

January 22, 1998

Dear Workshop Participants:

**SUMMARY OF THE DECEMBER 30, 1997, HIGH DESERT POWER PROJECT
DATA REQUEST WORKSHOP**

Enclosed is the staff's summary of the High Desert Power Project data request workshop that was held at the Energy Commission on December 30, 1997. This summary is an informal record of the discussions that took place, and has been distributed to all project staff and to all other participants identified on the sign-in sheet attached to the summary. The summary provides the meeting participants the opportunity to correct information that was misunderstood or misrepresented in the hope of having good communication and an efficient process. If you would like to make any additions or changes to the summary, please send them to me in writing, and I will see that they are placed in the project file and that the appropriate staff and other meeting participants receive them. Please call me at (916) 653-1614 if you have any questions.

Sincerely,

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Enclosure

cc: Proof of Service

HIGH DESERT POWER PROJECT (HDPP)
Data Request Workshop Summary
December 30, 1997

Workshop Participants

See attached list

The Commission's HDPP project manager, Rick Buell, opened the workshop. Rick explained that the purpose of the workshop was to give the HDPP applicant and the staff an opportunity to clarify any items related to the staff's 12/17/97 set of data requests (DR).

Technical Area Discussions

Air Quality

Sarah Head of ENSR, (air quality consultant to HDPP), said that with the exception of the offset package (data requests 13-18), HDPP will respond to most data requests in a timely manner. They will provide the offset package within the 120 days commitment they have made to the district staff.

HDPP needed clarification regarding the level of detail needed for the turbines being considered (data requests 6-12), whether they can use default values in the calculations of emission reduction credits from road paving (DR 14), and detailed information for the PSD permit (DR 19-23).

Tuan Ngo of the staff responded that the requested turbine vendor emissions and flow rate data will be used in the analysis for the worst-case air quality impacts. If the applicant has difficulty in getting the emission data from the turbine vendors, a commitment on the worst-case levels of turbine flow rate, temperature, and emissions data may be acceptable.

Andy Welch of HDPP said that the applicant's air quality white paper discusses the HDPP approach for determining vendor choices, and correspondingly, the worst case emission levels. Sara said that guaranteed emission levels may only be available from one vendor, rather than all. Rick said that the staff's analysis could be delayed if HDPP ended up choosing a vendor whose emission levels and related characteristics were outside the specs noted in the AFC.

DR #12 (air qual. offsets) - Sara said that HDPP is pursuing offset options within the Mojave Desert Air Quality Management District (District) area, and options for

interbasin trading between the District and South Coast Air Quality Management District. Sara and Andy noted that confidential negotiations for these offsets are ongoing. Chris Tooker of the staff said that offsets must be obtained before certification.

DR #14 (PM10 offsets) - In terms of whether default data on silt content of soils in the region and vehicle count can be used for the PM10 emission reduction credit calculations, staff will need to understand how these default values were developed. If the default values are properly developed and reasonably represent the conditions at the site, staff will accept those values. Otherwise, actual sampling of the soil's silt content and actual vehicle counts will be needed. Sara said that they would provide the assumptions on which the default values are based.

DR# 15 (offsets) - Sara said that the District does have an offset banking rule (although the AFC states that the District does not - Sec. 5.12.6 pp. 5.12-68). HDPP is pursuing banked ERCs as their primary offset strategy, with interbasin trading options being a back-up strategy.

DR #16 (offsets) - Sara noted that Bob Zeller of the District said that the district's Rule 1302(C)(3)(b)(ii) does not apply to banked emission credits. The District's Rule 1402 addresses credits resulting from military base shutdowns. The George AFB emissions are surplus, based on the emissions inventory in the District's section of the State Implementation Plan (SIP).

DR #17 (interbasin trading offsets) - Chris noted that HDPP's 12/12/97 letter to ARB said that, with respect to interbasin trading options, HDPP is only pursuing volatile organic compounds (VOCs) offset possibilities. Chris said that this approach made sense to him.

