

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

APPLICATION FOR CERTIFICATION
OF THE
HANFORD ENERGY PARK PEAKER PROJECT
BY GWF POWER SYSTEMS

DOCKET NO. 01-EP-7
APPLICATION COMPLETED
APRIL 12, 2001
AMENDED APRIL 26, 2001

FINAL DECISION

The Hanford Energy Park Peaker Project proposed by GWF Power Systems has been the subject of a Committee hearing and subsequent analysis by the Energy Commission staff. The proposal meets Energy Commission criteria developed to implement the Governor's Executive Orders expediting the permit process for peaking and renewable energy generating plants. This Proposed Decision has been completed in an expedited timeframe as called out in the Executive Orders and is submitted for approval by the full Commission. As the Presiding Commissioner assigned to review this proposal, I hereby recommend certification of the project under the limitations presented as conditions contained in this Proposed Decision and the Staff Assessment incorporated herein by reference.

Executive Orders

On January 17, 2001, the Governor proclaimed a State of Emergency due to constraints on electricity supplies in California. As a result, the Governor issued Executive Orders D-22-01, D-24-01, D-25-01, D-26-01, and D-28-01 to expedite the permitting of peaking and renewable power plants that can be on line by September 30, 2001, and provide power to California. Emergency projects are exempt from the California Environmental Quality Act pursuant to Public Resources Code section 21080(b)(4). Since the Governor has declared a state of emergency, the Energy Commission may authorize the construction and use of generating facilities under terms and conditions designed to protect the public interest. (Public Resources Code section 25705.)

Project Description and Procedural History

Applicant GWF Power Systems¹ ("Applicant" or "GWF") proposes to construct a 95 megawatt (MW) natural-gas fired simple-cycle peaking facility consisting of two General Electric LM6000 PC Sprint turbine generators and associated facilities at their existing cogeneration plant in Kings Industrial Park on the southern border of Hanford, California.

On April 9, 2001, GWF filed an emergency permitting application for the Hanford Energy Park Peaker Project ("HEPP" or "the project" or "the peaker project"). The application proposed to construct the peaker project on 5 acres of the 10-acre parcel owned by GWF in Kings Industrial Park. GWF proposed to locate the peaker plant immediately west of the planned Hanford Energy Park Project (HEP) which was granted a Small Power Plant Exemption² by the Commission on April 11, 2001. The original application identified that the peaker project would utilize the natural gas and electrical interconnections approved by the Energy Commission for the HEP project. The original application was deemed complete on April 12, 2001.

In the course of licensing the HEP project GWF was informed by PG&E that its existing transmission facilities do not have sufficient capacity to permit operation of both the HEP and the peaker project. GWF was faced with choosing between the HEP, due on-line in the third quarter of 2002, and the HEPP that could be on-line in the summer of 2001. To promptly provide needed power supplies GWF elected to proceed with the peaker plant. On April 26, 2001, GWF filed an amendment making minor changes to its April 6, 2001, HEPP application.

¹ GWF Power Systems, Inc., is wholly owned by National Energy Partners, a partnership owned equally by Harbert Cogen, Inc., and PSEG Global USA. Since 1989 GWF has constructed, owned, and operated six California small power plant/cogeneration facilities with a combined generating capacity of 125 megawatts (MW). Five of the plants are in Contra Costa County; the sixth is in Kings Industrial Park,

Hanford, California.

² Docket 00-SPPE-01.

In the April 26, 2001, amendment GWF identified that the HEPP would be located at the site layout originally designated for the HEP and that the natural gas and electric interconnections approved for the HEP would be part of the peaker plant. As part of their amendment GWF agreed to incorporate in the HEPP all applicable mitigation measures adopted by the Commission in its Decision on the HEP project. The appropriate Conditions of Certification implementing such mitigation measures are included in the Staff Assessment filed May 10, 2001.

As amended, the project proposes to construct a 95 megawatt (MW) natural-gas fired simple-cycle peaking facility consisting of two General Electric LM6000 PC Sprint turbine generators and associated facilities at GWF's Kings Industrial Park property. Associated facilities to be constructed as part of HEPP include approximately 1.2 miles of double-circuit, 115-kilovolt (kV) transmission line to transmit electricity generated to the transmission grid via an existing PG&E transmission line, and approximately 2.8 miles of 16-inch natural gas pipeline.

On April 26, 2001, the hearing officer requested that GWF's amendment be reviewed to determine if the changes were sufficiently material that another 21-day review process would be required. On April 27, 2001, Commission Staff Counsel Jeff Ogata issued an opinion³ that relocation of the peaker plant to a site previously approved by the Commission under the SPPE process is not a material change that would require a full 21-day review. Mr. Ogata noted that in its amendment GWF agreed to abide by the conditions placed on the HEP.

An amended Notice of Hearing was published identifying that the Energy Commission's consideration of the Proposed Decision would occur at its meeting on May 10, 2001.

The HEPP is expected to begin commercial operation by September 1, 2001, and to typically operate 16 hours per day, six days per week, from May through October when the demand for electricity is high. The project may operate 24 hours per day, seven

³ Exhibit 6: April 27, 2001, opinion by Mr. Ogata, docketed May 1, 2001.

days per week, depending on the dispatch requirements of the California Independent System Operator. During 2001 the HEPP is expected to operate for 2,000 hours. From 2002-2011 the project is expected to operate a maximum of 8,000 hours per year. The project will sell a portion of its generation under contract to the California Department of Water Resources ("DWR"). GWF has a Memorandum of Understanding with DWR and is negotiating the subject contract. GWF advises that it expects the contract to be completed by May 11, 2001⁴. GWF expects to cease operation of the HEPP in 2011.

In order to qualify for the Energy Commission's expedited review, the project must begin commercial operation by September 30, 2001. Project construction will take approximately three months to complete and will begin approximately May 15, 2001, upon Commission approval of the application and receipt of an Authority to Construct permit from the San Joaquin Valley Unified Air Pollution Control District ("Air District").

Public Hearing

On April 20, 2001, Arthur Rosenfeld, the Commissioner designated to conduct proceedings on this proposal, held a public site visit and informational hearing in Hanford to discuss the project with governmental agencies, community organizations, and members of the public. At the hearing, the Applicant described the project and Energy Commission staff explained the Energy Commission's expedited review process. Local residents and other members of the public made comments and had the opportunity to ask questions about the project.

Acting City Manager Jan Reynolds, and John Stowe and Jim Kochar of the Community Development Department represented the City of Hanford at the hearing. Annee Ferranti, an Environmental Specialist with the California Environmental Protection Agency, attended. Representatives of the local press were present. Members of the community had comments and questions regarding the project. See **Public Comment** section.

⁴ Exhibit 9: GWF's May 7, 2001, email response to hearing officer's email questions of the same date, docketed May 7, 2001.

Issues of Concern

The Energy Commission Staff Assessment was received into the record on May 5, 2001. The concerns of the City of Hanford identified in the April 23, 2001, letter⁵ of Associate Planner John Stowe, Community Development Department, were addressed in the Staff Assessment. The following issues were identified at the hearing and during the review and consideration period that followed.

Natural Gas Supply

Both LM6000 PC Sprint turbine generators will be designed to burn natural gas. Maximum natural gas requirements are approximately 450 million British thermal units per hour (MMBtu/hr) higher heating value (HHV) for each unit. Natural gas for the HEPP will be delivered by a new 2.8-mile 16-inch gas pipeline that will be constructed as part of the project and operated by Southern California Gas Company (SoCal Gas). The new pipeline will be interconnected to the SoCal Gas line 503 at Eleventh Avenue and Hanford-Armona Road. The natural gas fuel requirements and pipeline interconnections have been reviewed by SoCal Gas. See Staff Assessment p. 2 and Amended Application sections ES.3.5 and Project Description 1.13 and 1.14.

SoCal Gas has assured GWF that adequate gas transmission capacity exists on their system to supply the fuel for proposed HEPP. GWF advises that because its existing cogeneration plant is a solid-fuel fired facility which uses petroleum coke there will be no conflicts over fuel supply capacity between the proposed HEPP and the cogeneration plant. See Exhibit 9: GWF's May 7, 2001, email response to hearing officer's email questions of the same date.

Air Quality

During the first few months of operation the HEPP will operate with an emission rate of 25 ppm NOx. By February 1, 2002, GWF will retrofit the HEPP with Selective Catalytic

⁵ Exhibit 7: April 23, 2001, letter by Mr. Stowe.

