

Memorandum

To : Sunrise Cogeneration and Power Project Siting Committee
Michal C. Moore, Commissioner and Presiding Member

Date : May 21, 1999
Telephone: (916) 654-4242

File: 5_21cvr.doc

From : California Energy Commission - Kristina C. Bergquist
1516 Ninth Street Project Manager
Sacramento, CA 95814-5512

Subject : SUNRISE FILINGS

Attached please find Staff's Status Report #2, as directed by the Committee's May 5, 1999 Notice of Status and Scoping Conference, the Strategy for Sunrise Cogeneration and Power Project Alternatives Analysis, and a Discussion Paper for the May 25 Scoping Conference. Copies of these documents have been docketed and served on all parties.

Attachments

cc: Sunrise Proof of Service List

Memorandum

To : Sunrise Cogeneration and Power Project Siting Committee
Michal C. Moore, Presiding Member

Date : May 21, 1999
Telephone: ATSS (916) 654-4242
File: Status2.doc

From : **California Energy Commission - Kristina C. Bergquist**
1516 Ninth Street Project Manager
Sacramento, CA 95814-5512

Subject : **SUNRISE COGENERATION AND POWER PROJECT STATUS REPORT #2**

As directed by the Sunrise Cogeneration and Power Project Siting Committee, the Energy Commission staff submits its second status report. Since the issuance of Status Report #1, on April 21, 1999, the applicant, Concerned Unions for Reliable Energy (CURE), and staff have held numerous meetings and workshops, in an attempt to obtain more information on the project, ensure good coordination and communication, and resolve discrepancies in respective understandings of the scope of the project. Perhaps the greatest achievement during this reporting period is the consensus achieved on the description of the project between the applicant, Sunrise Cogeneration and Power Company (SCPC) and Energy Commission staff.

April 22, 1999 Data Response and Scoping Workshop

This workshop addressed the data responses, submitted by the applicant on March 31, 1999 and April 15, 1999. A summary of this meeting was forwarded to the Siting Committee on May 18, 1999.

April 26 Data Response and Scoping Teleconference Workshop

Prior to the beginning of the workshop, staff had forwarded the first version of its document, entitled "Blueprint for Analyzing Sunrise Cogeneration and Power Project Environmental Effects" (blueprint) which served as the basis for a continuing discussion of the project scope.

Inasmuch as the staff member responsible for the preparation of the project overview data request was not present at the April 22 workshop, the workshop was continued by telephone with all parties present. All data responses were discussed with most of them determined to be adequate. However, there were divergent views about Data Request #44. Staff had requested that the applicant specify the number and location of the wells to which project steam would be provided. Also, staff had requested that the applicant specify the number of steam generators displaced by the project and the number and location of wells that would be served by these generators during project operation. This led to a discussion with a Texaco California, Inc. (TCI) representative who, using Attachment G, a map of the oilfield showing a ¾ mile radius circle around the proposed

cogeneration power plant, indicated the areal effect of the project steam. TCI stated that all 120,000 barrels of steam per day produced by the project would serve oil wells within this circle. Since each well will use 60 barrels of steam per day, steam will be provided to 2000 oil wells. Of these, it is estimated that 65% or 1300 wells will be existing and 35% or 700 wells will be new. This buildout is projected to be completed by 2001. The applicant also stated that after 2001, steam demand may rise to 135,000 barrels. This would last for five to six years, and then decrease.

April 30, 1990 Project Overview Meeting with the California Department of Fish and Game

A meeting was held at the California Department of Fish and Game (CDFG) Region 4 Headquarters, in Fresno, to give CDFG staff an overview of the project and the Energy Commission's siting and certification process. Attending, in addition to CDFG and Energy Commission staff, were representatives from SCPC and CURE. Energy Commission staff emphasized the need for close coordination and communication in order to meet the project schedule. CDFG indicated their approval of the Energy Commission staff's draft of the definition of the project and the draft proposal of mitigation measures to be employed to reduce environmental effects to biological resources to a less than significant level.

May 11, 1999 Data Response and Scoping Workshop

This workshop involved a continuing discussion on the data responses, submitted by the applicant on March 31, 1999 and April 15, 1999. A summary of this meeting was forwarded to the Siting Committee on May 18, 1999.

