

February 5, 2004

Commissioner James D. Boyd
Commissioner Arthur H. Rosenfeld
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

RE: PMPD Comments
Walnut Energy Center (02-AFC-4)

Dear Commissioners:

On behalf of the Turlock Irrigation District, please find attached 12 copies and one original of the our PMPD comments for your consideration.

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

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Listed below, for the Commission's consideration, are TID's comments on the Presiding Member's Proposed Decision.

INTRODUCTION

p. 1, para. 3, first sentence: The Applicant suggests that the statement regarding TID's acquisition of 200 square miles of new service territory be updated to read:

"The project will provide additional generation to meet TID's growing load, as well as the demands of customers within about 200 square miles of new service territory that TID ~~is proposing to~~ has acquired from Pacific Gas and Electric (PG&E)."

TID acquired and began providing electrical service to its new service territory on December 8, 2003.

p.2, para. 2, first sentence: This sentence should be revised to reflect that recycled water will also be treated and used for steam production.

I. PROJECT DESCRIPTION AND PURPOSE

No comment.

II. PROJECT ALTERNATIVES

No comment.

III. COMPLIANCE AND CLOSURE

p. 24, para. 1, third sentence: The "I" in the word "if" should not be capitalized.

p.33, Condition of Certification COM-8: The PMPD contains a thoughtful discussion regarding the preparation and approval of security plans. The Applicant is pleased that the PMPD requires that: (1) the Staff collaborate at the outset in the preparation of security plans, (2) the Staff provide the project owner detailed guidance including samples of approved Plans, and (3) the plans shall only be reviewed by Staff with proper training and security clearance.

At the same time, the Applicant is disappointed that the PMPD: (1) proposes to allow Staff to approve Security Plans without having defined what constitutes an acceptable plan, and (2) appears to allow the CPM the unprecedented authority to unilaterally modify the plan and require additional measures based on the vague premise of "industry-related security concerns." As stated in our briefs, because this is a new area of regulation, we would prefer

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that the necessary standards and procedures be developed in an appropriate rulemaking, rather than, as here, on an ad hoc basis.¹

The PMPD proposes a version of Condition COM-8 that combines elements of the testimony of Staff and Applicant. As set forth in the PMPD, COM-8 also contains language that was not proposed by either Staff or Applicant. Our comments herein will focus on these newly-proposed revisions.

First, we ask that the PMPD be corrected to provide that the Construction Security Plan, the Operational Security Plan and the Vulnerability Assessment be maintained at the office of the Secretary of the Turlock Irrigation District Board of Directors, where the District files its confidential documents. Once construction of the Walnut Energy Center is complete, the documents will be on-site. Prior to becoming operational, however, the documents will be at the off-site location mentioned above.

As currently written, the PMPD would require the Construction Security Plan to be maintained at the project site at least 30 days prior to commencing construction. Obviously, since construction has not yet commenced, there is no place on the project site at which to maintain the plan. The PMPD also requires the project owner to "submit" the Operation Security Plan and Vulnerability Assessment to the CPM. It is our understanding that the Applicant and Staff had agreed that these plans would be maintained on-site and available for review by qualified Staff and not "submitted." (10/9 RT 148)

The Staff's version of COM-8 required that the Security Plans contain: "protocol for contacting law enforcement and the CPM in the event of suspicious activity or emergency." The PMPD proposes that this revised language be further revised to read "protocol for contacting law enforcement and the CPM in the event of emergency or conduct endangering the facility, its employees or contractors, *including conduct which is a pre-incident indication thereof*" (PMPD, p.p. 33-34, emphasis added) Because this italicized language with the newly coined word "pre-incident" was not discussed on the record of the proceeding, the Applicant would suggest that this italicized language be deleted.

IV. ENGINEERING ASSESSMENT

A. Facility Design

p. 49, para. 1, last sentence: Applicant requests the addition of the words "subject to CBO review" after the words "no element of construction" to accurately reflect the statement included in the FSA.

¹ The PMPD states "that we are not subjecting this Applicant to any review or approval substantively different from that required in other cases. Staff's approval of the plans is substantially the same as similar requirements appearing in recent Commission Decisions." (PMPD, p. 25) In fact, while these new requirements may be applicable to some, but not all, plants licensed in 2003, the requirements are substantially different from all other currently licensed facilities, and each version of these new requirements has been changed or "refined" "in a rapidly evolving area." (10/09 RT 70)

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B. Power Plant Efficiency

No comment.