Reduction (SCR) and oxidation catalyst to reduce NO_x emissions to 3.7 ppm. The SCR unit will utilize aqueous ammonia from the existing ammonia storage facility associated with the cogeneration plant. The HEPP will trigger offset requirements for NO_x, VOC, SO₂ and PM₁₀ emissions. In addition to the emission offsets required by regulation, GWF will voluntarily provide emission reduction credits (ERCs) to offset expected CO emissions. GWF has purchased credits necessary to satisfy the applicable emission offset requirements. See Staff Assessment pp. 2 and 10, Amended Application section ES.6.1, and Exhibit 5: GWF's April 23, 2001, response to hearing officer's questions.

The analysis of the air quality impacts of emergency permit applications is performed by the California Air Resources Board and the local air pollution control district. Staff has proposed Conditions of Certification which require GWF to limit fugitive dust emissions during construction (Condition AQ-1), to comply with the Authority to Construct (ATC) issued by the San Joaquin Valley Unified Air Pollution Control District (Condition AQ-2), and to operate in compliance with all Best Available Control Technology (BACT) standards imposed by the Air District (Condition AQ-3). See Staff Assessment pp. 6 and 39-40.

Biological Resources

The HEPP will be located on previously disturbed vacant land in an industrial park surrounded by heavy industry and intensively-managed agriculture. The transmission line and natural gas line will parallel existing paved roads and traverse residential, industrial, and agricultural areas.

Three sensitive plant and fourteen sensitive wildlife species occur within the vicinity of the project (California Natural Diversity Database (CNDD) query April 2001, GWF's HEP application). During surveys conducted June 1999 and February 2000⁶, none of

⁶ The surveys were conducted primarily for federal and state listed plant and animal species in accordance with the U.S. Fish and Wildlife Service and California Department of Fish and Game approved methodologies. The surveys included GWF's ten-acre site surrounded by a 500-foot primary buffer area and a one-mile secondary buffer area. At the Energy Commission's suggestion, transmission lines were surveyed as 100-foot corridors centered on the transmission line with a primary buffer zone

these sensitive species were found on-site. See Staff Assessment pp. 6-8, and Amended Application sections ES.6.2 and Biological Resources 8.0, 8.1, 8.2 and 8.4 for this and the following two paragraphs.

The HEPP is located within the range of several listed species many of which (e.g., the San Joaquin kit fox, Tipton kangaroo rat, and Fresno kangaroo rat) use fallow fields in areas such as Kings County where little natural habitat remains. The San Joaquin kit fox and the burrowing owl may move into such marginal areas. The area represents potential habitat for the listed species and the HEPP would result in both permanent and temporary loss of habitat. Two potential raptor nests were located within 500 feet of the transmission line, and CNDD reports two occurrences of Swainson's Hawks in the surrounding area in July of 2000. The facilities associated with the HEPP provide several potential nesting sites and fields which would support rodent prey.

GWF's Amended Application notes that biological surveys will need to be undertaken before the start of transmission line construction. If San Joaquin kit foxes, burrowing owls, or nesting raptors are found in or near the corridors additional mitigation measures may be necessary to comply with relevant laws and regulations. The Staff Assessment addresses the concern for biological resources through pre-construction surveys along the electrical transmission route, with further required mitigation if sensitive species are found in the area, as provided in Conditions of Certification BIO-1, BIO-2, BIO-3, BIO-5, and BIO-7 through BIO-12.

Pursuant to the Commission's HEP conditions, which are incorporated by GWF in its Amended Application, mitigation of lost habitat will be achieved by providing compensatory habitat at final compensation ratios to be determined through consultation with the U.S. Fish and Wildlife Service. GWF will provide funds to the Kern Water Mitigation Bank for purchase of habitat credits under its existing master endangered species permit. Mitigation credits are estimated at about \$2,375 per acre,

500-feet on either side of the corridor and a secondary buffer zone an additional 500-feet on either side of that corridor. See Staff Assessment pp. 6-8 and 40-44, and Amended Application sections ES.6.2 and

including endowment costs, plus a \$5,000 transaction fee. The U.S. Fish and Wildlife Service is currently reviewing this proposal, and Condition BIO-12 of the Staff Assessment requires that such mitigation be obtained. See Staff Assessment p. 7 and Amended Application sections ES.6.2 and Biological Resources 8.4.

The Staff Assessment includes Standard Conditions of Certification BIO-1 through BIO-6. In addition, Conditions BIO-7 and BIO-8 address any species that have relocated into the area since the February 2000 survey. GWF incorporated in its Amended Application all applicable mitigation measures adopted by the Commission for the HEP, which are included as Conditions of Certification BIO-9 through BIO-12. The Conditions of Certification proposed in the Staff Assessment provide appropriate mitigation measures for the affected biological resources. See Staff Assessment pp. 40-44.

Water Supply and Consumption; Wastewater

Currently GWF's cogeneration plant obtains groundwater from a well on its ten-acre site. The well will also provide water to the HEPP for evaporative cooling and for water injection in the LM6000 PC Sprint turbine generators (CTGs) to control NO_x emissions and for power augmentation. During normal operations HEPP will consume 140 gallons per minute (gpm) of water, or about 103 acre-feet annually. Backup service water is available from the existing City of Hanford connection to GWF's cogeneration plant, and fire protection water will be provided by the City of Hanford through an existing connection. The Conditions of Certification proposed in the Staff Assessment provide appropriate mitigation measures for water and wastewater concerns. See Staff Assessment pp. 8 and 49-52, and Amended Application sections ES.3.6 and ES.3.8 and Soils and Water Resources 12.1 for this and the following two paragraphs.

GWF obtained a water banking agreement with the Kings County Water District to purchase surface water for aquifer recharge at a rate of 1:1 acre-foot ratio of groundwater used by its facilities to water banking credit. As part of its HEP application

Biological Resources 8.0 and 8.1.

GWF established a water purchase agreement with the Angiola Water District at a ratio of 1.76:1 for drought protection. The Staff Assessment includes Condition of Certification HYDROLOGY & WATER-4 to ensure that all water banking and water purchase agreements are in place and that adequate aquifer recharge is accomplished. The related Condition of Certification HYDROLOGY & WATER-5 addresses required groundwater pumping records.

HEPP plant and equipment drains will be collected, passed through an oil and water separator, and routed to the cooling tower basin at the cogeneration plant. The existing wastewater discharge and sewer connection to the City of Hanford sewage treatment plant has sufficient capacity to accommodate the discharge from the HEPP. Maximum wastewater discharges from the HEPP are estimated at 20 gpm during normal operations. GWF's Industrial Wastewater Discharge Permit with the City of Hanford will be modified to include any additional wastewater discharge exceeding the current limits. The Staff Assessment includes Conditions of Certification HYDROLOGY & WATER-3 which requires submission of a valid water service agreement prior to site mobilization, and HYDROLOGY & WATER-6 which requires submission of a final Industrial Discharge Permit.

Soil

Both construction and operation phases of the proposed project present the potential for erosion and sedimentation through ground disturbance and runoff. GWF proposed detailed erosion prevention and sediment control measures including grading, compacting, and seeding/mulching exposed soils. The City of Hanford requested dust control measures, including watering and the application of petroleum-based palliatives. The Environmental Protection Agency (EPA) considers petroleum-based palliatives to be a potential stormwater and soil contaminant. Condition of Certification SOIL & WATER-7 will ensure compliance with the City's request while meeting EPA recommended best management practices for stormwater pollution protection. Standard Conditions of Certification SOIL & WATER-1 through 4 ensure that necessary erosion and stormwater plans are finalized. In addition, Conditions of Certification SOIL

& WATER-5 and 6 require that sediment control measures not impact the area biologically. The conditions proposed in the Staff Assessment provide appropriate mitigation measures for the soil and water issues. See Staff Assessment pp. 9 and 49-50 and Amended Application sections ES.6.0 and Soils and Water Resources section 12.3.

Land Use

GWF's 10-acre Hanford Energy Park currently contains the existing cogeneration facility but is otherwise unimproved. The HEPP would be located east of the existing plant, with the northern portion of the site used for equipment storage and parking during construction. The project site is within the 1,000-acre Kings Industrial Park at the southern edge of Hanford, and is designated Heavy Industrial (HI) by the General Plan Land Use Element. That designation and the Zoning Code allow for utility operations, such as the HEPP. The partly developed properties north of the site are within the City and Kings Industrial Park. Properties to the west and east of the project site are within Kings County and are designated for agricultural uses by the General Plan; properties to the south of the HEPP are zoned for Heavy Industrial uses by the County. The HEPP would be consistent with the surrounding existing land uses, as the area is devoted to industrial and agricultural purposes. See Staff Assessment p. 13 and Amended Application sections ES.6.4, Site Description 2.0 through 2.9, and Land Use 9.1 and 9.2.

