CH2M HILL
2485 Natomas Park Drive
Suite 600
Sacramento, CA 95833
Tel 916.920.0300
Fax 916.920.8463

CH2MHILL

October 12, 2005
184288

DOCKET
04-AFC-1
DATE OCT 12 2005
RECD. OCT 12 2005

Mr. William Pfanner
Siting Project Manager
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, CA 95814-5504

RE: SFPUC Preliminary Staff Assessment Comments, Set 1
San Francisco Electric Reliability Project (04-AFC-01)

Dear Bill:

On behalf of the City of San Francisco, please find attached 12 copies and one original of the Initial Comments of the City and County of San Francisco on the Preliminary Staff Assessment (PSA) dated September 12, 2005.

Please call me if you have any questions.

Sincerely,

CH2M HILL

John L. Carrier, J.D.
Program Manager

c: Project File
Proof of Service List

San Francisco Electric Reliability Project (SFERP)
(04-AFC-1)

PSA Comments, Set 1

Listed below, for CEC staff's consideration, are Set 1 of City and County of San Francisco's (Applicant or the City) initial comments on the Preliminary Staff Assessment (PSA) for the San Francisco Electric Reliability Project (04-AFC-01). The City is submitting these comments to inform Staff and intervenors of the issues it will raise for discussion at the PSA workshop scheduled for October 18, and thus facilitate the discussion. The City's views on certain matters may be revised based on the discussion and input received at the workshop. The City will file its final comments on the PSA after the workshop, incorporating any revisions it considers to be appropriate in light of the discussion. For ease of reference the comments have been sequentially numbered.

GENERAL COMMENTS

1. **Environmental Justice.** As set forth in section 4 of Supplement A, the City recognizes that Southeast San Francisco is a community of color with relatively high rates of serious respiratory diseases; and that the Southeast San Francisco has been disproportionately impacted by industrial facilities including electric power generation. The City is pursuing the SFERP to support closure of existing dirty in-City generation. The City designed the SFERP to support the objectives of Ordinance 124-01. The City has proposed an air quality mitigation plan and a community benefits plan which are intended to (1) mitigate the impacts from particulate emissions for the project in accordance with California Energy Commission policy and the California Environmental Quality Act, (2) comply with City policy for the development of new generation in the City, and (3) address concerns, expressed by the residents of the Bayview, Hunters Point, and Potrero communities, regarding the potential air quality and related impacts of the project.

2. **The Revised Action Plan for San Francisco**. There are inconsistencies in the document regarding the effect of the SFERP on aging power plants in San Francisco. As set forth in sections 3 and 4 of Supplement A, the Revised Action Plan adopted by the California Independent System Operator (CA ISO) Board of Governors in November 2004, provides the most up-to-date information on the requirements to remove the Reliability Must Run agreement from the Hunters Point and Potrero power plants. Pursuant to the Revised Action Plan, prior to the in-service date of the SFERP, the construction of the 230-kv Jefferson-Martin transmission line plus eight additional transmission projects that are either completed or currently underway, will provide for termination of the RMR agreement for the Hunters Point power plant. Pursuant to an agreement between the City and PG&E, after termination of the RMR agreement, the Hunters Point power plant will be closed. With the construction of the SFERP and another small City power plant at the San Francisco International Airport, the RMR agreement for Potrero Unit 3 can be terminated. The construction of four additional transmission projects, planned to be in service by mid-2007, will provide for termination of the RMR agreement for Potrero Units 4, 5 and 6. The removal of the RMR agreement from units at the Potrero Power Plant would eliminate an important source of revenue to Mirant from continued operation of the units and would allow Mirant to shut down the plant.

San Francisco Electric Reliability Project (SFERP)
(04-AFC-1)

PSA Comments, Set 1

EXECUTIVE SUMMARY

3. P.1-2, Project Location and Description, 5th paragraph. The description of the stormwater collection system during operations needs to be updated to reflect the use of vegetated swales.

4. P. 1-9, Air Quality, 1st paragraph. The description of the City's local PM_{10} monitoring program is not accurate. The monitoring station in Whitney Young Circle was operated jointly by the BAAQMD, the ARB, and San Francisco Department of the Environment under the BayCAMP (Bayview Hunters Point Community Air Monitoring Program) program. This program was independent of the SFERP project. The Whitney Young Circle station began operation in mid-June 2004; the program was terminated at the end of June 2005.

In connection with the SFERP, the City is operating a total of five $PM_{10}/PM_{2.5}$ monitoring stations in Southeast San Francisco. Monitoring, which began in early July, is taking place at two locations in Bayview/Hunters Point and two locations in Potrero. Each location has two samplers: one for PM_{10} and one for $PM_{2.5}$. The City is also monitoring at the Bay Area AQMD Arkansas Street monitoring station to allow a direct comparison of the Bay Area AQMD's measurements with those from the City's monitoring program.

5. P. 1-9, Air Quality, 2nd paragraph. Please see the discussion above in the General Comments section about the Revised Action Plan for San Francisco.

6. P. 1-10, Water Quantity, last sentence. The SFERP will use 132 acre feet of recycled water each year rather than 500 acre feet).

INTRODUCTION

7. No comments.

PROJECT DESCRIPTION

8. P. 3-1, Project Construction and Facility Operation, last sentence: This description is misleading. CCSF desires to have the ability to operate the facility at any time, 24 hours per day, 7 days per week, for the equivalent of up to 12,000 full load hours per year total for the three combustion turbines. However, the facility will not operate continuously but rather will be turned on and off as needed to meet demand.

