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October 11, 2007

Mary Dyas
Project Manager
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, CA 95814-5512

Subject: CEC Staff Data Request 37 and Additional Workshop Query
Chevron Power Plant Replacement Project (07-SPPE-1)

Dear Ms. Dyas:

In Data Request Response Set 1-A, Chevron provided written responses to Staff's request for information regarding anhydrous ammonia associated with the Power Plant Replacement Project (PPRP). As noted in that response, there is no dedicated anhydrous ammonia storage tank associated with PPRP, and there will be no change in the production or storage of anhydrous ammonia as a result of the PPRP. These responses were amplified orally at the Data Workshop on September 26, 2007.

At the Data Workshop, Staff asked for additional information regarding the existing storage facilities. The request for additional information disregards the fact that no changes will be made to the existing storage facilities due to the relatively small increment of 250 lbs of anhydrous ammonia associated with the PPRP under review. At the Data Workshop, Chevron agreed to consider Staff's request.

Upon further consideration and after review of several other CEC siting dockets, Chevron objects to the provision of further information in response to this data request as irrelevant and unduly burdensome. In support of these objections, Chevron notes the following CEC siting dockets where Staff evaluation of ammonia, anhydrous and aqueous, associated with the proposed projects under review excluded existing facilities.

PROOF OF SERVICE (REVISED 10/11/07) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 10/11/07

Evaluation of Projects Using Existing Ammonia Tanks

CEC Decision Number	Project	Comments
CEC-800-2005-004-CMF	Los Esteros Critical Energy Facility - 2	LECEF-2 added an additional 10,000 gallon ammonia storage tank into the existing secondary containment. The Offsite Consequence Analysis evaluated the failure of only one tank. There was no review of the existing tank except to acknowledge that it was in place already.
P-800-01-024	Woodland II Combined Cycle	WOOD-2 was permitted to use the existing ammonia storage tank. There was no review of the tank, but there was discussion of the increase in ammonia deliveries. Also, evaluation of the new piping was performed.
P-800-00-008	Moss Landing Power Plant Project	No ammonia Risk Management Plan was needed for the existing ammonia storage and its impacts are not assessed in the decision. There is a detailed discussion regarding the secondary containment, but no discussion regarding the ammonia storage tank or offsite ammonia impacts.
CEC-800-2006-010-CMF	El Centro Unit 3 Repower Project	Facility uses anhydrous ammonia. For the repower project, the facility proposed use of the existing ammonia storage tank. There is discussion regarding the additional truck deliveries, but there is specific text that the application only examined "the newly added risks associated with the repower". The OCA only evaluates truck unloading or a break in the feed line to the SCR unit. Truck deliveries were only analyzed for the additional deliveries associated with repowering.
CEC-800-2005-001-CMF	El Segundo Power Plant Project	Ammonia is delivered to the site via a 1/2 mile pipeline from the adjacent Chevron refinery, and then stored onsite in an underground ammonia storage tank. The ammonia storage tank is briefly discussed in terms of potential surface leakage (no specific details of tank are given). No OCA performed for the tank. Instead, OCA was prepared for either a rupture of the piping or if the tank is filled from a tanker truck (in the event that the pipeline was unavailable from Chevron).

Facilities for ammonia storage were reviewed by CEC Staff in the following Applications for Certification: Contra Costa Power Plant Unit 8 Project (CC8), Palomar Power Project (Palomar), Humboldt Bay Repowering Project (HBRP). These instances of review are, however, distinguishable from Chevron's PPRP. First, the quantities of ammonia directly associated with them were significantly larger than 250 lbs., and, second, unlike the PPRP, these projects were adding new ammonia storage facilities dedicated specifically to the new projects.