DR# 20 and 21a (PSD (Prevention of Significant Deterioration federal permit) - In terms of PSD requirements, staff will rely on the EPA staff to address whether the existing ambient monitoring data provided thus far in the AFC are acceptable to EPA. If they do, staff will have no further question on the PSD data requirements. Sara said that HDPP plans to file a PSD application with EPA by the end of January, 1998, and that they have already provided a draft modeling protocol to EPA staff for comment. They said that they will provide staff with a copy of the PSD permit application when it is filed with the EPA, hopefully by the end of January. This should satisfy staff's PSD related data requests.

DR #21b (PSD) - HDPP plans to address the non-criteria pollutants in its health risk assessment.

DR #22 (PSD) - HDPP believes it only needs to address growth increment levels for NO2. They have discussed them with the District in terms of how no other PSD triggering projects have been filed to date. Keith Golden of the staff mentioned a glass plant in Victorville which was built in the 1980s. Sara responded that this requirement took effect in the late 1980s, so the glass plant is probably not relevant.

DR #23 (PSD) - Sara asked if the staff was looking for a complete modeling of construction impacts in the PSD context, within 30 days (ie, by 1/16/98). Tuan said that he would defer to EPA on this item.

Allan Thompson, counsel to HDPP, said that he did not anticipate any problems filing the air quality data requested by 1/16/98, with the exception of the offset information, which will be filed in March of 1998, per the Commission's HDPP Committee order. The PSD information will be sent to the staff concurrently with its filing at EPA in late January 1998. He will file a letter to the Commission Committee on 12/31/97, stating his objections to meeting the 1/16/98 date for the offset and PSD items, and when HDPP proposes to submit this material.

DR #12 - Tuan said that he really appreciated HDPP's 12/12/97 letter to ARB regarding their offset strategies, since it showed a good faith effort to meet the Commission's and ARB's needs.

Sara noted that HDPP's primary approach for securing offsets will focus within the District. Chris said that offset data can be filed confidentially. If the applicant is interested in this option, they should call Rick Buell. Rick said that he understood the challenges that HDPP faces in this area, in that staff is seeking the maximum level of detailed information, whereas this information could also be useful to HDPP's competitors.

Alternatives

Andy Welch said that HDPP would provide answers to the data requests by 1/16/98.

Water

DR #68 - Andy Welch said that HDPP would provide a response to this item by 3/15/98. HDPP needs to work with the Victor Valley Water Agency to provide this information regarding well locations.

Biology

DR #26 - Ron Nichols of RMI (consultant to HDPP) asked whether it would be acceptable for HDPP's biological monitor to have experience with habitats similar, rather than identical to that found in the HDPP site area. Joe O'Hagan of the staff,

representing the Commission's staff biologist for the HDPP case, Marc Sazaki, said that professional experience with similar habitat would be fine.

DR #27 - Ron said that HDPP is working with the U.S. Fish and Wildlife Service and the California Department of Fish and Game on outlines for a Biological Resources Mitigation Implementation Plan (BRMIP) and a revegetation plan. On 1/16/98 HDPP will give us copies of the outlines it has prepared for these agencies.

Joe requested that HDPP keep staff apprised of discussions with the biological agencies. He said that the staff understood that the consultation process with agencies can be lengthy. The Commission would need final consultation information by the time the Final Staff Assessment is published, and hopefully it would be available much sooner. Joe gave the HDPP staff a copy of a handbook on the Habitat Conservation Plan (HCP) process.

Cultural and Paleontological Resources

DR #30 - Ron asked for clarification regarding the list of parcel owners requested. He was puzzled by this since mostly federal land is involved. Rick and Joe explained that the State Historic Preservation Office (SHPO) had asked for more detail. Amy Steck of RMI asked for a copy of SHPO's 6/30/97 letter to the Commission regarding information they needed.

DR #31 - Ron said that the final transmission tower and pad locations are not known right now. The issue is timing, rather than a problem of providing the information. HDPP will provide all of this data prior to construction. Rick will ask Kathy Matthews of the staff to call Amy to clarify this item.