9. P. 3-1, Project Equipment and Linear Facilities, 1st paragraph, 3rd sentence: The CTGs consist of three General Electric LM 6000 gas combustion turbine generators. It is misleading to state that GE will supply the CTGs.

10. P. 3-3, Electricity Transmission and Distribution, 2nd sentence: PG&E completed the Facility Study; the SFERP electric transmission lines will enter the PG&E substation underground from Illinois Street.

11. P. 3-3, Management of Hazardous Materials, 1st paragraph, last sentence: There is no plan to gather water from chemical storage areas and send them to the cooling tower basin (with or without neutralization).

ENVIRONMENTAL ASSESSMENT

AIR QUALITY

12. P. 4.1-19 and AQ-SC3, n). The City seeks confirmation that the BCDC areas need not be included within the area to be fenced.

13. P. 4.1-30, Noteworthy Public Benefits, 2nd paragraph. As noted in the general comments, pursuant to the Revised Action Plan, prior to the in-service date of the SFERP, the construction of the 230-kv Jefferson-Martin transmission line plus eight additional transmission projects that are either completed or currently underway, will provide for termination of the RMR agreement for the Hunters Point power plant. Pursuant to an agreement between the City and PG&E, after termination of the RMR agreement, the Hunters Point power plant will be closed. With the construction of the SFERP and another small City power plant at the San Francisco International Airport, the RMR agreement for Potrero Unit 3 can be terminated. The construction of four additional transmission projects, planned to be in service by mid-2007, will provide for termination of the RMR agreement for Potrero Units 4, 5 and 6. The removal of the RMR agreement from units at the Potrero Power Plant would eliminate an important source of revenue to Mirant from continued operation of the units and would allow Mirant to shut down the plant.

14. P. 4.1-30, Noteworthy Public Benefits, 1st paragraph. The description of the City's local PM_{10} monitoring program is not accurate. The monitoring station in Whitney Young Circle was operated jointly by the BAAQMD, the ARB, and San Francisco Department of the Environment under the BayCAMP (Bayview Hunters Point Community Air Monitoring Program) program. This program was independent of the SFERP project. The Whitney Young Circle station began operation in mid-June 2004; the program was terminated at the end of June 2005.

In connection with the SFERP, the City is operating a total of five $PM_{10}/PM_{2.5}$ monitoring stations in Southeast San Francisco. Monitoring, which began in early July, is taking place at two locations in Bayview/Hunters Point and two locations in Potrero. Each location has two samplers: one for PM_{10} and one for $PM_{2.5}$. The City is also monitoring at the Bay Area AQMD Arkansas Street monitoring station to allow a direct comparison of the Bay Area AQMD's measurements with those from the City's monitoring program.

15. P. 4.1-35, AQ-SC5, c): Condition AQ-SC5c) would require all construction Diesel engines with a rating of 100 hp or more to meet, at a minimum, the Tier 2 California Engine Emissions Standards for Off-Road CI Engines. The City wishes to discuss with the CEC how the objectives of the condition can be met without diminishing the ability of small, local firms, who typically have older fleets of equipment, from participating in the construction of the project.

16. P. 4.1-36, AQ-SC7: Please revise Condition AQ-SC7, as the City does not own certificate number 896 and cannot surrender it. The City holds an option to purchase a portion of the NOx ERCs from certificate number 896. The condition should read as follows:

> "The project owner shall surrender **47.5 tons of NOx from** the emission offset credits certificate number 896 at the time that surrender is required by condition AQ-38..."

17. P. 4.1-37, AQ-SC8: Please revise Condition AQ-SC8, as there are no quarterly permit limits. The condition should read as follows:

> ". . . The CPM . . may approve as an insignificant change, any change to an air quality Condition of Certification, provided that . . . (4) no existing daily~~, quarterly,~~ or annual permit limit will be exceeded . . ."

18. P. 4.1-44. AQ-12, Verification, 1st sentence: The timing requirements for notifications and submittals in the verification condition for AQ-12 are not consistent with the requirements in the condition itself. The condition requires submittal of a source test plan no later than **20** working days before the source tests; the verification condition requires the plan to be submitted no later than **30** working days before the source tests. This should be changed to **20** working days, per the condition.

Similarly, the condition of compliance requires the source test results to be submitted to the District and the CEC CPM within **30** days of the source test date, while the verification condition requires submittal of the test results within **90** days of the test date. The City believes that both conditions should be amended to require submittal of the test results within **60** days of the test date and will make a similar request to the BAAQMD staff for an administrative change.

19. P. 4.1-45. AQ-13, Verification, 1st sentence: Please revise the verification condition for AQ-13 to be consistent with the District's fuel analysis sampling requirement. As proposed, the verification condition requires **daily** lab analyses of natural gas fuel sulfur content, while the District's permit condition (which is consistent with the new source performance standard that is the basis for the testing requirement) requires **monthly** sampling and analysis (Condition AQ-42). The condition should read as follows:

> **Verification:** The project owner shall complete, on a ~~daily~~ **monthly** basis, a laboratory analysis showing the sulfur content of the natural gas being burned at the facility…"

20. P. 4.1-48. AQ-20: Please revise Condition AQ-20 to be consistent with the revised language that we have requested in the PDOC. Condition AQ-20 as proposed by the District and the CEC staff would prohibit the SFERP gas turbines from undergoing more than two startups and shutdowns per turbine in any one day. The City believes this condition is overly restrictive for a peaking facility, and has requested that the condition be eliminated and replaced with daily emission limits per Table 1 of the BAAQMD's PDOC engineering evaluation. We can anticipate situations in which a gas turbine would need to operate in what would be considered startup mode more than twice in one day but would still be able to comply with the daily emission limits upon which the engineering evaluation is based. The existing conditions limiting hourly emissions during normal operations and startup and shutdown operations, in combination with the proposed daily limits, will ensure that the gas turbines are operated in conformance with all of the analyses upon which the staff's conclusions are based.

