STATE OF CALIFORNIA

Energy Resources Conservation
and Development Commission

DOCKET
05-AFC-1
DATE
RECD. JAN 10 2006

Application for Certification for the PASTORIA ENERGY FACILITY (PEF) 160 mw EXPANSION BY CALPINE CORPORATION	)))))	Docket No. 05-AFC-1

APPLICANT'S PREHEARING CONFERENCE STATEMENT

ELLISON, SCHNEIDER & HARRIS L.L.P.
Greggory L. Wheatland
Jeffery D. Harris
Christopher T. Ellison
2015 H Street
Sacramento, California 95814-3109
Telephone: (916) 447-2166
Facsimile: (916) 447-3512

Attorneys for Calpine Corporation

STATE OF CALIFORNIA

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APPLICANT'S PREHEARING CONFERENCE STATEMENT

I. INTRODUCTION

Pursuant to the Notice of Prehearing Conference, dated December 14, 2005 (the "Notice") Calpine Corporation ("Calpine" or "Applicant") hereby files this Prehearing Conference Statement.

As indicated below, the Applicant and Commission Staff ("Staff") have successfully resolved almost all substantive issues regarding the certification of the proposed facility.

We respond below to the specific issues raised in the Notice.

II. APPLICANTS RESPONSE TO THE NOTICE

A. The topic areas that are complete and ready to proceed to evidentiary hearings.

The topic areas that are complete and ready to proceed to evidentiary hearings are set forth in Attachment 1 to this Prehearing Conference Statement.

B. The topic areas that are not complete and not ready to proceed to evidentiary hearings and the reasons therefore.

The only topic area that is not complete and not ready to proceed to hearing is Transmission Line Engineering. This topic is not complete because Southern California Edison ("Edison") has not yet provided Calpine, pursuant to the terms of the Facilities Study Agreement, with the results of the Facility Study. Please also see the discussion in Section II.G below.

C. The topic areas that remain disputed and require adjudication, and the precise nature of the dispute for each topic.

Only two topic areas remain disputed.

1. Water resources: The Applicant disagrees with the Staff's recommendations in Condition Soil&Water-4 for a cap on water use and for additional metering, monitoring and reporting of water use by the PEF expansion. The proposed cap and the additional metering are not required by applicable LORS or to mitigate any significant environmental impacts. The evidence will show that this condition is burdensome and unnecessary.

2. Hazardous materials: The Applicant disagrees with the Staff's recommendation in Condition Haz-7 to require either security guards to be present 24 hours a day, 7 days a week or the installation of a closed circuit television system with tilt/pan/zoom capabilities as well as perimeter breach detectors or on-site motion detectors. The Applicant believes that the security system at the existing facility is adequate to ensure the safety of the facility now and when it is expanded. Specifically, the evidence will show that the proposed breach detection system is not feasible and is not recommended by the Kern County Sheriff Department Homeland Security Division.

D. The identity of each witness sponsored by each party, the topic area(s) which each witness will present; a brief summary of the testimony to be offered by each witness; qualifications of each witness; and the time required to present direct testimony by each witness.

The identity of each witness sponsored by the Applicant and the topic areas to be presented by each witness are set forth in Attachment 2. The qualifications of each witness are presented in the statement of qualifications and resumes included in each witness's testimony. A brief summary of the testimony to be offered by each witness is set forth at the beginning of each witness's testimony.

The Applicant believes that the direct testimony of each witness for the Staff and the Applicant may be received into evidence by stipulation, based upon the witness's sworn declarations, subject to rights of interested parties, if any, to question the witnesses. Therefore, no additional time is needed for the direct testimony of the witnesses on uncontested issues.

For the direct testimony of the Applicant's witnesses on the two contested issues (Soil&Water-4 and Haz-7) we would request 20 minutes for each contested topic.

E. Topic areas upon which a party desires to cross-examine witness(es), a summary of the scope of such cross-examination, and the time desired for such cross-examination.

The Applicant requests 20 minutes to cross-examine the Staff on each of the two contested topics (Soil&Water-4 and Haz-7). The scope of cross-examination would be limited to the contested Conditions described above.

F. A list identifying exhibits and declarations that each party intends to offer into evidence and the technical topics to which they apply.

