessary in certain locations, a letter or e-mail providing a detailed justification for the decision to reduce the level of monitoring shall be provided to the CPM for review and approval at least 24 hours prior to any reduction in monitoring. Reduced monitoring will not be approved at the site of the ~~new process water pumping plant and the~~ underground transmission line splice boxes.

The project owner shall ensure that the CRS has an agreement in effect for the curation of artifacts recovered during project-related archaeological activities. The research design in the CRMMP shall govern the collection, treatment, retention/disposal, and curation of any archaeological materials encountered. On forms provided by the CPM, CRMs shall keep a daily log of any monitoring, any other cultural resources activities, and any instances of non-compliance with the conditions of certification and/or applicable LORS. Copies of the daily logs shall be provided to the CPM by the CRS. In addition, the CRS shall use these logs to compile a monthly summary report on the progress or status of cultural resources-related activities. If there are no monitoring activities, the summary report shall specify why monitoring has been suspended. The CRS may informally discuss cultural resources monitoring and mitigation activities with Energy Commission technical staff.

Cultural resources monitoring activities are the responsibility of the CRS. Any interference with monitoring activities, removal of a monitor from duties assigned by the CRS, or direction to a monitor to relocate monitoring activities by anyone other than the CRS shall be considered non-compliance with these conditions of certification.

The CRS and/or the project owner shall notify the CPM by telephone or e-mail within 24 hours of any incidents of non-compliance with the Cultural Resources conditions of certification and/or applicable LORS, upon becoming aware of the situation. The CRS shall also recommend corrective action to resolve the problem or achieve compliance with the conditions of certification.

When the issue is resolved, the CRS shall write a report describing the issue, the resolution of the issue, and the effectiveness of the resolution measures. This report shall be provided in the next Monthly Compliance Report (MCR).

Verification: At least 30 days prior to the start of ground disturbance, the project owner shall provide to the CPM a copy of the agreement between the CRS, or between the environmental firm employing the CRS, and the curation facility(ies). At least 30 days prior to the start of ground disturbance, the CPM will provide to the CRS reproducible copies of forms to be used as daily monitoring logs and non-compliance reports. Each day the CRS shall provide copies of the legibly handwritten daily logs of the monitors to the CPM as emails or in some other form acceptable to the CPM. While monitoring is on-going, the project owner shall include in each MCR a copy of the monthly summary report of cultural resources-related monitoring prepared by the CRS. Copies of daily logs shall be retained by the project owner on-site during construction.

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE
STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION
FOR THE SAN FRANCISCO ELECTRIC
RELIABILITY PROJECT

Docket No. 04-AFC-01
PROOF OF SERVICE
**Revised 2/17/06*

DOCKET UNIT

Instructions: Send an original signed document plus 12 copies or an electronic copy plus one original paper copy to the address below:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 04-AFC-01
DOCKET UNIT, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Also send a printed or electronic copy of all documents to each of the following:

APPLICANT

Barbara Hale, Power Policy Manager
San Francisco Public Utilities
Commission
1155 Market Street, 4th Floor
San Francisco, CA 94102
BHale@sfgwater.org

Applicant Project Manager
Karen Kubick
SF Public Utilities Commission
1155 Market St., 8th Floor
San Francisco, CA 94103
kkubick@sfgwater.org

APPLICANT'S CONSULTANTS

Steve De Young
De Young Environmental Consulting
4155 Arbolado Drive
Walnut Creek, CA 94598
steve4155@astound.net

John Carrier
CH2MHill
2485 Natomas Park Drive, Suite 600
Sacramento, CA 95833-2943
jcarrier@ch2m.com

COUNSEL FOR APPLICANT

Jeanne Sole
San Francisco City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlet Place
San Francisco, CA 94102-4682
Jeanne.sole@sfgov.org

INTERESTED AGENCIES

Emilio Varanini III
Special Counsel
California Power Authority
717 K Street, Suite 217
Sacramento, CA 95814
drp.gene@spcglobal.net

Electricity Oversight Board
770 L Street, Suite 1250
Sacramento, CA 95814

Donna Jordan
CA Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630
djordan@caiso.com

Dept. of Water Resources
SERS
Dave Alexander
3301 El Camino Avenue, Ste. 120
Sacramento, CA 95821-9001

INTERVENORS

* **Jeffrey S. Russell**
VP West Region Operations
Mirant California, LLC
P.O. Box 192
Pittsburg, California 94565
Jeffrey.russell@mirant.com

* **Mark Osterholt**
Mirant California, LLC
P.O. Box 192
Pittsburg, California 94565
mark.osterholt@mirant.com

Michael J. Carroll
Latham & Watkins LLP
650 Town Center Drive, Suite 2000
Costa Mesa, CA 92626
 michael.carroll@lw.com

Potrero Boosters Neighborhood
Association
Dogpatch Neighborhood Association
Joseph Boss
934 Minnesota Street
San Francisco, CA 94107
joeboss@joeboss.com

San Francisco Community Power
c/o Steven Moss
2325 Third Street # 344
San Francisco, CA 94107
 steven@sfpower.org

Californians for Renewable Energy, Inc.
(CARE)
Michael E. Boyd, President
5439 Soquel Drive
Soquel, California 95073
 michaelboyd@sbcglobal.net

Lynne Brown – Member, CARE
Resident, Bayview Hunters Point
24 Harbor Road
San Francisco, California 94124
 L_brown123@yahoo.com

Robert Sarvey
501 West Grantline Road
Tracy, CA 95376
 sarveyBob@aol.com

DECLARATION OF SERVICE

I, **Evelyn M Johnson**, declare that on **April 14, 2006**, I deposited copies of the attached

RE: Errata to the Final Staff Assessment: Air Quality & Cultural, in the United States mail at **Sacramento, California** with first class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above. Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. I declare under penalty of perjury that the foregoing is true and correct.


[signature]

CEC INTERNAL
DISTRIBUTION LIST ONLY

Parties DO NOT mail to the following individuals. The Energy Commission Docket Unit will internally distribute documents filed in this case to the following:

JAMES D. BOYD, Commissioner
Presiding Member
MS-34

JOHN L. GEESMAN, Commissioner
Associate Member
MS-31

Stan Valkosky
Hearing Officer
MS-9

Bill Pfanner
Project Manager
MS-15

Dick Ratliff
Staff Counsel
MS-14

Margret J. Kim
Public Adviser
MS-12