21. P. 4-1.54. AQ-36 and AQ-37, Verification: Please revise the verification requirements for conditions AQ-36 and AQ-37 to be consistent with those for other, recent CEC projects. Site clearing and ground disturbance for site preparation are likely to begin well in advance of the development of detailed construction drawings, making it impossible to provide "approved for construction" drawings so far in advance of site preparation activities. Specifically, please revise the verification conditions to read as follows:

> **Verification**: ~~120 days prior to the start of any site clearing or ground disturbance activities~~ **Prior to the construction of the turbine stacks**, the project owner shall provide the District and CPM ~~an "approved for construction"~~ **detailed plan** drawing**s** showing the appropriate stack height and location of sampling ports and platforms . . .

22. P. 4.1-55, AQ-38: Please revise Condition AQ-38 to be consistent with the language of the District permit. This condition should reflect only the 45.8 tons per year of NOx offsets that are required by the District for this project. The additional 1.7 tons of NOx ERCs that are being provided to mitigate the POC emissions from the project are addressed in the staff's Condition AQ-SC7. The condition should be revised as follows:

> "Prior to the issuance of the BAAQMD Authority to Construct for the SFERP, the owner/operator shall provide to the District valid emission reduction credit banking certificates in the amount of ~~47.5~~ **45.8** tons/year of Nitrogen Oxides or equivalent as defined by District Regulations 2-2-302.1 and 2-2-302.2. (Basis: Offsets)"

23. P. 4.1-55. AQ-41: Verification. Please revise the verification requirements for condition AQ-41 to be consistent with those for other, recent CEC projects. Specifically, please revise the verification conditions to read as follows:

> **Verification:** At least ~~30 days prior to any site clearing or ground disturbance activities~~ **60 days prior to installation of the CEMS**, the project owner shall seek approval from the District for an emission monitoring plan.

BIOLOGICAL RESOURCES

24. P. 4.2-8, SFERP Project Site and Temporary Construction Laydown Area, 3rd paragraph, 4th sentence: The description of the stormwater collection system during operations needs to be updated to reflect the use of vegetated swales.

CULTURAL RESOURCES

25. P. 4.3-33. CUL-8,Verification, 2nd sentence: "No later than 48 hours following the completion of data recordation/recovery for discovered cultural material that cannot be treated programmatically, completed DPR form 523s shall be submitted to the CPM for review and approval."

The Applicant finds this to be burdensome and unreasonable. A DPR Form 523 will require longer than 48 hours to complete, and will require both sketch maps and a location map before it may be submitted. Please revise as follows:

> "No later than **30 days** following the completion of data recordation/recovery for discovered cultural material that cannot be treated programmatically, completed DPR form 523s shall be submitted to the CPM for review and approval."

HAZARDOUS MATERIALS

26. General Comment. The term "acutely hazardous materials (AHM) is used several times in the document. This term no longer is in use and should be struck. AHM has been replaced by the term "Regulated Substance." See for example, p. 4.4-7, second paragraph from the bottom. The chemicals listed were never considered acutely hazardous materials and are not considered regulated substances.

27. P. 4.4-2, Introduction, 4th paragraph, 10th line: The City has preliminarily determined that the natural gas pipeline size will not need to be 12 inches but rather will be 8 or 10 inches. The line it connects to is PG&E line 132.

28. P. 4.4-4, Table 1, third box up from the bottom. There should be a reference to Article 21 for hazardous materials and to Article 22 for hazardous waste.

29. P. 4.4-4, Table 1, last box. The City seeks clarification and confirmation of whether the reference should be to Article 21A or 22A.

30. P. 4.4-8, Natural Gas, 2nd paragraph: The SFERP does not have a heat recovery steam generator so comments about burner system are misplaced.

31. P.4.4-12, Aqueous Ammonia, 4th paragraph, 8th line: The parenthetical reference to the quantity of ammonia contained in the 10,000 gallon tank appears to be in error.

32. P. 4.4-22, Site Security, 2nd paragraph, last line: Please provide a copy of the CEC's Site Security Guidelines referenced.

33. P. 4.4-25, Conclusions, 1st paragraph last line: Please end the sentence with "aqueous ammonia." Anhydrous ammonia is not being used as a refrigerant on this project.

34. P. 4.4-26, HAZ-4: Please revise as appropriate per the SFPUC's comments regarding the Title 8, CCR, Section 500 to 515 applicability, above.

35. P. 4.4-47, Table 1: Table 1 is missing "Antiscalant" as a hazardous material to be found onsite.

LAND USE

36. No comments.

NOISE AND VIBRATION

37. P. 4.6-13, Cumulative Impacts and Mitigation, 2nd bullet: The MUNI Metro East Light Rail Maintenance and Operations Facility is adjacent to the proposed plant site, not "nearly a quarter mile south." Please revise this bullet.