This list is set forth as Attachment 3.

G. Proposals for hearing dates, briefing deadlines, vacation schedules, and other scheduling matters;

The Applicant strongly recommends that the Committee proceed to evidentiary hearings for all topics that are ready to proceed to hearing at this time. While the subject of Transmission Line Engineering is not ready to proceed, the Committee can still make considerable progress on the other topics that are ready to proceed.

Regarding Transmission Line Engineering, the Applicant is hopeful that Edison will provide the results of the Technical Assessment no later than January 19, 2006. It is likely that this Technical Assessment will provide the parties with the information necessary to complete the analysis of transmission line engineering. Assuming this is so, the Committee could set a schedule for Transmission Line Engineering similar to the following:

January 19, 2006	Edison submits Technical Assessment results of the Facility Study.
January 26, 2006	Parties advise Committee whether the Technical Assessment provides sufficient information to complete the testimony for this topic.
February 10, 2006	Parties submit testimony on Transmission Line Engineering.
February 20, 2006 or thereafter	Evidentiary Hearing on T- Line Engineering.

We recognize that there may be some uncertainty regarding the delivery of the Technical Assessment and whether it will contain sufficient information to allow completion of the parties' testimony. The Committee may wish to invite Edison to participate in the January 17, 2006 Prehearing Conference so as to advise the Committee regarding Edison's progress in completing the study as expeditiously as possible.

The Applicant is available for evidentiary hearings on any date to be set by the Committee. Following the close of evidentiary hearings on all subject areas (given the limited number of contested issues), we would recommend that Opening Briefs be due 7

calendar days after receipt of transcripts and that Reply Briefs be due 7 calendar days thereafter.

H. Specific items required in the Prehearing Conference Statements:

1. Biological Resources: Applicant shall describe the status of the existing Pastoria Energy Facility Biological Resources Mitigation Implementation and Monitoring Plan, any overlap with the BRMIMP described in proposed Condition BIO-6, and any additional mitigation required for the Expansion Project.

The BRMIMP for the existing PEF has been in effect since the initiation of construction activities in May/June 2001. The existing BRMIMP is currently being implemented in compliance with CEC requirements. As discussed during the PSA Workshop, Calpine expects that a revision to the existing BRMIMP will be implemented to address biological resource issues associated with construction of the Expansion project. Compliance with proposed Condition of Certification BIO-6 can be achieved by appending the existing BRMIMP to the revision or creating a new chapter in the existing BRMIMP that identifies those portions of the BRMIMP that would apply to the construction and operation of the Expansion within the boundaries of the existing PEF.

2. Regarding Air Quality, the parties shall provide information on the definition of "peaker" and identify the number of hours per year the Project would operate in conjunction with the proposed AQ Conditions and Condition EFFIC-1.

i. The parties shall provide the rationale for identifying this project as a "peaker."

A peak load plant or peaker unit is generally defined as a generating facility housing quick response steam units, gas turbines, diesels or pumped-storage hydroelectric equipment, normally used during the maximum load periods. Peakers are characterized by quicker start times and generally higher operating costs, but lower capital costs.

A good explanation of the difference between the operation of a simple cycle gas turbine designed to run as a peaking unit and a combined cycle plant designed to run at high load factors is set forth in the Commission's 2005 IEPR: "One problem with meeting peak demand is that most new gas-fired power plants are combined-cycle units designed to run at high load factors where they are most efficient and can generate enough revenue to recoup investments. Combined-cycle plants also have less capability to ramp up and down to meet peak demand than the older steam boiler units, which make up the majority of California's fleet of power plants. While some utilities have invested in simple-cycle peaking plants that run just a few hours each year, most of the state's new power plants are combined-cycle and are not well matched with swings in system demand.

California must quickly and thoughtfully craft solutions for meeting this increasingly "peaky" demand."

As set forth in detail in the Applicant's testimony on Efficiency, emission offsets have been provided to mitigate the impacts of operating the PEFE unit at full load for 8760 hours per year for the entire life of the facility. However, the facility is not expected to operate at this maximum level except for limited periods in extraordinary circumstances such as an energy crisis due o an insufficient supply of generation to satisfy the state's needs, disasters – earthquake, forest fires, terrorism, prolonged drought in the Pacific Northwest, or extended unplanned outages on transmission system and/or at large generators (such as nuclear generating stations).