The City of Hanford recommended that several requirements pertaining to land use be incorporated in the Commission Decision. The City proposes that the project comply with its ordinances, Public Works standards and permits, Kings County Industrial Park Performance Standards, and any other applicable regulation; that all approved proposals be conditions of development; that no expansions or modifications shall be permitted without proper application and approval procedures; that GWF pay all applicable fees; that HEPP conform to the most recent versions of the Uniform Building Code and Uniform Fire Code; that preliminary and final soil reports be submitted; and

that the site be made accessible and usable by the handicapped according to state regulations. The Standard Land Use Conditions of Certification in the Staff Assessment adequately address the City's concerns. See Staff Assessment pp. 13-15 and Exhibit 7, the City of Hanford's April 23, 2001 letter.

The City of Hanford also recommended that terms requiring local gas, electric and telephone companies be contacted regarding the exact location of their services, and that GWF be responsible for any alterations or relocation of utilities, be incorporated into the Commission Decision. Condition of Certification LAND-3 was added to resolve the City's concern regarding contacting local gas, electric and telephone companies. See Staff Assessment pp. 13-15 and Exhibit 7, the City of Hanford's April 23, 2001 letter.

The City of Hanford also recommended that the Commission Decision require that GWF submit an occupancy application and various specified plans and provide an independent inspector to perform all federal, state and local building inspections, and that noncompliance with the municipal code shall constitute cause for revocation and/or termination of approvals. The Staff Assessment notes that the Energy Commission has authority for permitting and monitoring construction and operation of power plants and related facilities. Proper implementation and monitoring of all conditions of approval is the responsibility of the assigned Energy Commission compliance project manager, who makes every effort to coordinate with local jurisdictions regarding construction and operation of power plants. Standard Conditions of Certification LAND-1 and LAND-2 ensure that the HEPP will be in compliance with all applicable laws, ordinances, regulations, and standards (LORS). See Staff Assessment pp. 13-15 and Exhibit 7, the City of Hanford's April 23, 2001 letter.

The City of Hanford also recommended that the Commission Decision provide that GWF hold the City and all of its departments, officers, agent and employees free and harmless of and from all claims of any kind or nature arising out of or by reason of the approval of the project; that GWF be encouraged to fill job openings from local sources; and that unless an extension is granted the application shall lapse and become void one

year following the approval date unless a building permit is extended and construction has commenced. The Staff Assessment notes that the listed factors are not applicable to the emergency permitting process. The Standard Land Use Conditions of Certification in the Staff Assessment respond to the City's concerns. See Staff Assessment pp. 13-15 and Exhibit 7, the City of Hanford's April 23, 2001 letter.

Hazardous Materials

Plans and programs for hazard assessment, emergency response, and process management systems are in place for GWF's existing cogeneration plant. GWF plans to expand current programs to include the HEPP, which will use aqueous ammonia and natural gas. Aqueous ammonia will be used for control of NOx emissions and will be held in the existing ammonia storage tank in the cogeneration plant. The use of aqueous ammonia reduces to insignificant levels any potential for adverse impacts at the nearest residences, which are more than 0.5 miles from the HEPP. Conditions of Certification HAZ-1 and HAZ-2 ensure that GWF will not use any hazardous material in reportable quantities except those identified in the application as amended. See Staff Assessment pp. 10 and 45, Application Hazardous Materials sections 7.1 and 7.2, and Amended Application section ES.6.12.

Natural gas will not be stored at the HEPP but will be handled in significant quantities in compliance with all applicable engineering design codes and fire protection codes. The Staff Assessment concludes that compliance with such standards will reduce to insignificant levels the potential for adverse impacts on the public as a result of natural gas handling at the proposed facility. See Staff Assessment p. 10.

Noise

GWF conducted an ambient noise survey, evaluation, and modeling to assess the expected construction and operation noise levels. The project will provide acoustical enclosure for the combustion turbine inlet air silencers and exhaust silencers. The HEPP will generate less noise than the HEP project approved by the Commission on

April 11, 2001, and will result in a minor increase in area noise levels. Ambient noise levels at the closest sensitive receptor, a residence approximately 3,200 feet east of the facility, are 54 dBA (25 hour Leq) and 48 dBA (25 Hour L₉₀). Estimated noise increases at that residence due to the project would be 44dBA Leq and would not be perceptible. Estimated composite noise levels at the HEPP property line would be in compliance with the Kings Industrial Park noise standard of 70 dBA at the property line. See Staff Assessment pp. 12-13 and 46-49, HEP Application section 8.5 included in Amended Application as Exhibit 6A, and Amended Application sections ES.6.5 and Noise 6.0 through 6.4.

As Applicant noted at the April 20, 2001, public hearing (See **Public Comment** section) GWF will perform an additional ambient noise survey following commencement of operations to ascertain if the HEPP conforms to applicable City, County, and Kings Industrial Park standards. Standard Noise Condition of Certification NOISE-1 requires that GWF conduct a community noise survey utilizing the same monitoring sites employed in the pre-project survey, and if the results indicate noise levels at the closest sensitive receptor are in excess of 50 dBA between 10 p.m. and 7 a.m. additional mitigation measures will be required. See Staff Assessment p. 46, Amended Application sections Noise 6.0 through 6.4, and Transcript of Public Hearing pp. 29-31.

The City of Hanford recommended that the Commission Decision require that HEPP noise levels meet the Kings Industrial Park noise standards and any revisions thereof, and that noise levels be measured at the nearest sensitive receiver and the HEPP property line after the facility is in operation to assess compliance with City noise level standards. The Standard Noise Conditions of Certification NOISE-1 through NOISE-4 address the City's concerns, and ensure that project noise impacts are reduced to insignificant levels. See Staff Assessment pp. 12-13 and 46-49 and Exhibit 7, the City of Hanford's April 23, 2001 letter.

Public Comment

Les Collins, a former City Planning Commissioner and local business owner, provided a written comment at hearing that he strongly supported the project and that GWF's existing cogeneration plant is a good neighbor.

Resident Elizabeth Clark asked why the project would not run "night and day" in light of the electricity shortage. Applicant responded that the project might operate 24 hours per day seven days per week if needed. Mrs. Clark also asked about cumulative noise from the present plant and two proposed plants⁷. Applicant observed that it used modeling to predict noise impact on residential receptors, and after the HEPP is in operation another noise survey will be conducted to confirm that noise does not exceed permissible levels. If it does, GWF will be responsible for additional noise mitigation. Mrs. Clark also inquired why the California Environmental Quality Act ("CEQA") does not apply to emergency projects. Staff and Applicant provided information regarding the Governor's Executive Orders, which exempt emergency projects from CEQA.

The Hearing Officer requested clarification of the current status of Applicant's negotiations with the Department of Water Resources, the date the HEPP would be retrofitted with a Selective Catalytic Reduction and oxidation catalyst, and the water sources to be used by the project⁸. Applicant responded at the public hearing, and provided further information in its email letter of April 23, 2001⁹.

Staff Assessment

On May 5, 2001, Energy Commission staff issued its Staff Assessment, which is attached hereto and incorporated herein by reference. Staff conducted a "fatal flaw" analysis and found no areas of major concern related to the project.

All conditions contained in the Staff Assessment are hereby adopted as the Conditions of Certification for GWF Power Systems' Hanford Energy Park Peaker Project.

⁷ Note that subsequent to the public hearing GWF submitted an April 26, 2001, amendment to the HEPP application. The amendment provides that the HEP approved by the Energy Commission on April 11, 2001, will not be built due to electric transmission constraints.

⁸ Exhibit 4: Hearing officer's written questions provided to applicant and staff at the public hearing, docketed April 24, 2001.

⁹ Exhibit 5: Applicant's April 23, 2001, response to the hearing officer's written questions, docketed April 24, 2001.

Authority to Construct Permit

Analysis of the air quality impacts of emergency permit applications is performed by the California Air Resources Board and the local air pollution district, the San Joaquin Valley Unified Air Pollution Control District ("the Air District"). GWF filed an application for an Authority to Construct permit with the Air District on April 9, 2001, and it was deemed complete on April 12, 2001. See Staff Assessment p. 6 and the Air District's proposed ACT (Appendix A).

