



SMUD

SACRAMENTO MUNICIPAL UTILITY DISTRICT
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LEG 2002-0557

July 11, 2002

The Honorable Robert Pernel
The Honorable Arthur Rosenfeld
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

**Re: Applicant's Status Report on SMUD Cosumnes Power Plant
Project (01-AFC-19)**

Dear Commissioners:

The Sacramento Municipal Utility District (SMUD) is pleased to submit the attached report on the substantial progress being made on the Cosumnes Power Plant (CPP) Project. SMUD generally concurs with the Status Report filed by the California Energy Commission (CEC) staff on July 8, 2002. SMUD is particularly pleased to report that most of the activities identified in the Committee Schedule have now been completed, and that the CEC staff has committed to file the Preliminary Staff Assessment (PSA) by July 31, 2002.

SMUD presents the attached report to provide the Presiding Committee with some additional details and clarification regarding the status of various issues and the AFC Schedule.

Thank you for your attention to this matter.

Yours truly,

Steve Cohn
Senior Attorney

Cc: Service List for CEC Docket No. 01-AFC-19

APPLICANT'S STATUS REPORT 3
SMUD COSUMNES POWER PLANT PROJECT (CEC DOCKET NO. 01-AFC-19)

WORKSHOPS

As CEC staff indicated in its Status Report, SMUD, the CEC staff, and other interested parties participated in a series of public workshops on May 15 and June 11, 12, 13, 18 and 25, 2002. Significant discussion and progress was made in the areas of air quality, biological resources, cultural resources, noise, soil and water resources, traffic and transportation, transmission system engineering, visual resources, and waste management. Input was received from intervenors, the general public, Native American representatives, and several state and federal agencies.

PROJECT DESCRIPTION

SMUD is now proposing to use zero-liquid discharge (ZLD) technology for both phases of the project, thereby reducing the amount of fresh water needed for cooling. The reduction from 8,000 AFY (as originally proposed) to 5,339 AFY represents a 33% decrease in water consumption. SMUD has also committed to do a thorough study of reclaimed water and/or reclaimed water offset for Phase 2 of the project. SMUD will be submitting AFC Supplement C detailing this proposal on July 18, 2002. In the meantime, SMUD already submitted this week an Executive Summary of the proposal to assist CEC staff in its development of the PSA.

AIR QUALITY

The Sacramento Metropolitan Air Quality Management District (SMAQMD) submitted a draft Preliminary Determination of Compliance (PDOC) to the CEC on July 2, 2002. As indicated by CEC staff in its Status Report, the draft PDOC is sufficiently detailed to substantially complete the air quality section of the PSA. SMUD also submitted information on its solar program, as requested by CEC staff at the June 13, 2002 workshop.

The Yolo-Solano Air Quality Management District (YSAQMD) is scheduled to take action on approval of SMUD's request for transfer of emission reduction credits (ERC) to Sacramento County at its Board meeting on August 14, 2002, which would allow the SMAQMD to approve the transfer at its scheduled Board meeting on August 22, 2002 and issue the PDOC on or about August 23, 2002.

Although the delay of this ERC transfer has delayed the issuance of the PDOC by approximately one month, the SMAQMD is committed to minimizing the resulting delay in issuance of the Final Determination of Compliance (FDOC). The FDOC could still be issued by early October and the FSA by late October.

BIOLOGICAL RESOURCES

Extensive wetland delineations, biological survey information, and a Biological Resources Assessment (BRA) were submitted to the CEC on June 10, 2002. The BRA was