PUBLIC HEALTH

38. P. 4.7-21, Noteworthy Public Benefits, 2nd paragraph: The description of the City's local PM_{10} monitoring program is not accurate. The monitoring station in Whitney Young Circle was operated jointly by the BAAQMD, the ARB, and San Francisco Department of the Environment under the BayCAMP (Bayview Hunters Point Community Air Monitoring Program) program. This program was independent of the SFERP project. The Whitney Young Circle station began operation in mid-June 2004; the program was terminated at the end of June 2005.

In connection with the SFERP, the City is operating a total of five $PM_{10}/PM_{2.5}$ monitoring stations in Southeast San Francisco. Monitoring, which began in early July, is taking place at two locations in Bayview/Hunters Point and two locations in Potrero. Each location has two samplers: one for PM_{10} and one for $PM_{2.5}$. The City is also monitoring at the Bay Area AQMD Arkansas Street monitoring station to allow a direct comparison of the Bay Area AQMD's measurements with those from the City's monitoring program.

39. P.4.7-22, Public Health-1: The City believes that the appropriate guidelines for control of Legionella bacteria may be different from those sited in the draft Condition. The City wishes to discuss the appropriate guidelines for use at the PSA workshop.

40. Appendix B, Respiratory Disease Incidence in the Southeast Section of San Francisco: The City notes that asthma related hospitalizations in San Francisco and Southeast San Francisco have declined by approximately 50 percent in the past 10 years. The City attributes these changes to a combination of: 1) better available therapies and clinical practice; 2) asthma education and outreach efforts; 3) community and home environmental change efforts.

41. Appendix C, Cancer in the Southeast Section of San Francisco: The study was reviewed by the City's Department of Public Health (DPH). DPH had questions about the study, including what was the study intended to address, why were the cancers in question addressed rather than others, documentation of methods, etc. As stated above, the City has recognized that Southeast San Francisco is a community of color with relatively high rates of serious respiratory diseases; and that the Southeast San Francisco has been disproportionately impacted by industrial facilities including electric power generation.

SOCIOECONOMICS

42. See General Comments on Environmental Justice.

SOIL AND WATER RESOURCES

43. P. 4.9-1, Summary of Conclusions, second to last sentence. *Staff is still seeking more information on soil contamination and on the use of vegetated swales prior to the release of the Final Staff Assessment.* This sentence should be deleted in the FSA. The City will provide the lab report from the soil borings before the PSA workshop. The City will also provide additional information on the vegetated swales prior to the PSA workshop.

44. P. 4.9-1, Summary of Conclusions, last sentence: *The applicant plans to perform soil and groundwater sampling during September 2005 and will provide the results prior to the Final Staff Assessment.* Applicant notes that no groundwater samples were collected or analyzed during the recent sampling event. Applicant will provide the sampling results prior to the PSA workshop on October 18, 2005.

45. P. 4.9-9, Project Water Supply, 3rd paragraph, 1st sentence: The potable water connection will be to a 12-inch main in Cesar Chavez, not an 8-inch line in 23rd Street.

46. P. 4.9-9, Project Water Supply, 3rd paragraph, 3rd sentence: *The applicant has not shown that the emergency backup water peak flow and volume meet the Water Department rules and regulations.* It is unclear what rules and regulations are being referred to in this sentence. Furthermore, Applicant has provided a will-serve letter from the San Francisco Department of Public Works indicating that the City has adequate emergency backup water supply. Therefore, this sentence should be removed.

47. P. 4.9-9, Project Water Supply, 5th paragraph, 1st sentence. The new pump station would be better described as adjacent to the existing Marin Street collection box.

48. P. 4.9-10, Project Water Treatment, 2nd paragraph, 2nd sentence. Electrodeionization will not be used. Instead, leased mixed bed ion exchange vessels will be used for final treatment.

49. P. 4.9-11, Wastewater and Storm Water, last paragraph, last sentence. *However, it is unclear if the SFERP will be covered under the existing Port of San Francisco's NPDES*

permit. The City will provide a letter from the Port confirming that it is covered under the existing Port of San Franscisco NPDES permit before the PSA workshop.

50. P. 4.9-12, Construction of Associated Linear Features, 1st paragraph, last sentence: The potable water connection will be to a 12-inch main in Cesar Chavez, not an 8-inch line in 25th Street.

51. P. 4.9-19, Construction Wastewater, first paragraph. This paragraph addresses an inconsequential effect. The change in combined wastewater/stormwater quality entering the SEWPCP resulting from SFERP construction is not expected to be noticeable or even measurable. The change in site permeability is not expected to result in a measurable increase in wet weather flows in the combined system. In addition, potential contamination will be addressed through a Risk Management Plan and Site Management Plan (RMP/SMP).

52. P. 4.9-21, Storm Water, 2nd and 3rd paragraphs: *Prior to publication of the FSA, staff requests that the applicant provide evidence from the Port of San Francisco and the SFBRWQCB that no peak attenuation of stormwater from the site will be required and that the proposed vegetated swales can convey the 100-year peak runoff from the SFERP site.* Applicant intends to provide such evidence from the Port of San Francisco in the very near future. Applicant maintains that this evidence from the Port should be sufficient for CEC Staff and that additional approval from the San Francisco Bay RWQCB is not necessary. If Staff maintains that RWQCB approval is necessary, Applicant requests that the above language be modified such that the requested information is provided prior to the start of construction rather than prior to publication of the FSA.