The ATC permit is a requirement of the U.S. Environmental Protection Agency (USEPA). The application is subject to a 30-day notice and public review and comment period, which began on April 11, 2001. The ATC permit will become effective on the date designated by the Air District, including any modifications approved following the comment period. All conditions and any modifications thereto contained in the ATC permit shall be incorporated herein by reference on the effective date of the ATC permit.

TERMS OF CERTIFICATION, PERMIT VERIFICATION, AND AMENDMENT

The HEPP is a simple-cycle project that will operate during periods of high demand. Applicant requests certification for the life of the project. Construction will begin upon certification by the Energy Commission and issuance of the Authority to Construct permit by the San Joaquin Valley Unified Air Pollution Control District. Project construction will take approximately three months. The HEPP is expected to begin commercial operation September 1, 2001.

The project shall be certified for the length of GWF's power purchase agreement with the California Department of Water Resources. If, at the end of its power purchase agreement with DWR, the project owner can verify that the project complies with the following continuation conditions the Energy Commission shall extend the certification:

Permit Verification: At least six months prior to the expiration of its power purchase agreement with the DWR, the project owner shall provide verification that the project will meet the following criteria in order to continue the permit.

1. The project is permanent, rather than temporary or mobile in nature.

2. The project owner demonstrates site control.
3. The project owner has secured permanent Emission Reduction Credits (“ERCs”) approved by the San Joaquin Valley Unified Air Pollution Control District (“Air District”) and the California Air Resources Control Board (“CARB”). The ERCs must be adequate to fully offset project emissions for its projected run hours and must have been in place prior to the expiration of the temporary ERCs obtained from CARB if temporary ERCs were used for the initial operation of the project.
4. The project is in current compliance with all Energy Commission permit conditions specified in this Decision.
5. The project is in current compliance with all conditions contained in the ATC permit from the Air District.
6. The project meets all Best Available Control Technology (“BACT”) requirements under Air District rules, as established in the ATC permit, and all CARB requirements.

The certification shall expire if the project cannot meet the continuation criteria.

FINDINGS AND CONCLUSIONS

1. There is an energy supply emergency in California.
2. All reasonable conservation, allocation, and service restriction measures may not alleviate the energy supply emergency.
3. Public Resource Code section 21080(b)(4) exempts emergency projects from the requirements of the California Environmental Quality Act.
4. Executive Order D-28-01 states that “[a]ll proposals processed pursuant to Public Resources Code section 25705 and Executive Order D-26-01 or this order [D-28-01] shall be considered emergency projects under Public Resources Code section 21080(b)(4).”
5. The Hanford Energy Park Peaker Project is a simple-cycle facility that will operate during periods of high demand.

6. The Application for Certification for the Hanford Energy Park Peaker Project has been processed pursuant to Public Resource Code section 25705 and Executive Orders D-26-01 and D-28-01.
7. Pursuant to the Executive Orders cited above, the Hanford Energy Park Peaker Project must be on line no later than September 30, 2001, in order to help reduce blackouts and other adverse consequences of the energy supply emergency in the state.
8. In order for the Hanford Energy Park Peaker Project to be on line by no later than September 30, 2001, it is necessary to substantially reduce the time available to analyze the project.
9. To the greatest extent feasible under the circumstances, the terms and conditions specified in this Decision (1) provide for construction and operation that does not threaten the public health and safety, (2) provide for reliable operation, and (3) reduce and eliminate significant adverse environmental impacts.

Approval

Having heard the presentations and reviewed the record in this proceeding, the Energy Commission believes that, with the mitigation identified in (1) the Application as amended, (2) the Conditions of Certification identified in the Staff Assessment, (3) the Authority to Construct permit, and (4) as otherwise described in the record, the proposed facility will be designed, sited, and operated in a safe and reliable manner to protect the public interest. Therefore, the Energy Commission approves and certifies the Hanford Energy Park Peaker Project as described in this proceeding.

Monitoring Conditions

The project owner shall comply with the following monitoring conditions in addition to the Permit Verification process contained in this Decision and in addition to the General Compliance Conditions delineated in the Staff Assessment and incorporated herein by reference:

Start of Operations: The Hanford Energy Park Peaker Project shall be on line by *no later* than September 30, 2001. If the Hanford Energy Park Peaker Project is not operational by September 30, 2001, the Energy Commission will conduct a hearing to determine the cause of the delay and consider what sanctions, if any, are appropriate. If the Energy Commission finds that the project owner failed to proceed with due diligence to have the Hanford Energy Park Peaker Project in operation by September 30, 2001, the Applicant shall forfeit its certification.

BACT Standards: Operation of the Hanford Energy Park Peaker Project shall be in compliance with all Best Available Control Technology (BACT) standards imposed by the San Joaquin Valley Unified Air Pollution Control District in its Authority to Construct permit. Failure to meet these standards will result in a finding that the Hanford Energy Park Peaker Project is out of compliance with the certification.

Three-Year Review: No later than 15 days after completion of the first three years in operation, the owner of the Hanford Energy Park Peaker Project shall submit to the Energy Commission a report of operations that includes a review of the Project's compliance with the terms and conditions of certification, the number of hours in operation, and the demand for power from the facility during the three-year period.

Dated June 21, 2001, at Sacramento, California.

TECHNICAL AREA CONDITIONS OF CERTIFICATION

AIR QUALITY

AQ-1 Prior to the commencement of project construction, the project owner shall prepare a Construction Fugitive Dust Mitigation Plan that will specifically identify fugitive dust mitigation measures that will be employed for the construction of the project and related facilities.

Measures that should be addressed include the following:

- the identification of the employee parking area(s) and surface of the parking area(s);
- the frequency of watering of unpaved roads and disturbed areas;
- the application of chemical dust suppressants;
- the stabilization of storage piles and disturbed areas;
- the use of gravel in high traffic areas;
- the use of paved access aprons;
- the use of posted speed limit signs;
- the use of wheel washing areas prior to large trucks leaving the project site;
- the methods that will be used to clean tracked-out mud and dirt from the project site onto public roads; and
- for any transportation of borrowed fill material, the use of covers on vehicles, wetting of the material, and insuring appropriate freeboard of material in the vehicles.

Verification: The project owner shall submit to the CPM a letter attesting to compliance with the above and shall report any violations to the CPM.

AQ-2 The project owner shall comply with the terms and conditions of the Authority to Construct and the Permit to Operate issued by San Joaquin Valley Unified Air Pollution Control District.

Verification: In the event that the air district finds the project to be out of compliance with the terms and conditions of the Authority to Construct, the project owner shall notify the CPM of the violation, and the measures taken to return to compliance, within five (5) days.

AQ-3 The project owner shall operate the project in compliance with all Best Available Control Technology (BACT) standards imposed by the Air District in its Authority to Construct. Failure to meet these standards will result in a finding that the project owner is out of compliance with the certification.

BIOLOGICAL RESOURCES

BIO-1 The project permitted under this emergency process will avoid all impacts to legally protected species and their habitat on site, adjacent to the site and along the right of way for linear facilities.

BIO-2 The project permitted under this emergency process will avoid all impacts to designated critical habitat (wetlands, vernal pools, riparian habitat, preserves) on site or adjacent to the site.

BIO-3 The project permitted under this emergency process will avoid all impacts to locally designated sensitive species and protected areas.

BIO-4 The project permitted under this emergency process will reduce risk of large bird electrocution by electric transmission lines and any interconnection between structures, substations and transmission lines by using construction methods identified in "Suggested Practices for Raptor Protection on Power Lines: The State of the Art in 1996" (APLIC 1996).

BIO-5 The project biologist, a person knowledgeable of the local/regional biological resources, and CPM will have access to the site and linear rights-of-way at any time prior to and during construction and have the authority to halt construction in an area necessary to protect a sensitive biological resource at any time.

BIO-6 Upon decommissioning the site, the biological resource values will be reestablished at preconstruction levels or better.

Verification: If the Designated Biologist halts construction, the action will be reported immediately to the CPM along with the recommended implementation actions to resolve the situation or decide that additional consultation is needed. Throughout construction, the project owner shall report on items one through six above if identified resources are found or impacted.

BIO-7 A minimum of 5 days and no more than 30 days prior to the beginning of site mobilization, the project site, the natural gas pipeline route, and the electrical

transmission line-route must be surveyed by a qualified biologist in accordance with US Fish and Wildlife Service (USFWS) and California Department of Fish & Game (CDFG) protocol for nesting raptors and the sensitive species listed in Table 8.2-1 of the Hanford California Emergency Peaker Power Plant Permit Application.