May 18, 1999 Second Round of Data Requests and Scoping Workshop

On May 10, 1999, a second round of data requests were sent to the applicant. Data requests were made in the areas of biological resources, cultural resources, project overview, soils and water resources, traffic and circulation, visual resources and waste management. Of these, the applicant requested that cultural resources, project overview and traffic and circulation technical staff be present for their questions. Most of this workshop involved the review of staff's blueprint. The applicant requested several revisions to the document, and these changes were acceptable to staff. CURE, on the other hand, held a different view of the scope of the project. Originally, CURE had perceived the project as all Midway-Sunset oilfield activities. At this workshop, their view of the project was 36 steam generators, one of which was Sunrise. Staff queried the applicant and CURE as to how their view of the project was divergent from staff's blueprint. At this point, the applicant said, except for some very minor changes, they were in agreement with staff's scope of the project. A detailed meeting summary will be sent out the first week in June.

May 19, 1999 Joint Meeting with U.S. Bureau of Land Management, U.S. Fish & Wildlife Service, SCPC, CDGF, and Energy Commission staff

Much like the meeting with CDFG, the intent of this meeting was to bring all parties together to provide knowledge of the project and the siting and certification process, and to emphasize the importance of cooperation and communication in meeting the Energy Commission's schedule requirements. The U.S. Bureau of Land Management (BLM) representative stated that its agency would prepare a NEPA review called an Environmental Assessment (EA). CURE recommended a joint document be prepared. Energy Commission staff said that BLM could incorporate the Energy Commission Final Staff Assessment in its NEPA document. Arriving later in the meeting, Peter Cross, Central Valley Branch Chief, U.S Fish & Wildlife Service, said that the 30 power plants that will be submitting AFCs in the near future to the Energy Commission should be discussed in the evaluation of cumulative impacts. He said that 9 million households will be created in the Western United States. Energy Commission staff recommended that this be accomplished through a programmatic environmental analysis. This seemed to be an acceptable solution to Mr. Cross.

Other Issues:

May 5 and May 17, 1999, the applicant filed supplemental information on its transmission line. Route A is no longer the preferred route as the Department of Water Resources, which is part owner of the transmission line with which the applicant had proposed to interconnect with its transmission line, stated that it could not entertain a long term lease with SCPC. A corridor comprised of Routes B, D, E, and F is now the preferred route.

Some information requested by the staff has yet to be provided by the applicant. However, the applicant has informed staff that it can expect the following information by:

May 21, 1999	Engineering Information (transmission line alternatives supplement)
June 1, 1999	Revised Preliminary Interconnection Study/ISO review
June 4, 1999	Environmental Analysis (including cultural and biological surveys)

Attachments

cc: Sunrise Proof of Service List

May 21, 1999

Sunrise Cogeneration and Power Project Siting Committee
Michal C. Moore, Commissioner and Presiding Member
California Energy Commission
1516 Ninth Street
Sacramento, California 95814-5512

Re: Joint Blueprint (98-AFC-4)

Dear Sunrise Cogeneration and Power Project Committee:

The California Energy Commission (Energy Commission) staff and the Sunrise Cogeneration and Power Company (Sunrise) hereby file this "Joint Blueprint for Analyzing Sunrise Cogeneration and Power Project Environmental Effects," dated May 21, 1999 (the Joint CEC/Sunrise Blueprint).

The Joint CEC/Sunrise Blueprint represents the common understanding of the CEC staff and Sunrise as to the appropriate scope of the Sunrise cogeneration project analysis for the purposes of complying with the California Environmental Quality Act (CEQA). The Joint CEC/Sunrise Blueprint is based upon the information presently available to the parties, as developed through workshops, meetings, and data requests. Because this proceeding is still in the discovery phase, both parties acknowledge that the collection of information is ongoing and that new information will shape the direction of this proceeding.

Based upon this common understanding of the facts, the parties are in agreement that the Joint CEC/Sunrise Blueprint correctly designates as "direct" impacts those impacts that may occur as a direct result of the Sunrise project. Likewise, the Joint CEC/Sunrise Blueprint correctly designates as "indirect" impacts those impacts that may occur indirectly due to activities that may be facilitated by the project. Finally, the Joint CEC/Sunrise Blueprint correctly identifies the "cumulative" impacts of those impacts associated with other closely related past, present, and reasonably foreseeable and probable future projects.

The analysis set forth in the Joint CEC/Sunrise Blueprint represents the parties' common understanding of the Energy Commission's obligations as lead agency under CEQA. Accordingly, the Energy Commission staff and the applicant respectfully request that this Joint CEC/Sunrise Blueprint be adopted as the guiding document for the environmental analysis for the Sunrise Cogeneration and Power Project.