3. Parties shall provide any USEPA comments on the interpollutant offset calculation methodology used for this Project and any revisions necessary in conjunction with the Air District's most recent *Annual Demonstration Report for Equivalency of Offsets.*

As set forth in the Applicant's testimony on Air Quality (Exhibit 5), "the SJVAPCD has reached agreement with US EPA to implement a change to the calculation procedure, beginning with the PEFE project, which would require a slightly higher quantity of emission reduction credits (ERCs) than was required under the calculation technique previously used by the District and approved by EPA. The Applicant has concurred in this change, and has notified both the District and US EPA of its concurrence.

"During the week of January 9, 2006, Applicant will formally file with the District and the Commission its proposed revised offset package to address the new calculation technique. We believe, and we believe that the Staff will concur, that this change is minor and does not change the Staff's conclusions regarding the adequacy of project mitigation. Applicant and Staff will coordinate in the submission of revised testimony so that this last-minute agreement between the District and EPA will not delay the Commission's proceedings."

4. Regarding Transmission System Engineering, Applicant shall provide an update on mitigation related to implementation of SCE's Facility study.

As explained above, as of this date Edison has not provided the results of the Facility Study. We have, however, provided Staff with a complete environmental assessment of the impacts related to potential downstream upgrades of the transmission system beyond the first point of interconnection, This assessment is Exhibit 2.

5. Regarding Soil and Water, in addition to the *Facilities-Sharing Agreement* described in proposed Condition SOIL&WATER-6, Applicant shall submit "Will Serve" letters from the Wheeler Ridge/Maricopa Water Storage

District and the Kern Water Bank to establish a reliable water supply for this Project.

A will serve letter is a conditional promise by a water service provider to provide water to a customer. This conditional promise is superceded when the water service provider enters into a water service agreement with the customer. The Ridge/Maricopa Water Service District has already executed an agreement to establish a reliable water supply for this Project. This agreement is set forth in Exhibit 13D. Therefore, it is not necessary for the Applicant to obtain will serve letters to be assured of a reliable water supply for this Project.

I. For all topics, the parties shall review the proposed Conditions of Certification for enforceability, comprehension, and consistency with the evidence, and submit any proposed modifications.

The Applicant's proposed modifications to Soil&Water-4 and Haz-7 are set forth in Attachment 4. In addition, as noted above, in the week of January 9, 2006, the Applicant will submit to the SJVAPCD and the Commission minor revisions to the proposed offset package to implement a recent change in the District's calculation procedures.

J. Applicant's testimony.

The Applicant is submitting written testimonial and documentary evidence in the format specified by the Committee. A copy of the testimony is being served on all parties on the service list. Other supplemental exhibits, which have been previously docketed, will be made available to any interested party upon request. These materials are submitted under separate cover. The Applicant is also submitting a List of Applicant's Exhibits in Attachment 3.

January 10, 2006

Respectfully submitted,

ELLISON, SCHNEIDER & HARRIS L.L.P.

By _____

Greggory L. Wheatland
Jeffery D. Harris
Christopher T. Ellison
2015 H Street
Sacramento, California 95814-3109
Telephone: (916) 447-2166
Facsimile: (916) 447-3512

Attorneys for Calpine Corporation

Attachment 1

PASTORIA ENERGY FACILITY EXPANSION
05-AFC-01
APPLICANT'S LIST OF TOPICS READY TO PROCEED TO HEARING

Air Quality

Biological Resources

Cultural Resources

Hazardous Materials

Land Use

Noise and Vibration

Public Health

Socioeconomic Resources

Soil and Water Resources

Traffic and Transportation

Transmission Line Safety and Nuisance

Visual Resources

Waste Management

Worker Safety

Facility Design

Geology and Paleontology

Power Plant Efficiency

Power Plant Reliability

Alternatives

General Conditions – Compliance Monitoring and Closure Plan

PASTORIA ENERGY FACILITY EXPANSION PROJECT (05-AFC-1)
Applicant's Witnesses and Sponsoring Testimony

