

Memorandum

Date: December 15, 2000

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To : Robert Laurie, Presiding Member
Art Rosenfeld, Associate Member

: **California Energy Commission - Kevin Kennedy**
1516 Ninth Street Energy Commission Project Manager
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Subject : **UNITED GOLDEN GATE STATUS REPORT #2 – December 15, 2000**

Since the Status Report #1 was filed on December 1, 2000, staff has continued to work on the Staff Assessment. El Paso Merchant Energy (El Paso) filed the first portion of their responses to staff's data requests on December 6, 2000. This filing responded to all data requests relating to geology & paleontology, land use, project description, soil & water resources, transmission system engineering, and visual resources, and all but one of the requests relating to noise. El Paso plans to file the remaining responses today. These responses cover all requests relating to air quality, biological resources, and cultural resources, and the remaining noise request.

Potentially Significant Issues: At the Informational Hearing on November 16 and in the first status report, potentially significant issues were identified in these technical areas: air quality, environmental justice, and land use. These areas are discussed below. No new potentially significant issues have arisen in other technical areas.

Air quality issues are still being assessed. Staff has reviewed the information El Paso received from BAAQMD for the cumulative air impacts analysis. Based on review of this information, staff has determined that no cumulative air impacts analysis is required for this project. Staff also discussed its requests for a revised construction impacts analysis with El Paso. Staff determined that the existing construction impacts modeling protocol could be followed as long as the changes and corrections in data and assumptions requested in the data requests were made. Staff is proceeding with the portions of its air quality analysis that do not depend on data responses or the Preliminary Determination of Compliance (PDOC). BAAQMD staff members have indicated that the PDOC should be complete by Friday, December 22, 2000, and they will attempt provide a draft version of the PDOC to staff earlier that week.

Staff is proceeding with its independent analysis of possible *environmental justice* issues. Based on the preliminary demographic analysis completed to date and the preliminary analysis in other technical areas, staff does not anticipate significant environmental justice concerns associated with this project.

Land use information received in the data responses and found in staff's research is being used to complete staff's analysis in this area. San Francisco Airport Commission staff has informed staff that the airport's approval of the sub-lease could take eight to ten weeks. Staff is concerned that lack of site control due to lack of final approval of the sub-lease could delay a timely start of construction and delay the start of operation of the facility by August 1, 2001.

In response to data request #35, El Paso submitted a map showing the project site relative to BCDC's jurisdictional boundary. While this map shows that the project is outside the area of BCDC's jurisdiction, the provenance of the map was not clear from the submitted information. El Paso and BCDC are investigating this matter further. El Paso has stated that it will keep the project outside of BCDC's jurisdiction, even if that requires moving some project components.

BCDC's "non-siting study" designates airport priority use areas as unsuitable for powerplant facilities that are "likely to significantly pre-empt or interfere with the use of the land for its primary purpose."¹ For this reason, BCDC requested and received information from the applicant concerning the relationship of the project to the airport. Staff has also written to BCDC explaining staff's current understanding of this relationship, and noted staff's intention to cooperate with BCDC in reviewing this project. The project site and all of San Francisco International Airport is considered by BCDC to be an airport priority area. However, BCDC does not have any jurisdiction over the portions of the airport priority area that are outside its 100-foot jurisdictional band.

The applicant has stated that SFIA counsel has determined that the Subdivision Map Act's requirements for a parcel map do not apply to this project. Staff is contacting the staff of the San Francisco City Attorney's Office, which serves as counsel for the San Francisco Airport Commission, to confirm this determination.

Community and Agency Interest: The public agencies who have thus far expressed an active interest in Phase I of the UGGPP by attending the Informational Hearing and data request workshop are: the City and County of San Francisco, the San Francisco Airport Commission, the Bay Area Air Quality Management District, and the San Francisco Bay Conservation and Development Commission. To date, this project has not aroused significant public interest.

Schedule: Staff is proceeding on the basis of the proposed schedule for the project that was submitted with Status Report #1, and plans to file the Staff Assessment by January 11, 2001. As discussed below, PG&E's interconnection study may not be complete until late January, in which case supplemental transmission system engineering testimony and comments from the California Independent System Operator (Cal ISO) will need to be filed after the interconnection study is completed. Draft versions of many sections of the Staff Assessment have been completed and are already in the review process.

Staff's ability to meet the current schedule depends on receiving the remaining data responses today. BAAQMD plans to file the PDOC on December 22, 2000. This deadline will allow staff sufficient time to complete the Staff Assessment as indicated in the revised schedule.

¹ San Francisco Bay Conservation and Development Commission, "Designation of Areas Within the Jurisdiction of the San Francisco Bay Conservation and Development Commission That Are Unsuitable for Power Plants," December 1988, page 55.

Staff has learned that PG&E has scheduled its interconnection study for completion on January 26, 2001. Staff requires both the study and Cal ISO's comments on it to complete its *Transmission System Engineering* testimony. Staff is contacting PG&E to determine whether this study can be completed sooner than currently planned. Staff plans to file the Staff Assessment on January 11, but is likely to need to file supplemental testimony in this area. If the study cannot be completed earlier, staff's final testimony may not be complete in time for the hearings, tentatively scheduled January 26 and 30. The timing of the interconnection study could interfere with the tentative February 5 release of the Presiding Member's Proposed Decision.

As discussed above, staff is also concerned that lack of timely completion and approval of the sub-lease for the project site could delay the start of construction and might delay start of operation beyond August 1, 2001. Staff does not currently have any information indicating when the sub-lease agreement between El Paso and United Airlines will be finalized and submitted to the San Francisco Airport Commission for necessary approvals.

Staff understands that El Paso plans to begin construction as soon as possible following certification. The Staff Assessment is likely to include numerous conditions of certification requiring El Paso to complete various tasks requiring approval of the Compliance Project Manager before construction will be able to begin. In typical siting cases, the conditions of certification require the applicant to submit information as long as 90 days prior to the start of construction. Staff recognizes the importance of a smooth and timely start of construction as soon as possible if the project is certified. For this reason, staff recommends that El Paso start taking steps to be prepared to respond quickly to any conditions of certification proposed by the staff in the Staff Assessment.

cc: 00-AFC-05 Proof of Service
Kenneth Lim, BAAQMD
Leslie Lacko, BCDC