Verification: After the survey and prior to site mobilization, documentation of the survey method and mapped results will be submitted to the CPM.

BIO-8 All construction pipes, culverts, or similar structures with a diameter of 4-inches or greater that are stored at a construction site for one or more overnight periods should be thoroughly inspected for kit foxes before the pipe is subsequently buried, capped, or otherwise used or moved in any way. If a kit fox is discovered inside a pipe, that section of pipe should not be moved until the USFWS has been consulted.

BIO-9 **Designated Biologist:** Site mobilization shall not begin until a Staff approved Designated Biologist is available to be onsite.

Protocol: The Designated Biologist must meet the following minimum qualifications:

- A Bachelor's Degree in biological sciences, zoology, botany, ecology, or a closely related field;
- At least three years of experience in field biology or current certification of a nationally recognized biological society, such as The Ecological Society of America or The Wildlife Society;
- At least one year of field experience with biological resources found in or near the project area; and
- An ability to demonstrate to the satisfaction of the Staff the appropriate education and experience for the biological resources tasks that must be addressed during project construction.

If the Staff determines the proposed Designated Biologist to be unacceptable, the project owner shall submit another individual's name and qualifications for consideration. If the approved Designated Biologist needs to be replaced, the project owner shall obtain approval of a new Designated Biologist by submitting to the CPM the name, qualifications, address, and telephone number of the proposed replacement. No disturbance will be allowed in any designated sensitive areas until the CPM approves a new Designated Biologist and the new biologist is onsite.

Verification: Prior to the start of any site mobilization activities the project owner shall submit to the CPM for approval, the name, qualifications, address and telephone number of the individual selected by the project owner as the Designated Biologist. If a

Designated Biologist is replaced, the information on the proposed replacement, as specified in the condition, must be submitted in writing prior to the termination or release of the preceding Designated Biologist.

BIO-10 The CPM approved Designated Biologist shall perform the following during project construction:

- Advise the Applicant's Construction Manager on the implementation of the Biological Resources Conditions;
- Supervise or conduct mitigation, monitoring and other biological resources compliance efforts, particularly in areas requiring avoidance or containing sensitive biological resources, such as, wetlands and special status species; and
- Notify the Applicants and the CPM of non-compliance with any Biological Resources Conditions.

Verification: During project construction, the Designated Biologist shall maintain written records of the tasks described above, and summaries of these records shall be submitted along with the Monthly Compliance Reports to the CPM.

BIO-11 **BIOLOGICAL RESOURCES MITIGATION IMPLEMENTATION AND MONITORING PLAN:** The Applicant shall submit to the CPM for review and approval a copy of the final Biological Resources Mitigation Implementation and Monitoring Plan (BRMIMP) and shall implement the measures identified in the plan. Any changes made to the adopted BRMIMP must be made in consultation with the CPM and USFWS.

Protocol: The final BRMIMP shall identify:

- All biological resources mitigation, monitoring, and compliance conditions included in the Energy Commission's Final Decision;
- All sensitive biological resources to be impacted, avoided, or mitigated by project construction, operation, and closure;
- All mitigation measures identified through consultation with the USFWS;
- All required mitigation measures/avoidance strategies for each sensitive biological resource;
- Required habitat compensation strategy, including provisions for acquisition, enhancement and management, for any temporary and permanent loss of habitat for sensitive biological resources;
- All locations, on a map of suitable scale, of laydown areas and areas requiring temporary protection and avoidance during construction;

- Aerial photographs of all areas to be disturbed during project construction activities – one set prior to site disturbance and one set after completion of mitigation measures. Include planned timing of aerial photography and a description of why times were chosen;
- Performance standards to be used to help decide if/when proposed mitigation is or is not successful;
- All performance standards and remedial measures to be implemented if performance standards are not met;
- A process for proposing plan modifications to the CPM and appropriate agencies for review and approval.

Verification: Prior to the start of any project-related ground disturbance activities, the project owner shall provide the CPM with the final version of the BRMIMP, and the CPM will determine the plan's acceptability. All modifications to the approved BRMIMP must be made only after consultation with the CPM, USFWS, and CDFG. The project owner shall notify the CPM before implementing any CPM approved modifications to the BRMIMP.

Within 30 days after completion of project construction, the applicant shall provide to the CPM for review and approval, a written report identifying which items of the BRMIMP have been completed, a summary of all modifications to mitigation measures made during the project's construction phase, and which mitigation and monitoring plan items are still outstanding.

BIO-12 HABITAT COMPENSATION: To compensate for temporary, permanent, and incremental impacts to sensitive species habitat, the project owner will provide suitable habitat compensation funds at a ratio of 1:1 for all permanent disturbance and a ratio of 0.5:1 for all temporary disturbance to habitats at an amount of \$2,375.00 per acre-credit and a \$5,000.00 up front fee per transaction.

Verification: To account for inflation and other anticipated changes in habitat compensation costs, the project owner will consult with the Kern Water Bank (KWB) and the CPM prior to the start of any project related ground disturbance, and KWB will identify the final cost per acre and total compensation amount. Once the final compensatory mitigation amount has been determined and prior to the start of any project related ground disturbance activities, the project owner will provide a Conservation Credit Certificate to the CPM that all habitat compensation funds (including the endowment and transaction fee) have been provided to the KWB.

Within 90 days after completion of project related construction, the project owner shall provide aerial photographs to the CPM that were taken after construction. The project owner will also provide an analysis of the amount of any additional habitat disturbance. The CPM will notify the project owner of any additional funds required to compensate

for any additional habitat disturbances at the adjusted market value at the time of construction to acquire additional credits if necessary.

CULTURAL RESOURCES

- CUL-1** The project certified under this emergency process shall not cause any significant impact to cultural resources on the power plant site or linear rights of way.
- CUL-2** The project has been determined to have the potential to adversely affect significant cultural resources and the project owner shall ensure the completion of the following actions/activities:
1. Provide a cultural specialist who will have access to the site and linear rights-of-way at any time prior to and during ground disturbance.
 2. The cultural specialist will provide training to appropriate construction personnel at the site, will install avoidance measures (as necessary), and will be present during appropriate ground disturbing activities. The cultural specialist has the authority to halt construction at a location if a significant cultural resource is found. If resources are discovered and the cultural specialist is not present, the project owner will halt construction at that location and will contact the specialist immediately. The specialist will consult with the CPM and a decision will be made by the CPM within 24-hours as to how to proceed.
 3. The project owner shall allow time for the cultural specialist to recover significant resource finds, and pay all fees necessary to curate recovered significant resources.

FACILITY DESIGN

- GEN-1** The project owner shall design, construct and inspect the project in accordance with the 1998 California Building Code (CBC) and all other applicable LORS in effect at the time initial design plans are submitted to the CBO for review and approval.

Verification: Within 30 days (or a lesser number of days mutually agreed to by the project owner and the CBO) after receipt of the Certificate of Occupancy, the project owner shall submit to the CPM a statement of verification, signed by the responsible design engineer, attesting that all designs, construction, installation and inspection requirements of the applicable LORS and the Energy Commission's Decision have been met. The project owner shall provide the CPM a copy of the Certificate of Occupancy within 30 days of receipt from the CBO [1998 CBC, Section 109 – Certificate of Occupancy.] The project owner shall keep copies of plan checks and CBO inspection approvals at the project site.

GEN-2 The project owner shall furnish to the CPM and to the CBO a schedule of facility design submittals, a Master Drawing List, and a Master Specifications List. The schedule shall contain a description of, and a list of proposed submittal packages for design, calculations, and specifications for major structures and equipment. To facilitate audits by Energy Commission staff, the project owner shall provide designated packages to the CPM when requested.

Verification: Prior to the start of rough grading, the project owner shall submit the schedule, a Master Drawing List, and a Master Specifications List to the CBO and to the CPM. The project owner shall provide schedule updates in the Monthly Compliance Report.

HAZARDOUS MATERIALS MANAGEMENT

HAZ-1 The project owner shall not use any hazardous material in reportable quantities except those identified by type and quantity in the Application for Emergency Permit unless approved by the CPM.

Verification: The project owner shall provide in the Annual Compliance Report a list of hazardous materials used at the facility in reportable quantities.