Sponsors	Topic or Exhibit
A. Whittome and J. Scholl	Pastoria Energy Facility 160 MW Expansion Project Application for Certification Exhibit 1
A. Whittome and J. Scholl	Pastoria-Pardee Transmission Line Project Environmental Analysis Exhibit 2
G. Rubenstein	Air Quality
A. Whittome, J. Scholl, and R. Kokx	Biological Resources
A. Whittome and J. Scholl	Cultural Resources
A. Whittome and B. McBride	Hazardous Materials
A. Whittome and J. Scholl	Land Use
A. Whittome and J. Scholl	Noise and Vibration
A. Whittome, J. Scholl, and John Lague	Public Health
A. Whittome and J. Scholl	Socioeconomic Resources
A. Whittome, Michael Argentine, J. Scholl	Soil and Water Resources
A. Whittome and J. Scholl	Traffic and Transportation
A. Whittome and J. Scholl	Transmission Line Safety and Nuisance
A. Whittome and J. Scholl	Visual Resources
A. Whittome and J. Scholl	Waste Management
A. Whittome and J. Scholl	Worker Safety
A. Whittome and J. Scholl	Facility Design
A. Whittome and J. Scholl	Geology and Paleontology
A. Whittome, R. Tetzloff, and G. Rubenstein	Power Plant Efficiency
A. Whittome and J. Scholl	Power Plant Reliability
A. Whittome and J. Scholl	Alternatives
A. Whittome and J. Scholl	General Conditions – Compliance Monitoring and Closure Plan

Attachment 3

PASTORIA ENERGY FACILITY EXPANSION
05-AFC-1
APPLICANT'S EXHIBIT LIST

Exhibit 1	Application for Certification (AFC), Pastoria Energy Facility Expansion, dated April 25, 2005
Exhibit 2	Pastoria-Pardee Transmission Line Project Environmental Analysis, dated November 8, 2005
Exhibit 3	Reserved
Exhibit 3A	Reserved
Exhibit 4	Reserved
Exhibit 5	Air Quality – Applicant's Testimony
Exhibit 5A	Applicant's Supplement in Response to Data Adequacy Comments on the Air Quality section of the AFC, dated June 9, 2005
Exhibit 5B	Applicant's Response to CEC Staff Data Requests Set 1, dated July 25, 2005, Request Nos. 1 through 33
Exhibit 5C	Applicant's Response to CEC Staff Data Requests Set 2, dated August 12, 2005, Request Nos. 8, 10, 11, 12, 25, 29, 30, 31 and supplemental information regarding separate permits
Exhibit 5D	Air Quality Modeling Files in support of Application for Certification, dated April 2005. (Docket No. 31127)
Exhibit 5E	Application for a Prevention of Significant Deterioration Permit, dated May 2, 2005, filed with the US EPA. (Docket Nos. 34223, 34277) This document consists of a transmittal letter, and the following sections of the AFC: Table of Contents, Executive Summary (1.0), Facility Description and Location (3.0), Air Quality (5.2) including the Air Quality Technical Report (Appendices A through F), Agriculture and Soils (5.4), Land Use (5.9) and Biological Resources (5.6), and air quality modeling files on CD.
Exhibit 5F	Application for Determination of Compliance and Authority to Construct, filed with the SJVAPCD, dated May 3, 2005. (Docket No. 34224) This document consists of a transmittal letter with application forms, and the following sections of the AFC: Table of Contents, Executive Summary (1.0), Facility Description and Location (3.0), Air Quality (5.2) including

the Air Quality Technical Report (Appendices A through F), Public Health (5.16 and air quality modeling files on CD)

Exhibit 5G Letter from Nancy Matthews, Sierra Research to Dr. James Reede, CEC, transmitting additional information responding to informal CEC Staff requests, dated May 18, 2005. (Docket No. 34842)

Exhibit 5H Letter from Nancy Matthews, Sierra Research, to Tom Goff, SJVAPCD, seeking data to support a cumulative impacts analysis, dated May 18, 2005.