53. P. 4.9-20, Construction Wastewater, 3rd paragraph, 1st sentence: Reference to "Erosion and Sediment Control Plan" should be changed to "Drainage, Erosion and Sediment Control Plan" or to "DESCP" to maintain consistency with prior text.

54. P. 4.9-24, Potable Water, 1st paragraph: Potable water connection will be to an existing 12-inch main in Cesar Chavez, not an 8-inch line in 25th Street.

55. P. 4-9-27, Recycled Water, 3rd paragraph: Storm water will not flow into the combined sewer system but rather will flow to the Bay through vegetated swales. Thus, routing surface runoff through the onsite water treatment plant operations would not reduce the impact of storm water run-off on the combined sewer system.

56. P. 4.9-27, Water Metering Devices, 2nd paragraph, Item 2: The City does not object to metering potable and recycled water use. However, no substantive benefit has been shown for installing meters and measuring water use for cooling and non-cooling processes, irrigation, wash water, demineralized water, and turbine injection. This degree of metering is burdensome and does not appear to be needed for the Integrated Energy Policy Report. The City requests that metering be limited to total potable and non-potable water use.

57. P. 4.9-27, Wastewater Discharge, 4th sentence: The number for the peak discharge rate (610,000 gallons per minute) is incorrect. The correct number is 200 gallons per minute.

58. P. 4.9-28, Wastewater Discharge, 3rd paragraph, 1st sentence: Traveling screens are no longer anticipated. Grit will be collected by screening conveyors with press and grit dewatering screws. The collected grit will be disposed off site. It will not be returned to the combined sewer.

59. P. 4.9-31, Compliance with LORS, 1st bullet: Change "ESCP" to "DESCP."

60. P. 4.9-33, Conclusions, 2nd paragraph and bullets: The second paragraph and the bullets should be deleted for the FSA. As described above, the City does not intend to undertake sampling of groundwater but will provide the lab results from the borings prior to the PSA workshop. Moreover, prior to the PSA workshop, the City will provide a letter from the Port of San Francisco indicating that the SFERP will be covered under the Port's NPDES permit and further information on the vegetated swales. This information should be sufficient to address the CEC's concerns.

61. P. 4.9-39, SOIL & WATER-10: As discussed above, the City requests that metering be limited to total potable and non-potable water use.

TRAFFIC AND TRANSPORTATION

62. P. 4.10-16, Conclusions, item #4: At the beginning of this comment the words "City/County of San Francisco" seem to be errant and should be deleted.

TRANSMISSION LINE SAFETY AND NUISANCE

63. No comments.

VISUAL RESOURCES

64 P. 4.12-4, Power Plant, 2nd paragraph, last sentence: The exterior fence will be wrought iron picket type with curved pointed tips to match the adjacent Muni Metro East O&M facility.

65. P. 4.12-4, Linear Facilities, 1st paragraph, last sentence: The exterior fence will be wrought iron picket type with curved pointed tips to match Muni Metro East O&M facility.

66. P. 4.12-20, Permanent Exterior Lighting, VIS-4: Applicant recommends that the language of COC VIS-4 be revised such that only <u>commercially available</u> lighting be required. The proposed new language is shown below:

> **VIS-4** To the extent feasible, consistent with safety and security considerations **<u>and commercial availability</u>**, the project owner shall design and install all permanent exterior lighting such that . . .

67. P. 4.12-20, Permanent Exterior Lighting, VIS-4, Item C: This text should also be changed to read: "C. **Commercially available lighting shall be used that incorporates** fixture hoods/shielding . . ."

68. P. 4.12-22, VIS-5, Verification: The Verification states that electronic photographs are to be provided to the CPM after the sign is installed and that if the CPM determines that the signage requires changes, such changes are to be made within 60 days of notification by the CPM. The Applicant recommends that the Verification be reworded such that the signage approved by the City is also reviewed and approved by the CPM prior to ordering and installation. The proposed new language is shown below:

> **Verification:** At least ~~30~~ **45** days prior to commercial operation, the project owner shall **provide the CPM for review and approval a copy of signage that has been approved by the City and County of San Francisco Planning Department. Within 30 days of CPM approval, the owner shall provide the CPM with electronic color photographs of the installed signage.** ~~notify the CPM and City and County San Francisco Planning Department that appropriate signage has been installed and is ready for inspection prior to the start of commercial operation, and shall provide the CPM with electronic color photographs of the signage. If the CPM determines that signage requires changes, the project owner shall complete the changes within 60 days and notify the CPM that the changes have been~~

69. P. 4.12-22, VIS-6. The Condition should be corrected to read "…118 kilograms per second at **an ambient of** 52 degrees Fahrenheit …" and "… 108 kilograms per second at **an ambient of** 80 degrees Fahrenheit …"

WASTE MANAGEMENT

70. P. 4.13-14, WASTE-6: On page 4.13-4 of the PSA, the staff states that "For any site proposed for the construction of a power plant in California, the applicant must provide sufficient documentation about the nature of any contamination on the site." The staff then states that they require a Phase I or Phase II site assessment to meet these criteria. The purpose of the Phase I or II is to ensure that construction does not pose an adverse health risk to workers or the public. As requested in WASTE-6, this Phase I would need to cover a distance of more than 3,350 feet, which would affect many different property owners along the route. (We assume, that since no soil would be disturbed during the construction on the pipeline within the collection box that this 850-foot-long segment would be excluded from the Phase I requirement.) The requirement to prepare a complete Phase I covering a distance of more than a half mile, is not necessary. The Applicant proposes to provide a database search that is typically performed as part of a Phase I (i.e., a search of more than 50 federal and state environmental agency records on hazardous materials usage and spills). In addition, the Applicant will provide historic aerial photos, historic topographic maps, and available Sanborn maps covering the pipeline route and the pump station. This data will provide sufficient documentation as to the location of possible contaminated soil that could be encountered during the pipeline construction; thus meeting the staff's objectives.