HAZ-2 The project owner shall submit both the Business Plan and Risk Management Plan to the CPM for review and comment, and shall also submit these plans and/or procedures to the County Fire Department for approval.

Verification: 30 days (or a CPM-approved alternative timeframe) prior to the initial delivery of any hazardous materials in reportable quantities to the facility, the project owner shall submit the Business and Risk Management Plan to the CPM for review and comment. At the same time, the project owner shall submit these plans to the County Fire Department for approval. The project owner shall also submit evidence to the CPM that the County Fire Department approved of these plans, when available.

LAND USE

LAND-1 The project permitted under this emergency process will conform to all applicable local, state and federal land use requirements, including general plan policies, zoning regulations, local development standards, easement requirements, encroachment permits, truck and vehicle circulation plan requirements, Federal Aviation Administration approval, and the Federal Emergency Management Agency National Flood Insurance Program.

Verification: Prior to start of construction, the project owner will submit to the CPM documentation verifying compliance with the above referenced land use requirements.

LAND-2 Prior to occupying any off-site lay-down or storage facilities the applicant shall provide detailed plans indicating the location of existing and proposed use of the sites to the CPM. Such sites shall be previously disturbed and shall not require any clearing or grading to accommodate the proposed use. To prevent possible impacts to sensitive resources, the applicant shall coordinate with the CPM to determine if biological or cultural surveys are required. This submission shall include written landowner approval and must comply with all local land use requirements. If the proposed site is located within public rights-of-way, appropriate traffic control plans and encroachment permits will be provided to the CPM.

Verification: Prior to the start of construction, the project owner will submit to the CPM documentation verifying compliance with the above referenced land use requirements.

Land-3 The project owner shall ensure that local gas, electric and telephone companies are contacted regarding the exact location of their services. Any alterations or relocation of the utilities shall be the responsibility of the project owner.

Verification: The project owner shall provide written evidence to the CPM to indicate that all utility companies have been notified regarding proposed construction and that these utilities have identified the location of these facilities in the area of construction.

NOISE

NOISE-1 The project permitted under this emergency process shall be required to comply with applicable community noise standards.

Verification: Within 30 days of the project first achieving a sustained output of 80 percent or greater of rated capacity, the project owner shall conduct a 25-hour community noise survey, utilizing the same monitoring sites employed in the pre-project ambient noise survey as a minimum. No single piece of equipment shall be allowed to stand out as a source of noise that draws legitimate complaints. Steam relief valves shall be adequately muffled to preclude noise that draws legitimate complaints. If the results from the survey indicate that the project noise levels at the closest sensitive receptor are in excess of 50 dBA between the hours of 10 PM and 7 AM, additional mitigation measures shall be implemented to reduce noise to a level of compliance with this limit.

NOISE-2 Throughout the construction and operation of the project, the project owner shall document, investigate, evaluate, and attempt to resolve all project related noise complaints.

Verification: Within 30 days of receiving a noise complaint, the project owner shall file a copy of the Noise Complaint Resolution Form, or similar instrument approved by the CPM, with the County Environmental Health Department, and with the CPM, documenting the resolution of the complaint. If mitigation is required to resolve a complaint, and the complaint is not resolved within a 30-day period, the project owner shall submit an updated Noise Complaint Resolution Form when the mitigation is finally implemented.

NOISE-3 Night construction activities may be authorized by the CPM if they are consistent with local noise ordinances. Night construction, or specific night construction activities may be disallowed by the CPM if it results in significant impact to the surrounding community.

Verification: Noise monitoring and surveys may be conducted if complaints are reported by residence in the surrounding area of the project site.

NOISE-4 Prior to the start of project-related ground disturbing activities, the project owner shall notify all residents and business owners within one-half mile of the site or adjacent to the pipeline routes, by mail or other effective means, of the commencement of project construction. At the same time, the project owner shall establish a telephone number for use by the public to report any undesirable noise conditions associated with the construction and operation of the project. If the telephone is not staffed 24 hours per day, the project owner shall include an automatic answering feature, with date and time stamp recording, to answer calls when the phone is unattended. This telephone number shall be posted at the project site during construction in a manner visible to passersby. This telephone number shall be maintained until the project has been operational for at least one year.

Verification: The project owner shall transmit to the Compliance Project Manager (CPM) in the first Monthly Construction Report following the start of project-related ground disturbing activities, a statement, signed by the project manager, attesting that the above notification has been performed, and describing the method of that notification. This statement shall also attest that the telephone number has been established and posted at the site.

NOISE-5 Throughout the construction and operation of the project, the project owner shall document, investigate, evaluate, and attempt to resolve all project-related noise complaints.

The project owner or authorized agent shall:

- Use the Noise Complaint Resolution Form (see Exhibit 1 for example), or functionally equivalent procedure acceptable to the CPM, to document and respond to each noise complaint;

- Attempt to contact the person(s) making the noise complaint within 24 hours;
- Conduct an investigation to determine the source of noise related to the complaint;
- Take all feasible measures to reduce the noise at its source if the noise is project related; and
- Submit a report documenting the complaint and the actions taken. The report shall include: a complaint summary, including final results of noise reduction efforts; and if obtainable, a signed statement by the complainant stating that the noise problem is resolved to the complainant's satisfaction.

Verification: Within 30 days of receiving a noise complaint, the project owner shall file a copy of the Noise Complaint Resolution Form, or similar instrument, with the CPM, documenting the resolution of the complaint. If mitigation is required to resolve a complaint, and the complaint is not resolved within a 30-day period, the project owner shall submit an updated Noise Complaint Resolution Form when the mitigation is finally implemented.

NOISE-6 Prior to the start of project-related site mobilization, the project owner shall submit to the CPM for review a noise control program. The noise control program shall be used to reduce employee exposure to high noise levels during construction and also to comply with applicable OSHA and Cal-OSHA standards.

Verification: Prior to the start of project-related mobilization activities, the project owner shall submit to the CPM the above referenced program. The project owner shall make the program available to OSHA upon request.

NOISE-7 Within 30 days after the facility is in full operation, the project owner shall conduct an occupational noise survey to identify the noise hazardous areas in the facility. The survey shall be conducted by a qualified person in accordance with the provisions of Title 8, California Code of Regulations, sections 5095-5099 (Article 105) and Title 29, Code of Federal Regulations, section 1910.95. The survey results shall be used to determine the magnitude of employee noise exposure. The project owner shall prepare a report of the survey results and, if necessary, identify proposed mitigation measures that will be employed to comply with the applicable California and federal regulations.

Verification: Within 30 days after completing the survey, the project owner shall submit the noise survey report to the CPM. The project owner shall make the report available to OSHA and Cal-OSHA upon request.

NOISE-8 Noisy construction work (that which causes offsite annoyance, as evidenced by the filing of a legitimate noise complaint) shall be restricted to the times of day delineated below:

High-pressure steam blows: 8 a.m. to 5 p.m.

Other Noisy Work: 7 a.m. to 7 p.m.

Verification: The project owner shall transmit to the CPM in the first Monthly Construction Report a statement acknowledging that the above restrictions will be observed throughout the construction of the project.

PALEONTOLOGICAL RESOURCES

PALEO-1 The project certified under this emergency process shall not cause any significant impact to paleontological resources on the power plant site or linear rights of way.

SOIL & WATER RESOURCES

SOIL & WATER-1: See **SPPE CONDITION HYDROLOGY & WATER 1**

SOIL & WATER-2: See **SPPE CONDITION HYDROLOGY & WATER 2**

SOIL & WATER-3: Prior to site mobilization, the project owner shall submit to the Compliance Project Manager (CPM), a copy of a valid water service agreement for water supplies for the project from an authorized water purveyor, or a copy of a valid well permit for the project from the appropriate licensing agency.

Verification: A copy of the water service agreement or well permit shall be submitted to the CPM prior to site mobilization.

SOIL & WATER-4: Prior to ground disturbance, the project owner shall submit to the CPM a copy of a valid permit or agreement from the appropriate approving agency for wastewater discharge.

Verification: The permit or agreement for wastewater discharge shall be submitted to the CPM prior to ground disturbance.

SOIL & WATER-5: All straw wattles and straw bales for BMP's will be certified weed free.

Verification: Project owner will provide to the CPM evidence of weed free certification for all straw wattles and bales.

SOIL & WATER-6: All seed mixtures will be approved by the CPM before application.

SOIL & WATER-7: To prevent stormwater and soil contamination the Project Owner shall not use chemical and petroleum based palliatives as dust control.

