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Testimony of Martin Homec
City of San Francisco Electric Reliability Project
04-AFC-1

The siting of the San Francisco Electric Reliability Project is dependent on many criteria. This testimony investigates the need for the project to be located near residential housing. It is clear that the project will be an industrial development and will have an impact on the residents. Testimony shows that the project is not necessary and if it is to be constructed, it should be located away from occupied residential housing.

The January 12, 2004, evidentiary hearing in California Public Utilities Commission (CPUC) Application 02-09-043, the application of Pacific Gas and Electric Company (hereinafter referred to as "PG&E") for a Certificate of Public Convenience and Necessity authorizing the construction of the Jefferson-Martin 230 kV Transmission Project contains testimony from a Pacific Gas and Electric Company witness, Mr. Leung, stating that generation in the City and County of San Francisco will not be necessary after the Jefferson-Martin 230 kV Transmission Project is completed. *See pages 468 and 469 of the transcript for the January 12, 2004, hearing.* I agree with this conclusion.

The California Energy Commission's Final Staff Assessment for this application discusses alternate sites in Appendix A. The San Francisco Airport site appears to be the most appropriate because it is not located near residential housing and is close to the airport where aircraft noise and emissions already exist. Applicant's proposed project location is wrong because it is not needed and because it is poorly located.

The criteria attributed to the California Independent System Operator (CAISO) in the Final Staff Assessment are that generation be located north of the Martin Substation. There is no requirement that the generation be located next to occupied residential housing. If the testimony of the PG&E witness Leung in the above cited CPUC is accurate, then there is no need to site generation within the City and County of San Francisco.

This siting alternative was investigated during the discovery portion of the present proceeding. The June 9, 2005, data request response entitled: City of San Francisco Electric Reliability Project's response to CARE Data Response, Set 3 dated May 30, 2005[1], demonstrates that applicant did not investigate the option of siting the facility away from occupied residential housing. In applicant's reply to data request 3.1-2:

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ORIGINAL MAILED FROM SACRAMENTO ON 04-27-06
Efehmann

[1] City of San francisco Electric Reliabilty Project's response to CARE Data Response, Set 3 dated May 30th.

Data Request

3.1-2. Please provide a copy of the CAL ISO Action plan dated November 2004 and any correspondence between ISO and the applicant related to that plan. Including reliability and risk issues associated with the closure of the Hunters Point and Potrero Power Plants and the potential elimination of over 320 MW of in city generation. Please include a discussion of why all four peaking units cannot be sited at the airport in light of the fact that San Francisco Peninsula will rely almost entirely on imported generation with the closure of Potrero and the Hunters Point Power Plant.

Applicant replied:

The City has proposed the installation of the four gas turbines to enable the existing generation at the Hunter's Point and Potrero power plants to be retired. The Hunter's Point and Potrero power plants are interconnected to the 115kV cable network within the City. Since the existing generation in the City supports both the load serving capability of the 115kV network in the City and the major transmission lines serving th City, an initial April 18, 2003, letter from the CAISO to the City on the requirements to close down Hunters Point unit 4 indicated that all four turbines should be interconnected with the 115 kV network within the City. Subsequently, at the City's request, upon further study and with the approval of Jefferson-Martin which will provide for closure of the Hunters Point power plant, the CAISO issued the November 2004 Action Plan which allows for the release of all the units at the Potrero power plan from the RMR agreement with three turbines within the City and one turbine at the Sa Francisco International Airport and a number of transmission additions all planned to be in service by 2007.

CONCLUSION

It is clear that the applicant never asked the CAISO to address siting the entire facility at the airport. Therefore, this proceeding should be terminated until the San Francisco International Airport site is addressed.

My conclusion is that this application should be rejected. If a combustion turbine project is to be approved, it should be located at the San Francisco Airport.

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EDUCATION

University of San Francisco - LAW
1973 – 1976

University of California - PHYSICS
1967 - 1970

EXPERIENCE

California Public Utilities Commission
San Francisco, California

Assignments included reviewing energy utilities' applications for rate changes, conducting discovery, conferring with colleagues and utility staff, and participating in adjudicatory hearings held by administrative law judges. I was assigned to a subcommittee working with the California Air Resources Board to implement a legislative bill requiring adoption of air quality regulations concerning distributive generation.