71. P. 4.13-14, WASTE-7: Applicant recently performed soil sampling and analysis at the proposed SFERP site. The results of that sampling and analysis exercise have been provided to the CEC under separate cover. Applicant maintains that the sampling results indicate constituents of concern in the soil that are consistent with levels shown in numerous previous sampling activities in and adjacent to the SFERP site. Therefore, Applicant maintains that a revised human health risk assessment is not necessary. Applicant is working with the San Francisco Bay RWQCB to have a deed restriction (consistent with the deed restrictions from the adjacent MUNI site) placed on the SFERP site and to also have the existing RMP/SMP for the MUNI site revised to also cover construction and operations activities at the SFERP site. Moreover, the Applicant will comply with Article 22A of the Public Health Code and will provide a site characterization and remediation plan to the Department of Public Health for review.

72. P. 4.13-14, WASTE-8: As noted above in Applicant comments on COC WASTE-7, Applicant recently performed soil sampling and analysis at the proposed SFERP site. Applicant has also noted that we are working with the RWQCB to have the existing RMP/SMP for the MUNI site revised to also cover construction and operations activities at the SFERP site. Because construction activities will be performed consistent with the RMP/SMP, Applicant maintains that Condition of Certification WASTE-8 is redundant and that the Condition should be removed.

73. P. 4.13-15, WASTE-9: The type of cooling towers to be used at the proposed SFERP are small package type cooling towers that do not generate sludge. Therefore, Applicant recommends that WASTE-9 be removed.

74. P. 4.13-15, WASTE-10: This Condition pertains to the management of asbestos containing materials and materials containing lead potentially generated during demolition of structures on the site. Since the construction of the SFERP will not involve demolition of structures, Applicant recommends that WASTE-10 be removed.

WORKER SAFETY/FIRE PROTECTION

75. General Comment: There should be a reference added detailing that power plant staff will be trained to help mitigate ammonia and other hazardous materials spills.

76. The Applicant has reservations regarding the proposed Conditions of Certification WORKER SAFETY-3 and -4. These reservations relate to concerns about responsibility, liability and the efficacy of the Staff's proposal. At the PSA workshop, the Applicant would like to discuss a possible compromise that will meet the Staff's declared need for having an "extra set of eyes" during construction and commissioning. For example, the Applicant would like to discuss a compromise similar to the WORKER SAFETY-3 condition that was worked out in the Inland Empire Energy Center (IEEC) project (01-AFC-17C). That condition is provided below.

WORKER SAFETY-3 The Project Owner shall ensure that a CPM-approved Safety Monitor(s) conducts an onsite safety inspection of the power plant at least once a week during construction of permanent structures and commissioning unless a lesser number of inspections is approved by the CPM. The CPM may also require a similar inspection and report concerning linear facilities.

The Safety Monitor shall keep the Chief Building Official (CBO) fully informed regarding safety-related matters and coordinate with the CBO concerning onsite safety inspections, and the final safety inspection prior to issuance of the Certificate of Occupancy by the CBO. The Safety Monitor will be retained until cessation of construction and commissioning activities, and issuance of the Certificate of Occupancy, unless otherwise approved by the CPM. The Safety Monitor(s) shall also:

- **Correct any construction or commissioning problems that could pose a future danger to life or health, consulting with the CBO as necessary.**
- **Have the authority to temporarily stop construction or commissioning activities involving possible safety violations or unsafe conditions that may pose an immediate or future danger to life or health, until the problem is resolved to the satisfaction of the Safety Monitor and/or CBO.**
- **Consult with the CBO to determine when construction may resume unless the problem is corrected immediately, and to the satisfaction of the Safety Monitor and/or CBO.**
- **Inform the CPM within 24 hours of any temporary halt in construction or commissioning activities.**
- **Be available to inspect the site whenever necessary in addition to the minimum weekly basis during construction and commissioning as determined in consultation with the CBO and CPM.**
- **Develop a safety program for the Project that complies with Cal/OSHA & federal regulations related to power plant projects.**
- **Ensure that all federal and Cal/OSHA requirements are practiced during the construction and installation of all permanent structures (including safety aspects of electrical installations).**
- **Ensure that all construction and commissioning workers and supervisors receive adequate safety training.**

- **Conduct safety training (including fall protection, confined spaces, respiratory protection, hazard communication, etc.), or ensure that the Project owner, union hall, and/or contractors conduct adequate safety training.**
- **Maintain all Material Safety Data Sheets, storage of all hazardous materials and all other required documentation for Cal/OSHA.**
- **Complete all accident and incident investigations, emergency response reports for injuries and inform the CPM of OSHA Recordable and Lost Time incidents.**
- **Ensure that all the plans identified in WORKER SAFETY-1 are implemented. The Safety Monitor shall be qualified regarding the following:**
- **Safety issues related to equipment, pipelines, etc,**
- **LORS applicable to workplace safety and worker protection**
- **Workplace hazards typically associated with power production**
- **Lock out tag out and confined spaces control systems**
- **Site security practices and issues**

Verification: The Project owner shall submit the Safety Monitor(s) resume(s) to the CPM for approval at least 30 days prior to site mobilization. One or more individuals may hold this position.