SPPE CONDITION HYDROLOGY & WATER-1 Prior to beginning any site mobilization, the project owner shall obtain CPM approval of the Storm Water Pollution Prevention Plan (SWPPP) as required under the General Storm Water Construction Activity Permit for the project.

Verification: At least 14 days prior to the start of any site mobilization, the project owner will submit a copy of the SWPPP to the CPM for review and approval. Approval of the plan by the CPM must be received prior to the initiation of any site mobilization activities.

SPPE CONDITION HYDROLOGY & WATER-2 Prior to beginning any site mobilization activities, the project owner shall obtain CPM approval for erosion control and revegetation plans that address all project elements.

Verification: The erosion control and revegetation plan shall be submitted to the CPM prior to start of any site mobilization. Approval of the final plan by the CPM must be received prior to the initiation of any site mobilization activities.

SPPE CONDITION HYDROLOGY & WATER-3 During project operation the project owner will not discharge any stormwater off-site. All stormwater will be collected and directed to the on-site evaporation/infiltration basin. Any stormwater leaving the site during commercial operation will require a General Industrial Activity Storm Water Permit and SWPPP. Approval for the final Industrial Activities SWPPP must be obtained from the CPM prior to commercial operation and/or offsite discharge of stormwater.

Verification: Should stormwater be discharged off-site, the project owner will submit to the CPM a copy of the SWPPP prepared under the requirements of the General Industrial Activity Storm Water Permit prior to the start of commercial operation and/or off-site stormwater discharge.

SPPE CONDITION HYDROLOGY & WATER-4 The HEPP will mitigate all use of groundwater. This Water Mitigation Plan will include the following components:

1. The purchase agreement for 181 acre-feet of Table A Entitlement SWP water between the Angiola Water District and GWF Power Systems.
2. The agreement between the Tulare Lake Basin Water Storage District and GWF which grants GWF the right to utilize the District's facilities to deliver and convey the 181 acre-feet of water from the SWP to J.G. Boswell.
3. The exchange agreement between J.G. Boswell and GWF which allows the 181 acre-feet of SWP water owned by GWF to be delivered to J.G. Boswell in exchange for 181 acre-feet of J.G. Boswell in exchange for 181 acre-feet of J.G. Boswell Kings River entitlement.
4. The water banking and mitigation agreement between KCWD and GWF allows the 181 acre-feet of Boswell Kings River Entitlement to be delivered to the KCWD on behalf of GWF.

Verification: The project owner will submit the complete Water Mitigation Plan at least 30 days prior to the start of operation. The Water Mitigation Plan will discuss all terms and conditions and all parties involved in the agreement, and contain copies of all agreements executed as part of the Water Mitigation Plan. Any changes made to the Water Mitigation Plan will be provided to the CPM for review at least 14 days prior to the effective date of the proposed change. The Water Mitigation Plan will remain in effect for the life of the project, and the project will not operate without the Water Mitigation Plan in effect.

SPPE CONDITION HYDROLOGY & WATER-5 The project owner will record on a *quarterly* ~~monthly~~ basis the amount of groundwater pumped by the project. This information will be supplied to the Energy Commission and the Kings County Water District.

Verification: The project owner will submit a groundwater use summary to both the CPM and the KCWD on an annual basis for the life of the project. The annual summary will include the monthly range, monthly average, and total groundwater use by the project in both gallons-per-minute and acre-feet. For subsequent years the annual summary will also include the yearly range and yearly average groundwater use by the project. Any significant changes in the water supply for the project during construction or operation of the plant will be noticed in writing to the CPM at least 30 days prior to the effective date of the proposed change.

SPPE CONDITION HYDROLOGY & WATER-6 The project owner will obtain a final Industrial Discharge Permit prepared in accordance with the City of Hanford's Pretreatment Program for the project's wastewater discharge to the City's POTW. The project will not operate without a valid permit in place.

Verification: The Applicant will obtain and provide a copy of final Industrial Discharge Permit issued by the City of Hanford for the project's wastewater discharge to

the POTW to the CPM at least 14 days prior to the POTW receiving any wastewater discharge from the project. Any change to either the chemical or physical parameters or volume of the discharge permitted by the Industrial Discharge will be noticed in writing to both the CPM and the City of Hanford during both construction and/or operation. The project owner will notify the Energy Commission in writing of any changes to the Industrial Discharge Permit, either instituted by the project owner or the City of Hanford, including any permit renewal. The project owner will provide the CPM with the annual monitoring report summary required by the Industrial Discharge Permit, and will fully explain any violations, exceedances, enforcement actions, and remedial actions.

TRAFFIC AND TRANSPORTATION

TRANS-1 The project permitted under this emergency process shall comply with Caltrans and City/County limitations on vehicle sizes and weights. In addition, the project owner or its contractor shall obtain necessary transportation permits from Caltrans and all relevant jurisdictions for roadway use.

Verification: The project owner shall keep copies of any oversize and overweight transportation permits received at the project site.

TRANS-2 The project permitted under this emergency process shall comply with Caltrans and City/County limitations for encroachment into public rights-of-way and shall obtain necessary encroachment permits from Caltrans and all relevant jurisdictions.

Verification: The project owner shall keep copies of any encroachment permits received at the project site.

TRANS-3 The project permitted under this emergency process shall ensure that permits and/or licenses are secured from the California Highway Patrol and Caltrans for the transport of hazardous materials.

Verification: The project owner shall keep copies of all permits/licenses acquired by the project owner and/or subcontractors concerning the transport of hazardous substances at the project site.

TRANS-4 Following completion of construction of the power plant and all related facilities, the project owner shall return all roadways to original or as near original condition as possible.

TRANS-5: During construction of the power plant and all related facilities, the project owner shall manage on-site and off-site construction-period parking.

Verification: Prior to any earth moving or ground disturbance activity the project owner shall submit a parking and staging plan to the CPM for review and approval. The plan shall utilize areas already disturbed and not result in any disturbance of off-site land and shall not utilize on-street parking.

TRANS-6: Linear facility construction impacts on traffic. Prior to initiation of ground disturbance within the public right-of-way, the applicant shall submit a TCP to the CPM for review and approval. The TCP shall provide methods designed to minimize disruption of traffic including the use of the minimum traffic lane area required for construction, delineating only the area that will be under construction in the next 24 hour period, and use of signs and traffic flagmen to direct traffic around construction areas.

Verification: The project owner shall obtain approval for the TCP from the CPM before initiating construction in the public right-of-way. The CPM may periodically inspect the construction to ensure that the plan is being implemented.

TRANS-7: Fire access road requirement of the city. The proposed project shall include a fire access road acceptable to the City of Hanford Fire Department.

Verification: Prior to construction the applicant shall submit plans illustrating the fire road including vertical clearance, load-bearing capacity, minimum radii, and width to the City Fire official for review and approval. The project owner shall submit to the CPM written confirmation that the city has reviewed that plans and that the proposed roadway meets city fire road requirements.

TRANSMISSION SYSTEM ENGINEERING, SAFETY AND RELIABILITY

TSE-1 The project owner shall ensure that the design, construction and operation of the proposed transmission facilities will conform to requirements listed below:

The power plant switchyard, outlet line and termination shall meet or exceed the electrical, mechanical, civil and structural requirements of CPUC General Order 95, CPUC Rule 21, Title 8, California Code of Regulations, Articles 35, 36 and 37 of the, "High Voltage Electric Safety Orders", Title 8 CCR, Sections 2700-2974, CPUC Decision 93-11-013, Federal Communications Commission Part 15, Public Resources Code 4292-4296, and National Electric Code (NEC).

Verification: Within 15 days after cessation of construction the project owner shall provide a statement to the CPM from the registered engineer in responsible

charge (signed and sealed) that the switchyard and transmission facilities conform to the above listed requirements.

VISUAL

VIS-1 Project structures treated during manufacture and all structures treated in the field, that are visible to the public, shall be painted in a neutral color consistent with the surrounding environment.

Verification: Prior to painting exposed services, the project owner shall identify the selected color for CPM approval.

VIS-2 Standard condition replaced with VIS-6.

VIS-3 The project owner shall prepare and submit to the local planning department for review and comment, and to the CPM for review and approval a landscaping plan which provides for any or all of the following, as appropriate, to screen the project from view: berms, vegetation and trees, and slats in fencing.

Verification: Within 30 days of certification, the project owner shall submit the landscaping plan to the local planning department and the CPM.