Exhibit 5I Letter from David Warner, SJVAPCD, to Andrew Whittome, PEF, confirming that the application has been accepted as complete by the SJVAPCD, dated May 19, 2005. (Docket No. 34414)

Exhibit 5J Letter from Nancy Matthews, Sierra Research, to Thomas Goff, SJVAPCD, revising the VOC BACT emission rate for the project, dated May 24, 2005. (Docket No. 34428)

Exhibit 5K Letter from Gerardo Rios, US EPA, to Andrew Whittome, Calpine, confirmed that the PSD application has been accepted as administratively complete, dated June 6, 2005.

Exhibit 5L Letter from David Warner, SJVAPCD to Nancy Matthews, Sierra Research, confirm that no sources for the cumulative impacts analysis have been identified, dated June 6, 2005.

Exhibit 5M Letter from Nancy Matthews, Sierra Research, to Dr. James Reede, CEC, transmitting EPA letter regarding administrative completeness, dated June 8, 2005. (Docket Nos. 34650, 34612)

Exhibit 5N Letter from Nancy Matthews, Sierra Research, to Dr. James Reede, CEC, transmitting SJVAPCD letter regarding cumulative impacts, dated June 9, 2005. (Docket Nos. 34667, 34609)

Exhibit 5O Letter from Nancy Matthews, Sierra Research, to Thomas Goff, SJVAPCD, transmitting corrected pages from the AFC and Application for Authority to Construct, dated June 14, 2005. (Docket Nos. 34668, 34608)

Exhibit 5P Letter from Nancy Matthews, Sierra Research, to Dr. James Reed, CEC, transmitting an SJVAPCD report referenced in the response to Data Request 26, dated July 25, 2005. (Docket No. 35064)

Exhibit 5Q Letter from Nancy Matthews, Sierra Research, to Trent Procter, US Forest Service, transmitting Class I Impacts Analysis, dated August 8, 2005.

Exhibit 5R	Preliminary Determination of Compliance issued by the SVJAPCD for PEFE, dated August 31, 2005. (Docket No. 35444)
Exhibit 5S	Letter from Paul Richins, CEC, to David Warner, SJVAPCD, providing the CEC Staff's comments on the PDOC, dated September 29, 2005. (Docket No. 35744)
Exhibit 5T	Letter from Gary Rubenstein, Sierra Research, to David Warner, SJVAPCD, providing comments on the PDOC, dated October 5, 2005. (Docket No. 35596)
Exhibit 5U	Letter from Gerardo Rios, US EPA, to Dave Warner, SJVAPCD, providing EPA's comments on the PDOC, dated October 5, 2005. (Docket No. 35607)
Exhibit 5V	Letter from Gary Rubenstein, Sierra Research, to Dave Warner, SJVAPCD, responding to EPA and CEC Staff comments on the PDOC, dated October 25, 2005. (Docket No. 35813)
Exhibit 5W	Letter from David Warner, SJVAPCD, to Mike Tollstrup, California Air Resources Board, providing notice of issuance of a final Determination of Compliance for PEFE, dated November 9, 2005.
Exhibit 5X	Final Determination of Compliance issued by the SJVAPCD for PEFE, dated November 9, 2005. (Docket No. 35894)
Exhibit 6	Biological Resources – Applicant's Testimony
Exhibit 6A	Applicant's Supplement in Response to Data Adequacy Comments on the Biological Resources section of the AFC, dated June 9, 2005
Exhibit 6B	Applicant's Response to CEC Staff Data Requests Set 1, dated July 25, 2005, Request Nos. 34 and 35
Exhibit 7	Cultural Resources – Applicant's Testimony
Exhibit 7A	Applicant's Supplement in Response to Data Adequacy Comments on the Cultural Resources section of the AFC, dated June 9, 2005
Exhibit 7B	Applicant's Response to CEC Staff Data Requests Set 1, dated July 25, 2005, Request No. 36
Exhibit 8	Hazardous Materials Handling – Applicant's Testimony