The Safety Monitor shall submit in the Monthly Compliance Report a monthly safety inspection report to include:

- **Records of all employees trained for that month (all records shall be kept on site for the duration of the Project);**
- **A summary report of safety management actions that occurred during the month;**
- **A report of any continuing or unresolved situations and incidents that may pose danger to life or health;**
- **Reports of OSHA Recordable and Lost Time incidents and injuries that occurred during the month.**

ENGINEERING ASSESSMENT

FACILITY DESIGN

77. No comments.

GEOLOGY AND PALEONTOLOGY

78. P. 5.2-3, Project Site Description: The characterization of subsurface stratigraphy does not note the rather extensive estuarine sedimentary units at depth. Also, the depth of artificial fill will be an important determinant of whether or not monitoring should take place in particular areas. Paleontologic monitoring should not take place when excavations are restricted to activities in artificial fill.

A diligent review of cited paleontologic records from within one mile of the project site reveals collections of dubious scientific value (e.g., mollusk shell fragments from uncertain stratigraphic context), with poorly-controlled data on provenience. Most actual significant paleontologic records for the area are from the Peninsula itself and not from the Islais Creek Estuary, where the majority of the project will be located.

79. P. 5.2-4, Direct/indirect Impacts and Mitigation, 2nd paragraph: Applicant does not agree with Staff finding at bottom of page 5.2-4 that (all) native materials (sediment) possess a high paleontologic sensitivity. Young Bay Mud, which immediately underlies artificial fill and is largely of post-Pleistocene age, is not expected to contain significant paleontologic resources above the Pleistocene-Holocene boundary.

80. P. 5.2-13, PAL-3, item 5: Paleontologic resource monitoring of excavations for this project is not needed when those excavations occur in artificial fill. Given the location of the project site, most construction excavations will likely take place in artificial fill. The PRMMP should place emphasis on where monitoring will be necessary based on where excavations may affect native materials. The PRMMP should also specifically address whether monitoring should take place when excavations occur in Holocene-age sediments.

POWER PLANT EFFICIENCY

81. No comments.

POWER PLANT RELIABILITY

82. No comments.

TRANSMISSION SYSTEM ENGINEERING

83. No comments.

LOCAL SYSTEM EFFECTS

84. P. 5.6-2, Summary of Conclusions, Item 2: The discussion states that "[a] primary benefit of the addition of the San Francisco Electric Reliability Project (SFERP) is that the old and unreliable Potrero turbines (units 4, 5 and 6) could be released from their reliability Must Run (RMR) contracts and retired. As explained in the general comments above, pursuant to the Revised Action Plan, the SFERP, along with a small power plant at San Francisco International Airport, should provide for the termination of the RMR agreement for Potrero Unit 3. According to the Revised Action Plan, with the addition of four transmission projects projected to be in service by mid-2007, the RMR agreement for Potrero Units 4, 5 and 6 can be terminated.

85. P. 5.6-8, The Effect on Plans for Transmission Facility Upgrades, 3rd paragraph: See prior comment. Also, to the City's knowledge, the CA ISO has not addressed whether the Trans Bay cable could provide for closure of units at the Potrero Power plant, absent replacement generation in the City. The statement that it could is inconsistent with section 6 of the PSA which provides on page 6-65 that "[w]hile the Trans Bay Cable Project is an 'alternative' means of satisfying load demand on the San Fransisco peninsula and it is thus included as an alternative in this Staff Assessment, it would fail to meet the critical project objective of satisfying the CA ISO reliability criteria such that it would allow the shutdown of older, existing generation and the Hunters Point and Potrero Power Plants."

86. P. 5.6-10, Reliability Must Run Costs, 1st paragraph: The paragraph discussed savings from termination of the RMR agreement for Potrero Units 4, 5 and 6. The savings from termination of the RMR agreement for Potrero Unit 3 should also be considered as explained in the first comment on Local System Effects. Moreover, for the Potrero power plant, it should be possible to quantify the benefits of termination of the RMR agreement to ratepayers, notwithstanding the fact that owners may choose between Condition 1 and Condition 2. A settlement between Mirant, the California Public Utilities Commission, the Attorney General, the California Electricity Oversight Board, the Department of Water Resources, Pacific Gas and Electric Company , Southern California Edison, and San Diego Gas and Electric Company, addresses RMR matters for the Potrero power plant. Under the Agreement, Mirant will elect Condition 1 under the RMR agreements for the Potrero power plant but will be paid by PG&E as though the plant were a Condition 2 plant as long as the RMR agreement remains in effect. Thus it is possible to undertake a calculation of the savings from termination of the RMR agreement assuming that the Potrero units are Condition 2, since ratepayers will likely pay for both the payments made to Mirant under the RMR Agreement and the payments made to Mirant pursuant to the global settlement agreement.