VIS-4 Proposed Transmission Line Route Tree Replacement. Trees removed as a result of transmission line construction shall be replaced on a one-to-one in-kind basis. Replacement planting shall be monitored for a period of 3 years to ensure 100% survival. During this period all dead plant material shall be replaced. If feasible, this planting shall be located between the project right-of-way and the shoulder of 11th Avenue. The project owner shall submit a plan for the landscape screening and three-year mitigation monitoring program to the CPM for review and approval. If the CPM notifies the project owner that revisions of the plan are needed before the CPM will approve the submittal, the project owner shall submit to the CPM a revised plan. The project owner shall not implement the plan until the project owner receives approval of the submittal from the CPM. The project owner shall notify the CPM within one week after the landscape screening has been installed and is ready for inspection.

Verification: At least 5 days prior to installing the landscape screening, the project owner shall submit the plan to the CPM for review and approval. If the CPM notifies the project owner that revisions of the submittal are needed before the CPM will approve the submittal, within 10 days of receiving that notification, the project owner shall prepare and submit to the CPM a revised submittal. The project owner shall notify the CPM within seven days after completing installation of the landscape screening that the planting is ready for inspection.

VIS-5: The project owner shall ensure that the power plant is enclosed in a 6-foot tall solid wall or a 6-foot fence with slats.

Verification: Prior to operation of the proposed project the CPM shall inspect the project site to ensure that a block wall or slatted fence has been installed.

VIS-6 Night Lighting. The project owner shall design and install all new project lighting to minimize potential night lighting impacts, as follows:

- a. All new night lighting shall be of minimum necessary brightness consistent with operational safety.
- b. All new lighting shall be shielded and directed downward to prevent all uplighting and all direct light trespass (direct lighting extending outside the boundaries of the facility).
- c. Wherever feasible and safe, lighting shall be kept off when not in use.
- d. A lighting complaint resolution form shall be maintained by plant operations, to record all lighting complaints received and to document the resolution of that complaint.
- e. Lighting shall be installed consistent with local requirements.

Verification: The project owner shall develop a lighting plan for the project incorporating the above measures and submit it to the CPM for review and approval. If the CPM notifies the project owner that revisions of the plan are needed before the CPM will approve the plan, the project owner shall prepare and submit to the CPM a revised plan. Lighting shall not be installed before the plan is approved. The project owner shall notify the CPM when the lighting has been installed and is ready for inspection. Before ordering the exterior lighting, the project owner shall provide the lighting plan to the CPM for review and approval. If the CPM notifies the project owner that any revisions of the plan are needed before the CPM will approve the plan, within seven days of receiving that notification the project owner shall submit to the CPM a revised plan.

The project owner shall notify the CPM within seven days of completing exterior lighting installation that the lighting is ready for inspection.

WASTE

WASTE-1 The project owner shall obtain a hazardous waste generator identification number from the Department of Toxic Substances Control prior to producing any hazardous waste.

Verification: The project owner shall keep its copy of the identification number on file at the project site.

WASTE-2 The project owner shall have an environmental professional available for consultation during soil excavation and grading activities. The environmental professional shall be given full authority to oversee any earth moving activities that have the potential to disturb contaminated soil. The environmental professional shall meet the qualifications of such as defined by the American Society for Testing and Materials designation E 1527-97 Standard Practice for Phase I Environmental Site Assessments.

Verification: If potentially contaminated soil is unearthed during excavation at either the proposed site or linear facilities, the environmental professional shall inspect the site, determine the need for sampling to confirm the nature and extent of contamination, and make a recommended course of action. The environmental professional shall have the authority to suspend construction activity at that location. If, in the opinion of the environmental professional, remediation is to be required, the project owner shall consult with the CPM and a decision will be made by the CPM within 24 hours as to how to proceed.

WASTE-3 Any hazardous waste resulting from the construction and operation of the project shall be stored, handled, and disposed of as required by federal regulations and federally mandated state and local regulations.

Verifications: Prior to construction the project owner shall provide the CPM documentation that the California Department of Toxic Substances Control has reviewed and approved the proposed practices for storage, handling, and disposal of any hazardous wastes generated by the construction and operation of the facility.

WORKER SAFETY

WORKER SAFETY-1 The project owner must comply with all requirements in Title 8 of the California Code of Regulations, beginning with Part 450 (8 CCR Part 450 et seq).

Verification: The project owner shall submit to the CPM a letter attesting to compliance with the above and shall report any violations to the CPM.

REFERENCES

- Bridger and Helfand. International Journal of Biometeorology. 1968. Mortality from heat during July 1966 in Illinois, 1968.
- California Department of Fish and Game. "California Natural Diversity Database". <http://www.cdfg.ca.gov/whdab/html/cnddb.html>. April 19, 2001.
- California Department of Fish & Game. Central-Valley Bay-Delta Branch Division. "San Joaquin Kit Fox, *Vulpes macrotis mutica*". August 16, 1995. <http://www.delta.dfg.ca.gov/gallery/kitfox.html>. April 18, 2001
- CDC (Center for Disease Control). 2000. Heat-Related Illness, Death, and Risk Factors Cincinnati and Dayton, Ohio, 1999, and United States, 1979-1997, June 02, 2000.
- CEC (California Energy Commission). 1999. High Temperatures and Electricity Demand. An Assessment of Supply Adequacy in California, July 1999.
- CEC (California Energy Commission). 2001. Hanford Energy Park Project Initial Study, February 2001
- CEC (California Energy Commission). 2001. Staff Final Initial Study for the Hanford Energy Park Project SPPE, February 16, 2001.
- Environmental Protection Agency Office of Wastewater Management. "Stormwater Management for Construction Activities: Developing Pollution Prevention Plans and Best Management Practices". September 1992. Site updated August 11, 2000. <http://www.epa.gov/owm/sw/conguide/index.htm> April 24, 2001.
- GWF Power Systems Company, Inc. 2001 Hanford Energy Park Application: for a Small Power Plant Exemption: Biological Resources: Testimony of Bradley S. Norling. Submitted to the California Energy Commission on February 2001
- GWF Power Systems Company, Inc. 2001 Hanford Energy Park Peaker - California Emergency Peaker Power Plant Permit Application. Submitted to the California Energy Commission on April 6, 2001
- GWF Power Systems Company, Inc. 2001 Hanford Energy Park Application: for a Small Power Plant Exemption: Biological Resources: Testimony of Bradley S. Norling. Submitted to the California Energy Commission on February 2001

GWF Power Systems Company, Inc. 2001 Hanford Energy Park Peaker - California Emergency Peaker Power Plant Permit Application. Submitted to the California Energy Commission on April 6, 2001

GWF Power Systems Company, Inc. Hanford Energy Park Peaker, California Emergency Peaker Power Plant Permit Application, April 2001 with April 11th Supplement.

Hanford Energy Park Peaker Project, California Emergency Peaker Project Application.

Jones, Susan. US Fish & Wildlife Service. Phone Conference. April 19, 2001

Kalkstein and Davis, 1989. Weather and Human Mortality: An Evaluation of Demographic and Interregional Responses in the United States, Annals of Association of American Geographers, 1989.

Kalkstein et al. 1993 Health and Climate Change-Direct Impacts in Cities, Lancet, 1993.

Kalkstein and Green, 1997. An Evaluation of Climate/Mortality Relationships in Large U.S. Cities and Possible Impacts of Climate Change. Environmental Health Perspectives. 1997.

Kalkstein et al. 1998. Analysis of Differences in Hot-Weather-Related Mortality Across 44 U.S. Metropolitan Areas. Elsevier. 1998.

Kings County Water District. 2000. GWF Power Systems Company, Inc. Water Banking Agreement. Signed July 31, 2000.

Norling, Brad. Aspen Environmental Group. Phone Conference. April 19, 2001

Semenza. New England Journal of Medicine. 1996. Risk Factors for heat-related mortality during the July 1995 heat wave in Chicago, 1996.

Shickele, E. Military Surgeon. 1947. Environmental and Fatal Heat Stroke, 1947.

United States Congress, Office of Technology Assessment. 1990. Physical Vulnerability of Electric Systems to Natural Disasters and Sabotage, June 1990.

U.S. Environmental Protection Agency. "Protecting Endangered Species: Interim Measures for Use of Pesticides in Kings County". March 2000.
<<http://www.cdpr.ca.gov/docs/es/espdfs/6pe1299.pdf>>

U.S. Fish & Wildlife Service. 1998. Recovery Plan for Upland Species of the San Joaquin Valley, California. Region 1, Portland, OR. 319pp.