C. Power Plant Reliability

No comment.

D. Transmission System Engineering

The verification language for Condition TSE-1 requires that the electrical one-line diagrams, a route map, an engineering description of equipment, and the Detailed Facilities Study, if modified, be submitted to the CPM at least 60 days prior to the start of grading of the power plant switchyard or transmission facilities. TID proposes to clarify the timing of the verification language to read:

Verification: At least 60 days prior to the start of final grading of the power plant switchyard or transmission facilities, the project owner shall submit to the CPM for approval..."

E. Transmission Line Safety and Nuisance

No comment.

V. PUBLIC HEALTH AND SAFETY

A. Air Quality

The verification language for Condition AQ-2 requires that design details for the SCR and oxidation catalyst be submitted to the CPM 30 days prior to the commencement of construction. However, this timeframe does not reflect the WEC project engineering design schedule and consequently, the design details will not be available at the time specified. TID proposes the language be modified to read:

Verification: The project owner shall submit SCR and oxidation catalyst design details that demonstrate compliance with this condition to the APCO and the CPM 30 days prior to ~~commencement of~~ construction of the SCR and oxidation catalyst."

B. Public Health

No comment.

C. Hazardous Materials Management

TID proposes the following modification to the verification language to Condition HAZ-6. The verification for the condition requires that design details for the anhydrous ammonia barrier wall be submitted 30 days prior to construction. However, this timeframe does not reflect the WEC project engineering design schedule and consequently, the design details will not be available at the time specified. TID proposes the language be modified to read:

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“Verification: At least ~~sixty (60)~~ ~~thirty (30)~~ days prior to the delivery of anhydrous ammonia to the facility construction, the project owner shall provide copies of the barrier design drawings to the CPM for review and approval.”

D. Waste Management

No comment.

E. Worker Safety and Fire Protection

No comment.

VI. ENVIRONMENTAL ASSESSMENT

A. Biological Resources

No comment.

B. Cultural Resources

No comment.

C. Geology and Paleontology

No comment.

D. Soil and Water Resources

p. 198, Section "2. Water Resources", last para., sent. 1: Applicant recommends replacing “more than 1,800 afy” with “up to 1,800 afy” as the Walnut Energy Center annual water demand of 1,800 afy is a conservative estimate that the Applicant expects to rarely, if ever, exceed.

p. 199, para. 3, first sentence: As a point of clarification, the projected potable water demand of 3 afy is for regular potable water (e.g., drinking water, sinks, showers, eye wash/safety showers) and service water uses and does not include water used for fire protection or for back-up cooling and steam cycle makeup in the event of an interruption of the recycled water supply. Applicant recommends that this sentence be revised as follows:

“After recycled water is delivered to the project, about 3 afy of potable water will be used for drinking, showers, ~~fire service~~, sanitary, and service water. Potable water will additionally be used for fire protection, as an interim cooling and steam cycle makeup supply (or “bridge supply”) until recycled water is available, and as a back-up supply in the event of an unexpected interruption in recycled water delivery.”

p. 205, Soils&Water-5, para. 1, line 5: Applicant recommends deletion of the word “to” before “exceed 51 afy”.

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VII. LOCAL IMPACT ASSESSMENT

A. Land Use

p. 215, LAND-5, Verification: Following the verification text of LAND-5 the following text (which is part of the verification section of LAND-6 that was deleted) needs to be removed:

~~“perpetuity. This discussion must include the schedule for purchasing 18 acres of prime farmland and/or easements within one year of start of construction as compensation for the eighteen acres of prime farmland to be converted by the WEC.~~

B. Traffic and Transportation

No comment.

C. Visual Resources

p. 229, para. 3, last line: The condition referenced should be changed from “VIS-3” to “VIS-4,” since Ex. 1, p. 8.11-12 pertains to lighting mitigation during operations (VIS-4) not construction (VIS-3).

p. 232, VIS-3, item #4, line 5: at the end of the line, change “complaint from” to “complaint form.”

p. 233, VIS-4, item #5, line 5: change “complaint from” to “complaint form”.