submitted to the federal lead agency, U.S. Army Corps of Engineers (USACOE), with copies to the U.S. Fish and Wildlife Service, National Marine Fisheries Service and the California Department of Fish and Game. The USACOE requires special delineation methods only within the area directly impacted by construction (65 feet). SMUD wetland delineations along the pipeline route using Corps-approved methods cover a width more than double what is required by the Corps (150 feet), in order to adequately envelope the 65-foot construction easement. Additionally, wetlands are identified to 250 feet of either side of the construction zone in order to calculate indirect impacts to wetlands. Extensive wetland delineations and mapping were also done for the project site, alternative roadway, site linear corridors and laydown area. More than 40 field days of biological surveys were committed to wetlands delineations and surveying for Special Status Plant Species, Burrowing Owl, Tiger Salamander, Giant Garter Snake habitat, Swainson's Hawk, Valley Elderberry Longhorn Beetle, and Heritage Trees. Aerial orthographically-corrected maps have been prepared and are available for submittal in ARCVIEW format, depicting habitat and wetlands 250 feet on either side of the 65-foot construction corridor (including USACOE wetland delineation methods for a 150-foot zone), and biological resources within 1,000 feet on either side of the pipeline corridor are currently being mapped (in ARCVIEW) using DOQQ aerial photography.

SMUD also submitted a 1601 Streambed Alteration Agreement Application to CDFG for three stream crossings, and received a letter dated June 13, 2002 indicating the application was deemed complete. SMUD will also submit an application for a portion of an ephemeral stream at the project site, as suggested by the CDFG representative at the June 12, 2002 workshop.

CULTURAL RESOURCES

Subsurface remote sensing was performed for two areas along the gas pipeline route starting June 14, 2002. Additionally, presence/absence testing was performed by SMUD along portions of the natural gas pipeline route from June 26 through June 28, 2002. SMUD provided daily briefings to CEC cultural staff and Native American representatives, and will submit a written report in mid-July. Since Native American representatives had some concern with historical pedestrian surveys performed years ago by others, Archeologists resurveyed approximately 11 miles of the gas line route in those questionable areas.

NOISE

SMUD addressed general public noise concerns at the June 11, 2002 workshop, and committed to be within CEC and Sacramento and Yolo County guidelines for the pipeline compressor stations in Winters and Elk Grove, as well as the site. Additional baseline noise monitoring was performed from June 19-21, 2002 at a residence at the request of an intervenor.

TRAFFIC & TRANSPORTATION

After listening to community concerns involving construction traffic along Clay East Road, SMUD has committed to building an alternative roadway so that the vast majority of construction traffic will be routed to a new road to the east from Twin Cities Road, which would avoid the residential portion of Clay East Road.

WASTE MANAGEMENT

CEC staff held a Waste Management workshop on May 15, 2002. SMUD presented CPP site and pipeline route information to CEC staff and the California Department of Toxic Substances Control representatives. A list of action items was developed at the workshop, and SMUD submitted additional information on June 10, 2002 to address Data Request #229 and the workshop items. At the June 11 workshop, CEC staff indicated SMUD's data response satisfied previous requests for hazardous waste sampling along the pipeline route, the CPP site and laydown areas.

WATER & SOIL RESOURCES

SMUD submitted Informal Data Response Set 2 on July 1, 2002 to address questions from CEC staff from the June 12, 2002 workshop. SMUD feels Water & Soil Resources data requests have been addressed. With SMUD's proposed use of a ZLD system, a National Pollution Discharge Elimination System permit will no longer be required from the Regional Water Quality Control Board. This eliminates the need for a draft NPDES permit prior to the Final Staff Assessment.

SCHEDULE

SMUD has submitted all requested information on or within one business day of the Hearing Officer's AFC Schedule and looks forward to release of the PSA by July 31, 2002.. In addition, several activities required for the FSA as identified on the AFC Schedule have been completed, or are no longer required. SMUD is working with the various agencies to ensure timeliness of the remaining AFC Schedule activities. As discussed under Air Quality above, SMAQMD is committed to issuing the FDOC as soon as possible, to try to keep the FSA and the rest of the the Committee Schedule on track.

PUBLIC OUTREACH

SMUD continues to perform community outreach and listen to ideas from the general public for the power plant and pipeline. SMUD sent a newsletter on June 28, 2002, to residents and property owners in the vicinity of CPP and the natural gas pipeline route. Residents near CPP who expressed an interest by attending the workshops were invited to tour one of SMUD's operating cogeneration plants where members of a local community group living near the plant were invited to attend and share their experiences from being neighbors with an operating SMUD power plant.