Exhibit 8A	Applicant's Response to CEC Staff Data Requests Set 1, dated July 25, 2005, Request Nos. 38 and 39
Exhibit 8B	Applicant's Response to CEC Staff Data Requests Set 2, dated August 12, 2005, Request No. 39
Exhibit 9	Land Use – Applicant's Testimony
Exhibit 10	Noise – Applicant's Testimony
Exhibit 11	Public Health – Applicant's Testimony
Exhibit 11A	Applicant's Response to CEC Staff Data Requests Set 1, dated July 25, 2005, Request No. 40
Exhibit 11B	Applicant's Response to CEC Staff Data Requests Set 2, dated August 12, 2005, Request No. 40
Exhibit 12	Socioeconomics – Applicant's Testimony
Exhibit 12A	Applicant's Supplement in Response to Data Adequacy Comments on the Socioeconomics section of the AFC, dated June 9, 2005
Exhibit 13	Soil and Water Resources – Applicant's Testimony
Exhibit 13A	Applicant's Supplement in Response to Data Adequacy Comments on the Soil and Water sections of the AFC, dated June 9, 2005
Exhibit 13B	Applicant's Response to CEC Staff Data Requests Set 1, dated July 25, 2005, Request Nos. 41-44
Exhibit 13C	Applicant's Response to CEC Staff Data Requests Set 2, dated August 12, 2005, Request Nos. 42 and 44
Exhibit 13D	Industrial Water Services Contract Between Wheeler Ridge-Maricopa Water Storage District and Pastoria Energy Facility, LLC, Recorded on February 19, 2002, Docketed on June 16, 2005.
Exhibit 14	Traffic and Transportation – Applicant's Testimony
Exhibit 15	Transmission Line Safety and Nuisance – Applicant's Testimony
Exhibit 16	Visual Resources – Applicant's Testimony
Exhibit 17	Waste Management – Applicant's Testimony

Exhibit 18	Worker Safety – Applicant's Testimony
Exhibit 19	Facility Design – Applicant's Testimony
Exhibit 20	Geology and Paleontology – Applicant's Testimony
Exhibit 21	Power Plant Efficiency – Applicant's Testimony
Exhibit 21A	Applicant's Response to CEC Staff Data Requests Set 1, dated July 25, 2005, Request No. 37
Exhibit 22	Power Plant Reliability – Applicant's Testimony
Exhibit 23	Reserved (Transmission System Engineering)
Exhibit 24	Alternatives – Applicant's Testimony
Exhibit 24A	Applicant's Supplement in Response to Data Adequacy Comments on the Alternatives section of the AFC, dated June 9, 2005
Exhibit 25	General Conditions – General Conditions

Attachment 4

PASTORIA ENERGY FACILITY EXPANSION PROJECT (05-AFC-1)
Applicant's Proposed Revisions to Conditions Haz-7 and Soil&Water-4

HAZ-7 The project owner shall prepare a site-specific Security Plan for the operational phase and shall be made available to the CPM for review and approval. The project owner shall implement site security measures addressing physical site security and hazardous materials storage. The level of security to be implemented shall in no case be less than that described as below (as per NERC 2002).

The Operation Security Plan shall include the following:

1. Permanent full perimeter fence or wall, at least 8 feet high;
2. Main entrance security gate, either hand operable or motorized;
3. Evacuation procedures;
4. Protocol for contacting law enforcement and the CPM in the event of suspicious activity or emergency;
5. Written standard procedures for employees, contractors and vendors when encountering suspicious objects or packages on-site or off-site;
6. A statement (refer to sample, attachment "A") signed by the project owner certifying that background investigations have been conducted on all project personnel. Background investigations shall be restricted to ascertain the accuracy of employee identity and employment history, and shall be conducted in accordance with state and federal law regarding security and privacy;
7. A statement(s) (refer to sample, attachment "B") signed by the contractor or authorized representative(s) for any permanent contractors or other technical contractors (as determined by the CPM after consultation with the project owner) that are present at any time on the site to repair, maintain, investigate, or conduct any other technical duties involving critical components (as determined by the CPM after consultation with the project owner) certifying that background investigations have been conducted on contractor personnel that visit the project site. Background investigations shall be restricted to ascertain the accuracy of employee identity and employment history, and shall be conducted in accordance with state and federal law regarding security and privacy; Site access controls for employees, contractors, vendors, and visitors;
8. A statement(s) (refer to sample, attachment "C") signed by the owners or authorized representative of hazardous materials transport vendors certifying that they have prepared and implemented security plans in conformity with 49 CFR 172.880, and that they have conducted employee background investigations in accordance with 49 CFR Part 1572, subparts A and B;
9. Closed Circuit TV (CCTV) monitoring system, recordable, and viewable in the power plant control room and security station (if separate from the control room) capable of viewing, at a minimum, the main entrance gate and the anhydrous ammonia storage tank; and
10. Additional measures to ensure adequate perimeter security consisting of either:
a. Security guards present 24 hours per day, 7 days per week.