Sincerely,

Kristina Bergquist
Project Manager
Energy Facilities Siting and
Environmental Protection Division
California Energy Commission

Jeffery D. Harris
Ellison & Schneider
Attorneys for Sunrise Cogeneration
and Power Company

JOINT BLUEPRINT OF THE
CALIFORNIA ENERGY COMMISSION
AND
SUNRISE COGENERATION AND POWER COMPANY
FOR ANALYZING THE ENVIRONMENTAL EFFECTS OF
SUNRISE COGENERATION AND POWER PROJECT

Friday, May 21, 1999

DIRECT EFFECTS

Temporary Effects

- Construction of power plant site (including Sunrise switchyard, access roads, start-up steam injection line and wells, connecting gas, steam, and water pipelines, and all other appurtenant facilities)
- Construction of the transmission line
- Construction of an offsite substation
- Use of temporary construction laydown/right of way areas for all of the above

Permanent Effects

- Use of the same items as above

INDIRECT EFFECTS

Temporary Effects

- Construction of 700 new wells (some of which are steam injection and some of which are production wells) that may be served by the Sunrise project and appurtenant facilities, such as new dirt access roads, and connecting pipelines
- Disposition of existing steam generators (that may serve existing wells) which may be displaced by the Sunrise project
- Modification of facilities that must be resized, such as the water treatment facility, to serve the Sunrise Project (that portion of the modification which is attributable to the Sunrise project)

Permanent Effects

- Operation of 700 new wells (some of which are steam injection and some of which are production wells) that may serve the Sunrise project and appurtenant facilities, such as new dirt access roads, and connecting pipelines

- Disposition of existing steam generators (that may serve existing wells) which may be displaced by the Sunrise project
 - Modifications to facilities that must be resized, such as the water treatment facility, to serve the Sunrise Project (that portion of the modification which is attributable to the Sunrise project)

CUMULATIVE EFFECTS

Temporary Effects

- Construction of the remaining portion of 20-inch diameter natural gas pipeline interconnecting with KRGT\MGC pipeline
- Construction of projects of a similar size, nature and impacts, e.g., La Paloma, Elk Hills, and Midway-Sunset
- Construction of multiple transmission lines associated with above projects

Permanent Effects

- The operation of all the facilities listed under the temporary cumulative effects
- Overall expansion, by all developers, of the Midway-Sunset oilfield
- Operation of the TCI Main Utility Corridor
- Operation of the entire 20" diameter KRGT/MPC interconnecting natural gas pipeline

Strategy for Sunrise Cogeneration and Power Project Alternatives Analysis

Analysis Focal Point

The analysis needs to describe a range of alternatives that would attain most of the project objectives while reducing or avoiding potentially significant project impacts. It must also include the “no project” alternative.

Proposed Level of Analysis

This cogeneration project appears to have potential impacts that can be mitigated to insignificant levels. Therefore, a screening level analysis, similar to that performed for the Pittsburgh District Energy Facility (PDEF) project is proposed.

Analysis Steps (following the PDEF analysis model)

1. Summarize the analysis methodology.
2. Summarize the project and its basic objectives.
3. Summarize any potentially significant adverse impacts.
4. Discuss a broad list of potential alternatives.
5. Discuss generation technology alternatives in the context of the proposed Sunrise cogeneration project.
6. Summarize the alternative site screening analysis including criteria or key factors.
 - 6a. Identify the factors limiting the range of site and linear facility route alternatives. In the Sunrise case the major factors are:
 - the need to be close (optimally within .75 mile) to the steam host
 - the infill nature of the project in an existing oilfield with a moderate level of development now
 - The need to connect the project to the TNAP utility corridor
7. Look at whether using any of the alternative sites will reduce potential impacts. For Sunrise, also look carefully at whether using alternative sites would reduce any of the linears' potential impacts, particularly for biological and cultural resources.¹
 - 7a. Discuss three categories of alternative sites:
 - alternative sites listed by the applicant in the AFC
 - alternative sites suggested by members of the public or agencies, if any
 - alternative sites evaluated by staff
 - 7b. Provide descriptive information for each alternative site, and list advantages and disadvantages of each compared to the proposed site.
8. Summarize the “no project” alternative for the Sunrise project.
 - 8a. Continued use of many conventional steam generators
 - greater emissions
 - less efficiency
9. Conclusion

¹ The AFC presents two transmission line options, as part of the overall project. Therefore, the technical staff will be assessing the impact of each transmission option for their individual areas. The Sunrise alternatives analysis will not address transmission route alternatives.