Amy said that there is an identical information timing issue for Paleontological Resources DR #s 39 and 40. Staff will give Amy a copy of the San Bernardino County Museum's 8/18/97 letter requesting detailed information on the location of the linear facilities.

Facility Design

Andy Welch said that HDPP would use the 1998 version of the California Building Code (CBC). Kisabuli of the staff said that certain sections of the 1997 UBC may need to be referenced. Steve Baker of the staff noted that the new 1997 and 1998 codes will make a few sections of the AFC with 1994 code references obsolete. There are some sections with very significant changes from the 1994 version (e.g. new provisions resulting from the Northridge earthquake, etc.).

Hazardous Materials

DR #33 - Sara asked about the information needed to meet Federal Risk Management Program (FRMP) requirements regarding use of ammonia and other hazardous materials. Chris Tooker of the staff said that we want to make the FRMP process easier for HDPP. HDPP could consider reducing the size of its ammonia storage facility in order to be exempt from federal requirements.

Land Use

DR #36 - Andy Welch said that HDPP will submit a letter from the Victor Valley Economic Development Agency (VVEDA) that will explain the project's consistency with the Air Force lease.

DR #37 - HDPP has submitted a permit application to the Federal Aviation Administration (FAA). HDPP will send the Commission a copy as part of its 1/16/98 response.

Visual

DR #50 and #51 - Ron said that HDPP is no longer proposing to use a Victor Valley Water Reclamation Authority pipeline.

DR #52- Andy said that El Evado Road has recently been aligned and expanded. HDPP is working with the City of Victorville to delineate the expanded road location. HDPP will provide the staff with a map showing the new road alignment/location as soon as they have final word from the City staff. HDPP's work with the City staff on this item has been delayed because the City offices were closed from 12/22/97-1/2/98.

DR #58 - Andy and Ron noted that non-reflective, heat resistant paint for the power plant exhaust stacks may not be available. HDPP will be open to Gary Walker's (Commission staff) recommendations on paint vendors.

DR #63 - Ron asked whether quantification of the height and width of the visible plume from the exhaust stacks is common and readily done. The HDPP engineers are having problems with #63, since this data tends to be on an average basis. Ron said that the modeling concept seems excessive. HDPP would like to have a follow-up conference call to discuss this item with Gary Walker. Allan Thompson requested that the Commission provide an example of plume modeling, preferably with a setting that is more like the Mojave desert area than the Crockett project area (ie, Carquinez Strait in Contra Costa County).

Ron said that HDPP will provide further explanation of how it used the U.S.Bureau of Land Management (BLM) approach for visual impact analysis.

Project Description

DR #43-45 - HDPP needs more time (ie, beyond 1/16/98) to respond to these items related to the possibilities for using existing wells, or developing new wells for a back-up project water supply. HDPP is working with a local water purveyor on a study. Regarding the biological resource surveys mentioned in #45, HDPP through Allan Thompson, will provide an activity schedule, which will include the seasonal biology survey dates. HDPP will then begin the survey process in the spring with appropriate timing.

Public Health

DR #46 - Sara said that ENSR will provide a health risk assessment for HDPP by 1/16/98. They will respond as directed, whenever the data is available. She will use all pathways that are applicable.

Waste Management

DR #67 - Ellie Townsend-Smith of the staff said that she particularly wanted HDPP to discuss how long waste solids would be stored on site. Ellie said that she would review the AFC traffic section which discusses trucks that will pick up waste.

Soils

DR #49 - HDPP needs more time to respond to this item since it's connected to the biological agency consultation process.

Transmission System Engineering

This topic will be discussed in a 1/8/98 public workshop at the Commission. Ron said that HDPP can't provide stability data, which will be provided later by Southern California Edison (SCE) along with other transmission information. Any powerflow and stability studies must be ultimately acceptable to the range of California transmission stakeholders. Al McCuen of the staff said that he would defer discussion of when the transmission system interconnection study could be completed to the 1/8/98 workshop. Al's goal is to facilitate a joint discussion with the Independent System Operator (ISO), HDPP, and the various transmission facility owners.