or

b. Power plant personnel on-site 24 hours per day, 7 days per week and ~~**all** of the following:~~

~~(1) T~~the CCTV monitoring system required in number 9 above shall include cameras that are able to pan, tilt, and zoom (PTZ), have low-light capability, are recordable, and are able to view 100% of the perimeter fence, the anhydrous ammonia storage tank and transfer pad, the outside entrance to the control room, and the front gate from a monitor in the power plant control room.~~; **and**~~

~~(2) Perimeter breach detectors **or** on-site motion detectors.~~

~~The Project Owner shall fully implement the security plans and obtain CPM approval of any substantive modifications to the security plans. The CPM may authorize modifications to these measures, or may require additional measures, such as protective barriers for critical power pant components (e.g., transformers, gas lines, compressors, etc.) depending on circumstances unique to the facility or in response to industry-related standards, security concerns, or additional guidance provided by the U.S. Dept. of Homeland Security, the U.S. Dept. of Energy, or the North American Electrical Reliability Council.~~

Verification: At least 30 days prior to commissioning the project owner shall notify the CPM that a site-specific Operations Site Security Plan is available for review and approval. In the Annual Compliance Report, the project owner shall include a statement that all current project employee and appropriate contractor background investigations have been performed, and updated certification statements are appended to the Operations Security Plan. In the Annual Compliance Report, the project owner shall include a statement that the Operations Security Plan includes all current hazardous materials transport vendor certifications for security plans and employee background investigations.

SOIL&WATER-4: Water used for project operation shall be State Water Project (SWP) water obtained from the Wheeler Ridge-Maricopa Water Storage District's (WRMWSD) excess water sold through the district's pool or shall be banked water obtained from the Kern Water Bank (KWB) that is directly delivered or exchanged for SWP surface water.

Verification:

The project owner, in the annual compliance report, shall provide a water-accounting summary for combined operation of PEF and PEFE that states the source and quantity of water used on a monthly basis in units of gallons per minute and on an annual basis in units of acre-feet. The annual compliance report shall also indicate whether the water was obtained through the WRMWSD's district pool, direct pumping of KWB banked water for delivery to PEF and PEFE, or the result of surface water exchanges.

STATE OF CALIFORNIA

Energy Resources Conservation
and Development Commission

In the Matter of:	)	
	)	Docket No. 05-AFC-1
Application for Certification for the Pastoria Energy Facility (PEF) 160 MW Expansion by Calpine Corporation	)	

PROOF OF SERVICE

I, Karen A. Mitchell, declare that on January 10, 2006, I deposited copies of the attached *Applicant's Prehearing Conference Statement* in the United States mail in Sacramento, California, with first-class postage thereon fully prepaid and addressed to all parties on the attached service list.

I declare under the penalty of perjury that the foregoing is true and correct.

Karen A. Mitchell

Karen A. Mitchell

SERVICE LIST
05-AFC-1

Andrew Whittome, Project Mgr.
Pastoria Expansion
Calpine Corporation
4160 Dublin Blvd.
Dublin, CA 94568

Rick Thomas, Director
Project Development
Calpine Corporation
4160 Dublin Blvd.
Dublin, CA 94568

Rick Tetzloff
Project Engineer
Calpine Corporation
700 NE Multnomah, Suite 870
Portland, OR 97232

Jennifer Scholl
URS Corporation
130 Robin Hill Road, Suite 100
Goleta, CA 93117

Nancy Matthews
Sierra Research
1801 J Street
Sacramento, CA 95814

Thomas Goff, Permit Services Agency
San Joaquin Valley Unified APCD
2700 M Street
Bakersfield, CA 93301

Donna Jordan
CA Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630

Robert J. Kunde
Bill Taube
Wheeler Ridge- Maricopa
Water Storage District
12109 Highway 166
Bakersfield, CA 93313-9630