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STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:	)	
	)	
Application for Certification	)	Docket No. 04-AFC-01
For the San Francisco	)	
Electric Reliability Project	)	

SFERP STATUS REPORT #1

The Committee Scheduling Order issued on June 22, 2004 requested that the parties file status reports to inform the Committee on the progress of the case, as well as any other matters that could result in a delay or acceleration of the issuance of the Preliminary Staff Assessment. This Status Report by the San Francisco Electric Reliability Project ("SFERP" or the "Applicant') addresses the status of issues such as responses to CEC Staff Data Requests, workshops, PM_{10} mitigation, and Applicant's understanding as to the status of the PDOC.

AIR QUALITY - PM_{10} Mitigation Plan

The City is organizing a process to involve potentially affected communities in development of ideas for mitigation and community benefits that may be pursued. As an initial step, the City has met with various members of the community. Based on input from these meetings and existing materials associated with the Potrero 7 application, the City and its consultants have developed an extensive list of potential mitigation opportunities and a proposed method for evaluating the various mitigation opportunities that will allow the City and the community to select the combination of mitigation measures that best meets the goals and criteria of the plan. The City intends to work with the affected community to develop mitigation opportunities that can be implemented within a reasonable time, that will produce benefits that can be monitored or measured, that are within the City's control, that provide benefits consistent with costs, and that would benefit from the City's participation. The City anticipates holding at least two workshops over the summer. On July 13th, the City sponsored the first community workshop to discuss the objectives of the PM10 mitigation program; the criteria that will be used in evaluating candidate mitigation measures; and a preliminary list of potential mitigation measures. The workshop was well-attended, and community members participated in breakout groups to discuss different ideas. The City collected feedback from these breakout groups and will use that in developing a more refined list of candidate mitigation measures. In addition, the City will analyze the measures against the criteria. The refined list of measures and analysis will be presented to the community at a second workshop expected to be held during the last week of August. Based on this work and the input from the community, the City intends to present a proposed set of mitigation measures to the San Francisco Public Utilities Commission and the Commission on

the Environment for their consideration at public meetings in late August or early September in order to finalize a list of recommended measures.

AIR QUALITY – Emission Reduction Credits

The City is pursuing an option agreement with potential offset providers and is attempting to achieve an agreement as quickly as possible consistent with City contracting requirements and with the City's desire to obtain favorable contract terms. The City will release the offsets option package as soon as confidential negotiations are completed. Applicant anticipates that these negotiations will be completed in late July or early August 2004.

AIR QUALITY – BAAQMD Preliminary Determination of Compliance (PDOC)

The District has indicated to the Applicant that it expects to release the PDOC by the end of July 2004.

SOIL AND WATER RESOURCES

One of the Data Requests in the area of Soil and Water Resources dealt with San Francisco Health Code Article 22A that pertains to analyzing soils for hazardous waste. Specifically, the Data Request asked how Applicant would work with the San Francisco Department of Public Health in complying with Article 22A. Applicant's response indicated that Applicant would work with the Department of Public Health to determine acceptable means of complying with Article 22A. Towards that end, members of the SFERP project team met with a representative of the Department of Public Health on July 14, 2004. The project team committed to provide the Department of Public Health with a site history and a summary of previous soil and water investigations conducted at the Potrero site. The site history and summary of previous investigations are the first steps required under Article 22A and will provide the Department of Public Health with a basis for determining additional requirements. Applicant anticipates that this information will be provided to the Department of Public Health in early August 2004.

DATA RESPONSE WORKSHOP

Staff, Applicant, Intervenors, and members of the public attended a Data Response Workshop on July 19, 2004 at the Potrero Hill Neighborhood House. During the workshop, Applicant received a number of informal Data Requests by Staff, Intervenors, and the public. Applicant is working on responses and will provide said responses to all parties as soon as possible.

SUBMITTAL OF DATA RESPONSES

On June 4, 2004 CEC Staff issued the first set of Data Requests in the areas of Air Quality, Alternatives, Cultural Resources, Geology, Hazardous Materials Management, Land Use, Noise, Public Health, Soil and Water Resources, Traffic and Transportation, Transmission System Engineering, Visual Resources, and Waste Management. On June 10 Staff issued supplemental Data Requests in the area of Water Supply and Recycled Water Treatment. Applicant has

submitted three sets of Data Responses, designated Set 1A, 1B, and 1C, on July 6, July 12, and July 15, respectively. Applicant's Data Responses addressed all Data Requests from Staff's original and supplemental Data Request.

In addition to the formal Data Requests issued by Staff, Applicant has also received Informal Data Requests in the areas of Worker Safety and Fire Protection and Visual Resources. Applicant provided draft responses to the Informal Data Request on July 16, 2004. Applicant's draft responses were discussed at the Data Response Workshop held on July 19, were found to be acceptable to Staff, and were then formally filed and served on all parties on July 23, 2004.

During the Data Response Workshop on July 19, 2004, Staff discovered that a number of Data Requests in the area of Public Health had inadvertently been left out of Staffs first set of requests. These Data Requests were discussed at the workshop and a copy was provided to Applicant.

During the Data Response Workshop, Applicant was also provided a Data Request by Intervenor San Francisco Community Power as represented by Mr. Steven Moss. Applicant is currently reviewing these Data Requests and will submit an objection letter/request for additional time (if applicable) by July 29, 2004 or responses as soon as possible but not later than August 18, 2004 unless Applicant requests additional time.

CONCLUSION

The Applicant will continue to work diligently on the preparation and filing of the remaining Data Responses and any subsequent Data Requests issued by Staff or intervenors to this proceeding. The Applicant has not identified any issues it believes would delay the project and in fact, hopes that the project schedule will ultimately be accelerated.

Respectfully submitted,

Dated: July 23, 2004

By Jeanne M. Solé

Jeanne M. Solé

Attorney for the San Francisco Electric Reliability Project