87. P.5.6-11, Conclusions, Items 2 and 3: See the comments above for Local System Effects.

ALTERNATIVES

88. P. 6-64, Potrero 7, Transmission System Engineering, 1st paragraph, last sentence: The sentence states "Compared to the proposed project, this alternative would alleviate the need for future transmission improvements in the region by introducing a substantial new source of reliable, base-load power within San Francisco." However, this determination ignores the fact that, to date, the CA ISO has characterized new combined cycle plants as a whole as a contingency. In other words, for purposes of transmission planning, the CA ISO will consider a combined cycle plant as one unit. Given the size of the rest of the generation in San Francisco and the Peninsula, this means that a large combined cycle plant like Potrero 7 becomes the G-1 contingency and its entire output is taken out of the calculation when determining whether the reliability criteria have been met. In this context, a small, flexible plant like the SFERP provides more reliability value. For example, in the scenario where both the Potrero and the Hunters Point power plants are retired (which is the desired end-state), the SFERP provides 48 x 3 or 144MW of transmission deferral capability (assuming that the unit currently under development at the San Francisco Airport is installed) whereas Potrero 7 provides 0 MW of transmission deferred capability.

89. P. 6-57, Potrero 7, Cultural Resources, 1st paragraph: At this time, historically sensitive buildings remain in place that would have to be demolished if Potrero 7 is built. The existence of the San Francisco Unreinforced Masonry Ordinance does not eliminate the concerns about the demolition of historically sensitive buildings.

90. P. 6-75, Trans Bay Cable Alternative, Air Quality, 4th paragraph: The PSA states that "[t]he most likely source of power for the cable would probably be Mirant's Contra Costa Unit 8." This statement is not adequately supported and drives conclusions about the relative air quality impacts of the Trans Bay Cable versus the SFERP. The discussion of the Trans Bay Cable indicates earlier that “it is impossible to identity which power plants would energize the cable”. In fact, without modeling, it is impossible to know how the Trans Bay Cable will affect the operation of the hundreds of generators connected to the WECC grid. The best way to provide a reasonable estimate of the emissions impact of the Trans Bay Cable would be to model the WECC system with and without the facility utilizing a security constrained market simulation model.

GENERAL CONDITIONS

91. P. 5.1-7, GEN-2, Facility Design Table 2 – Major Structures and Equipment List: The following changes should be made to the list:

- Delete bulk acid, caustic, and sodium hypochlorite chemical tanks. Leased, small portable mixed bed demineralizer tanks will be used.

- Delete EDI Train. EDI technology has been replaced with leased mixed bed demineralizer tanks.
- Delete EDI feed pumps.
- Delete oil/water separator foundation. The oil/water separator will be direct buried.
- Delete turbine water wash drain tank foundation. The tank will be direct buried.

CALIFORNIA
ENERGY
COMMISSION

1516 Ninth Street
Sacramento, CA 95825-5512
800-822-6228
www.energy.ca.gov

ELECTRONIC PROOF OF SERVICE LIST
Revised 8-03-05

SAN FRANCISCO ELECTRIC RELIABILITY PROJECT
APPLICATION FOR CERTIFICATION,
DOCKET NO. 04-AFC-1

docket@energy.state.ca.us	Energy Commission Docket Unit
sharris@energy.state.ca.us	Commissioner Boyd's Office
lbeckstr@energy.state.ca.us	Lana Beckstrom, Executive Assistant
	Adviser to Commissioner Boyd
cgraber@energy.state.ca.us	Cathy Graber, Commissioner Geesman Office
jgeesman@energy.state.ca.us	Commissioner Geesman
pao@energy.state.ca.us	Margaret J. Kim, Public Adviser
svalkosk@energy.state.ca.us	Stan Valkosky, Hearing Officer
gfay@energy.state.ca.us	Gary Fay, Hearing Officer
Bpfanner@energy.state.ca.us	Bill Pfanner, Project Manager
Bwesterf@energy.state.ca.us	Bill Westerfield, Staff Counsel
DRatliff@energy.state.ca.us	Dick Ratliff, Staff Counsel
BHale@sfwater.org	Barbara Hale, Power Policy Manager SFPUC
kkubick@sfwater.org	Karen Kubick, Project Manager
steve4155@astound.net	Steve De Young, Consultant
Jeanne.Sole@sfgov.org	Jeanne Sole, SF City Attorney
Jacqueline.Minor@sfgov.org	Jacqueline Minor, SF City Attorney
drp.gene@sbcglobal.net	Emilio E. Varanini, Counsel for California Power Authority
djordan@caiso.com	**Donna Jordan, Independent System Operator**
no email address provided	**Dave Alexander, Dept. of Water Resources, SERS**
Jeffrey.russell@mirant.com	Jeffrey S. Russell, Mirant California, Intervenor
Michael.carroll@lw.com	Michael J. Carroll, Latham & Watkins LLP, Intervenor
Joeboss@joeboss.com	Joseph Boss, Potrero Boosters Neighborhood Assoc, Intervenor
steven@sfpower.org	San Francisco Community Power, Steven Moss
SarveyBob@aol.com	Bob Sarvey, Intervenor
michaelboyd@sbcglobal.net	Michael E. Boyd, CARE, Intervenor
L_brown123@yahoo.com	Lynn D. Brown, CARE, Intervenor

I declare that I transmitted the foregoing document via e-mail, or as indicated by first class postal mail, to the above named on the date indicated thereby. I declare under penalty of perjury that the foregoing is true and correct.

John L. Carrier, J.D.
Program Manager
CH2M HILL