I reviewed and testified on applications for reasonableness reviews of gas and electric operations by Pacific Gas and Electric Company, the San Diego Gas & Electric Company, and the Southern California Edison Company. These reviews require the utility companies to provide their records for review to demonstrate that their expenditures were reasonable and prudent. For example, when explaining their power plant operation costs the utility companies must explain periods of unavailability of power plants and present documentation of the explanations. Any periods of unavailability without acceptable rationale can result in the utility being disallowed the costs of acquiring necessary electrical power elsewhere.

Electrical Industry Review

I was the project coordinator for two of California's seven regulated electric utility companies: Mountain Utilities in Kirkwood, California and Bear Valley Electric in San Bernardino County. Mountain Utilities is unique since it is the one regulated utility not included in the California transmission grid. After Mountain Utilities became a regulated utility in 1992, it never applied for a rate setting proceeding but continued operating as an industrial utility not subject to regulation. I was responsible for identifying the issues that had to be resolved, to assign staff to review the issues, and to ensure that the schedule was met. I did not have to determine whether the project was being conducted within any budget constraints. My goal was to produce an accurate report stating the impact upon the ratepayers and issuing recommended solutions to the issues.

Natural Gas Pipeline Review

I was the project manager for the 1996 application by a Canadian company, Wild Goose Natural Gas Inc., to become the first natural gas storage provider to compete with a regulated California utility. I was responsible for meeting with the applicant and writing the report presenting the CPUC staff's analysis and recommendations for this application. Then I presented the report in an adjudicatory proceeding in which I was subject to cross-examination. My most important contribution was recommending that all future natural gas system upgrades required by this project should be evaluated at the time that the upgrades were constructed. The applicant had asked that this issue be resolved during this first proceeding. This proceeding was complete when

the California Public Utilities Commission issued an order granting the applicant's request and issuing a Certificate for Public Convenience and Necessity.

Legal Proceedings

My review of hazardous waste cleanup cost claims by the three major regulated California utilities led to a collaborative solution to the problem instead of the traditional method of requiring the company to submit an application and conducting adjudicatory hearings about the issues thus identified. The California regulated utility companies were ordered to investigate and take remedial action at several sites. Therefore, they applied for cost reimbursement to the California Public Utilities Commission. I was assigned to be the project manager and I began my investigation by reviewing the cases that allowed the utility operations in the early 1900s. I found that at that time, the utility companies had general liability policies covering the cleanup costs. Therefore, a collaborative meeting was arranged with the affected utility companies, the regulatory agencies, and the Public Utilities Commission. The result was a settlement that met the parties needs, however the actual terms of the settlement are confidential.

California Energy Commission
1976 to 1983

I worked in the energy facility siting division evaluating environmental siting constraints for utility applications to build new power plants in California. This work involved writing and testifying about portions of Environmental Impact Reports in the subject areas of waste disposal, water quality, and air quality. Some of my projects included coal fired projects proposed by Edison and Pacific Gas and Electric Company and combined cycle natural gas projects proposed by Edison and San Diego Gas and Electric Company (now Sempra Energy). I also wrote EIR sections for experimental power generation technologies including the Photovoltaic Powerplant operated by SMUD at Rancho Seco, the Texaco Coal Gasification Facility located at Edison's Coolwater site, and geothermal powerplants installed at the Geysers geothermal site in northern California.

Bar Association of San Francisco
1987 to 2000

I worked as a volunteer lawyer for the Bar Association taking cases that judges have found to need representation but that practicing members of the California Bar have determined would not pay the litigation costs. I accepted employment law cases the United States District Court judges have identified as cases that need discovery and preliminary motions to determine the merits of the cases. I have accepted cases involving many aspects of civil rights litigation. My role is as plaintiff's attorney and I perform all the work requirements including drafting document, conducting depositions, and arguing motions. There was an article about my work in *The Recorder* on April 20, 1999.

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:*

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

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DECLARATION OF SERVICE

I, **Evelyn M Johnson**, declare that on **April 27, 2006**, I deposited copies of the attached **RE: Testimony and Resume of Martin Homec**, 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.

Evelyn M Johnson
[signature]

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