STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:	)	
	)	
Application for Certification	)	Docket No. 04-AFC-01
For the San Francisco	)	
Electric Reliability Project	)	

DOCKET
04-AFC-1
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SFERP STATUS REPORT #8

The Committee Interim Scheduling Order issued on May 19, 2005 (Scheduling Order) requested that the parties file status reports to inform the Committee of the progress of the case, as well as the emergence of any matters which may delay (or accelerate) issuance of significant documents such as the PSA. This Status Report by the City and County of San Francisco ("City" or "Applicant") for the San Francisco Electric Reliability Project ("SFERP") addresses the status of the licensing proceedings since the City filed its last status report on September 12, 2005.[1]

Staff's most recent status report filed on November 29, 2005 reports on the outcome of the Preliminary Staff Assessment (PSA) workshop and the projected schedule for issuance of the Final Staff Assessment (FSA). The City understands from the staff report and from subsequent communications with staff that the FSA is now expected to be issued potentially as late as the end of January. The City understands that this delay results from a delay in the issuance of the Final Determination of Compliance (FDOC) from the Bay Area Air Quality Management District (BAAQMD) and a misunderstanding among staff and the City about the documents that would be required for issuance of the FSA and which resulted in lower priority given by the City to finalizing certain documents (in particular there has been a delay in completing a revised draft Construction Drainage, Erosion, and Sedimentation Control/ Stormwater Pollution Prevention Plan (SWPPP) that reflects the latest approach proposed by the City for stormwater management during construction). The FDOC has now been issued, and the City is expediting completion and submittal of the Draft SWPPP.

A recent develop that could also affect the schedule for completing the FSA is a refinement to the water treatment process submitted by the City on December 21, 2005. The refinement will reduce the length of water processing related linears but slightly change the route. It will also eliminate the need for on-site secondary water treatment. The City is gathering additional information related to this change that has been requested informally by staff and is hopeful that it will submit this information the first week of January 2006.

[1] The May 19, 2005, Order directed parties to file status reports on October 8. A staff status report filed on November 29, 2005, explains that staff delayed publication of its status report in order to report on the outcome of the PSA Workshop and the anticipated schedule for publication of the Final Staff Assessment.

The City remains very appreciative of staff's efforts to work with the City to promptly identify outstanding data needs and to constructively resolve data issues. The City is nonetheless disappointed in the delay in the issuance of the FDOC and the FSA and concerned that a Spring 2006 Final Decision in this case may be compromised unless there is a concerted effort to expeditiously issue the FSA and hold the outstanding proceedings necessary to complete the licensing process.

At this time, the City is still hopeful that it will be able to seek approval of key project contracts and financing from the San Francisco Public Utilities Commission and San Francisco Board of Supervisors (BOS) before the BOS takes its summer recess in August of 2006, and thus provide for a mid-2008 in-service date. However, to achieve this objective, a final CEC decision would be needed no later than May 2006. With a January 2006 issue date for the FSA, it becomes necessary to move very expeditiously into hearings once the FSA is issued. To accomplish this objective, the City suggests the following schedule for proceedings once the FSA is issued:

- PHC statement by the City and all other parties to this proceeding 7 days after issuance of the FSA
- PHC 10 days after issuance of the FSA
- City testimony 5 days after the PHC
- Intervenor testimony (if any) 10 days after the PHC
- Evidentiary hearings commence no later than 15 days after the PHC

The City is disappointed that, at this point, a late 2007 in-service date no longer appears likely and thus the Reliability Must Run Agreement with the Potrero Power Plant may not be terminated until the end of 2008. Further, the City has been informed by the Department of Water Resources that a mid 2008 in-service date is critical to ensure that the project is available to serve load in the Summer of 2008. To achieve the mid 2008 in-service date, the City will have to (after it obtains its license from the CEC) 1) obtain approval for the project in May/June 2006 from the San Francisco Public Utilities Commission, 2) obtain approval for key contracts and financing from the BOS in June/July of 2006, and 3) obtain financing by December 2006. Once financing is obtained, further design work can be undertaken and long lead items ordered. Commencement of construction will have to follow these activities.

The schedule set forth above illustrates the importance of an expeditious process going forward. The City appreciates the efforts of staff and the Commission to make up some of the time that has been lost to date.

Dated: January 4, 2006

Respectfully submitted:

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