Ron asked if the Commission has required stability analyses in the past. Al responded that it has when necessary, based on the system configuration and size of the plant. A 50-150 MW plant in some areas would not need a stability analysis, whereas the 700 MW High Desert project in a highly stressed area does. The HDPP site area has existing stability problems even without the project.

Al recommended that HDPP meet with SCE to request an interconnection study, along with a stability study. Staff would find a study conducted by a consultant adequate if it had reasonable scope and detail and it was coordinated with the transmission stakeholders. However, in staff's opinion, it would be more efficient to secure a complete study from SCE that was coordinated. The source of the study is not important; it is the quality and coordination. His experience has been that the utilities have fairly successfully coordinated with one another, thus one would expect Los Angeles Department of Water and Power (LADWP) and SCE to do so. Al indicated there is concern about regulatory timelines if studies have to be iterated (ie, go through a number of drafts with multiple reviewers).

The Independent System Operator (ISO)/Transmission Owner (TO) control agreements were briefly discussed, and it was noted that staff had discussed this with the ISO. The ISO/TO interconnection provisions are similar to those for the Qualifying Facilities Milestone procedures used for Qualifying Facilities. It was not known for sure if there were specified timelines; Al thought the language was "reasonable period." (Each participating TO shall accept a request for new or modified interconnections to the ISO controlled grid, and shall process such requests in a timely, non-discriminatory manner in accordance with its tariffs and procedures....)

Al queried HDPP as to the rationale for not requesting an interconnection study from SCE. Ron responded that he thought that SCE was uncertain (circa April 97) about the scope and extent of future ISO requirements. Therefore, a study could be rendered obsolete, with the possibility of different requirements once the ISO has been operating for a while. Al suggested that a meeting with HDPP, the major transmission owners, the ISO, and the Commission staff would be helpful.

Ron said that HDPP will respond by 1/16/98 to all the transmission items except for stability studies. Ron anticipated difficulty securing the input data for staff's requested stability study. Apparently the FERC 715 filing (power flows, maps, one line diagrams, loads and resources by utility area filed with FERC) do not include stability data sets. Al will check his sources and assist HDPP if practicable. Staff noted that they have the stability sets for the WSCC region as part of their work on the WSCC Operational Capabilities Study Group (establishes intertie ratings), but they would likely be too macro. Al advised that it would not be prudent to begin to secure generation data for the stability studies because a lot more is required than that. One should secure an established data set for a year close to the study period (2001-2003) and modify that set to coincide with loads, resources, and the anticipated system configuration for the study period.

Al provided a list of anticipated transmission planning participants for the January 8, 1998 workshop including E-mail addresses and telephone numbers. It was noted that SCE would not be able to attend due to a pressing workload on MOSs (Method of

Service -- e.g., interconnection studies). SCE has been requested to participate via teleconference and/or provide E-mail comments.

Andy asked whether LADWP has generally accepted interconnection studies done by SCE. Al replied that he has seen them work together and/or in a coordinated way sometimes.

Worker Safety

Neil Nelson of Constellation (ie, one of the HDPP partners) Operating Services represented HDPP. Chris said that DR #35 provides an example outline for a safety management plan, which HDPP can use if it seems relevant. HDPP can follow up with Rick Tyler and Ellie Townsend-Smith of the staff if needed.

Chris said that it is fine for the project safety plans to be somewhat generic at this point.

Rick Wolfinger of Constellation said that HDPP plans to rely on outside agency fire services. Chris asked that HDPP provide the Commission with any records of discussions or correspondence with local fire agencies regarding their services.

Miscellaneous

Rick asked whether HDPP would object to the Commission docketing the 12/12/97 letter from HDPP to ARB. Rick Wolfinger said that docketing the letter would be fine.

**HIGH DESERT POWER PROJECT
97-AFC-1
DECEMBER 30, 1997 DATA REQUEST WORKSHOP**

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