For CC8, the amount of aqueous ammonia directly associated with the generation being added was 60,000 gallons; also, there were three project-specific, new storage installations being added. (See Staff Report, dated March 2, 2001, at 161, http://www.energy.ca.gov/sitingcases/contracosta/documents/2001-03-05_CONTRACOSTA_FSA.PDF) As the Staff report notes, "*Three 20,000 gallon tanks will be used to store the* ***proposed 148,000 lbs****. of 29.4 percent aqueous ammonia (20,000 gallons in each tank*)." (Id., at 162) The Chevron PPRP-related anhydrous ammonia is a mere 250 lbs, as compared to 148,000 lbs for CC8 – that is, 0.17% of the amount of ammonia reviewed in CC8.

For Palomar, as may be recalled by Staff, a new 20,000 gallon tank aqueous ammonia storage facility was added specifically for the Palomar project. As noted, "*Aqueous ammonia (19.5 percent ammonia in aqueous solution) is the only acutely hazardous material proposed to be stored at the Palomar Energy project in quantities exceeding the reportable amounts defined in the California Health and Safety Code, section 25532 (j) (Palomar 2001a, Table 2.4-5*)." (See Staff Final Assessment, dated January 2003, at 4.4-1, http://www.energy.ca.gov/sitingcases/palomar/documents/2003-01-24_PALOMAR_FSA.PDF) As with CC8, the examination of the Palomar storage facilities is distinguishable from this PPRP. Palomar added a new 20,000 gallon tank, for the proposed new usage of a significantly large quantity of aqueous ammonia. Here, no new tanks are being added, and only an increment of 250 lbs of anhydrous ammonia is associated with the PPRP.

For HBRP, there were two dedicated storage tanks with a combined capacity of 54,000 gallons dedicated to that project's proposed use of aqueous ammonia (19% by weight). "*The HBRP facility will store the 19 percent aqueous ammonia solution in two stationary aboveground storage tanks. The capacity of the combined tanks will be approximately 54,000 gallons.*" (Application for Certification HBRP, at 8.5-8, http://www.energy.ca.gov/sitingcases/humboldt/documents/applicant/afc/Volume_01/Section%208.5%20Hazardous%20Materials%20Handling.pdf) In this SPPE exemption application, unlike HBRB, there are no new or dedicated storage tanks, and the amount of anhydrous ammonia (250 lbs.) is much smaller than the amount

of aqueous ammonia (54,000 gallons) under review in HBRP. Moreover, as noted in Data Response Set 1-a, the incremental 250 lbs of anhydrous ammonia is covered in the refinery's existing Risk Management Plan, which includes an off-site consequences analysis. HBRP, however, had to prepare an RMP: "*In addition, the facility will be required to prepare a Risk Management Plan (RMP) in accordance with the CalARP regulations, further specifying safe handling procedures for the ammonia as well as emergency response procedures in the event of an accidental release.*" (*Id.*)

Chevron objects to Staff's additional request for information regarding ammonia storage facilities on the grounds of relevance. Given the small increment of anhydrous ammonia associated with the PPRP under CEC review and that the existing facilities will not be changed, the information requested is not relevant. Prior CEC evaluations of ammonia storage in other siting dockets, as noted above, support the position that the response provided in Data Response Set 1-a is sufficient and additional information is not necessary or relevant.

Sincerely,

Evelyn Kahl
Nora Sheriff
Alcantar & Kahl, LLP
Project Counsel

Cc: L. De Carlo
Service List

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

CHEVRON RICHMOND POWER PLANT REPLACEMENT PROJECT **SMALL POWER PLANT EXEMPTION**	***Docket No. 07-SPPE-1*** **PROOF OF SERVICE (Revised 10/11/07)**

INSTRUCTIONS: All parties shall either (1) send an original signed document plus 12 copies or (2) mail one original signed copy AND e-mail the document to the address for the Docket as shown below, AND (3) all parties shall also send a printed or electronic copy of the document, which includes a proof of service declaration to each of the individuals on the proof of service list shown below:

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DECLARATION OF SERVICE

I, Maria Sergoyan, declare that on October 11, 2007, I deposited copies of the attached CEC Staff Data Request 37 and Additional Workshop Query for Chevron Power Plant Replacement Project (07-SPPE-1), 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.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

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

Maria Sergoyan