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| Project Title: | Compliance - Application for Certification for SMUD's Campbell Soup Cogeneration Project |
| TN #: | 212202 |
| Document Title: | Sacramento Power Authority - Campbell Cogeneration Project - Staff's Response to Staff Analysis Comments 20160708 |
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| Filer: | Mary Dyas |
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CALIFORNIA ENERGY COMMISSION

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July 8, 2016

Ross Gould
Director, Power Generation
Sacramento Municipal Utility District
4401 Bradshaw Road, Mail Stop EA405
Sacramento, CA 95827-3834

SUBJECT: CAMPBELL COGENERATION PROJECT, 93-AFC-3C

Staff Response to July 5, 2016 Comments on the Staff Analysis of the Campbell Cogeneration Project Petition to Amend Seeking Approval of Option to Use Recycled Water in the Cooling Towers

Dear Mr. Gould:

Staff has reviewed and considered the July 5, 2016 comments provided by the Sacramento Power Authority (SPA) on the Staff Analysis of the petition to amend seeking approval of the option to use recycled water in the cooling towers. SPA also summarized a telephone conference with staff on June 29, 2016, seeking clarification on the applicability of existing Conditions of Certification **SOILS-1** and **SOILS-4**, and changes to Condition of Certification **WATER-7**. Staff provides the following assessment of the July 5, 2016, summary and comment letter.

GENERAL COMMENT

Comment: As stated in the Addendum, the recycled water line will connect to the Regional San main supply line on the west side of the driveway and west of the existing potable water supply lines. The pipeline will be underground except for valves and meters where it connects to the Regional San line. In addition, due to the number of existing pipelines in this part of the plant, two possible pipeline routes were identified. These routes are only approximate and may need to be modified further during construction to avoid existing pipelines. Because of the congestion, the new recycled water line may need to be installed as much as 10 feet deep.

This general comment also applies to the Visual Resources section, page 7, paragraph 1, and to the Public Health section, page 39, Construction Section, first bullet. Both of these items refer to the overhead water line that is no longer being proposed.

Response: Staff acknowledges the project description in staff's analysis was not updated to include information pertained in the PTA Addendum (TN# 211559).

AIR QUALITY

Comments:

1. Page 12, bottom of page. See General Comment above about location of recycled water line.
2. Page 16, Para. 1 (after calculation assumptions). Please correct the typo in sentence 3, from “40 ppmw” to “45 ppmw” to be consistent with SPA’s analysis and staff assumptions just prior to the text.
3. Page 18, Para. 4, Sent. 4: Change “rice straw brining” to “rice straw burning.”
4. Page 23, **AQ-1**, proposed text: Change “manufacture’s” to “manufacturer’s”
5. Page 24, **AQ-3B**, proposed text: Change “air contaminates” to “air contaminants”
6. Page 28, **AQ-CT6**, Verification: SPA cannot comply with a 15-day notification requirement *prior to* SMAQMD’s notification of its applicability to the facility. Suggested verification language to read, “The facility owner shall notify the CPM within fifteen (15) working days after receipt of notification from SMAQMD of the applicability of this condition.”

Response: Staff is in agreement with the comments and suggested changes to be made to the Air Quality Conditions of Certification **AQ-1**, **AQ-3B**, and **AQ-CT6** in staff’s analysis. Staff will include the changes to the specified conditions of certification in the Energy Commission Order that will be considered for approval at the July 13, 2016 Business Meeting at the Energy Commission.

GEOLOGY AND PALEONTOLOGY

Comment: Page 36, **GEO-3**: Based upon our conversations with CEC Staff, it is our understanding that this condition would apply only when appropriate, as determined during the engineering analysis and design and/or applicable codes and regulations.

Response: Staff is in agreement with SPA that Condition of Certification **GEO-3** would apply only when appropriate, as determined during the engineering analysis and design and/or applicable codes and regulations.

Soil & Water Resources

Comments:

1. Page 49, Soil Erosion and Water Quality, paragraph 1, **SOILS-1**: When initially written for the initial plant construction, Condition of Certification **SOILS-1** was appropriate. For this smaller construction project, SPA agrees that it will conform to Sacramento County's requirements to minimize soil erosion. The engineers have estimated that excavated soil will be about 260 cubic yards.

Response: Staff recommended the project owner be required to comply with **SOILS-1** to ensure compliance with local LORS for sediment and erosion control. SPA agrees that they will conform to Sacramento County's requirements to minimize soil erosion. Staff agrees that **SOILS-1** would only apply when appropriate, as determined during the engineering analysis and design and/or applicable codes and regulations. Staff agrees that SPA should conform to Sacramento County's requirement to minimize soil erosion.

2. Pages 49, 50, and 53, **SOILS-4**: Condition of Certification **SOILS-4** is referenced on these pages and is recommended by staff that the project amendment comply with its requirements. Again, this condition of certification was appropriate for the initial plant construction. However, based upon SPA's conversations with CEC staff, the petitioner will comply with the requirements of **SOILS-4**, as appropriate for this size of a project.

Response: Staff recommended the project owner be required to determine, based on final engineering design, whether they must comply with the State Water Resources Control Board's Construction General Permit consistent with Condition of Certification **SOILS-4**. SPA currently believes the proposed change would not meet the threshold for compliance with this permit. However, if the proposed project would exceed the threshold, the owner would comply with **SOILS-4**. If compliance with **SOILS-4** is not required the project owner still proposes to implement erosion control measures appropriate for the proposed project. Staff concurs with this approach.

3. Page 54, **WATER-7**, Sentence 1: Because the power plant also operates a set of inlet evaporative coolers that will continue to use potable water, please revise the first sentence to provide clarification as follows, "... source for evaporative cooling of the steam cycle in the cooling towers and landscape irrigation."

Response: SPA requested the addition of the words "in the cooling towers" after "evaporative cooling of the steam cycle" in the first part of the Condition of Certification **WATER-7** to make it clear that potable water can still be used in the inlet evaporative coolers. Staff concurs with this change and recommends the change to the condition language shown below.

4. Page 54, **WATER-7**, last 2 sentences: Use of the phrase “in the event of an emergency” is of concern because “emergency” is a charged word that could be overly restrictive and subject to interpretation, even considering that it is defined in the final sentence of the proposed condition. For example, should the recycled water facility be down for scheduled maintenance, potable water would need to be used exclusively. Because is it scheduled and not unexpected, it is not an emergency in the common sense of the word. Also, most upset situations are likely addressed in the condition’s preceding sentence. It appears that staff’s intention here is to have the facility minimize exclusive use of potable water. SPA proposes the following changes to the language:

~~“The project may use potable water for backup and blending purposes in cases of interruptions in delivery of the recycled water, and when recycled water quantities or water quality are not sufficient for project use. When possible, rather than the exclusive use of potable water, blended water will be used for backup. Potable water shall not be used exclusively for evaporative cooling unless the source of recycled water is unavailable in the event of an emergency. For purposes of this condition, the term emergency shall mean the inability for SPAC to take or for Regional San to deliver recycled water to the SPAC in a quantity and quality sufficient to meet SPAC’s demand due to natural disaster or other circumstances beyond the control of the project owner and it is necessary for SPAC to continue to operate.”~~

Response: SPA raised a concern about the use of the word “emergency” in the last two sentences of Condition of Certification **WATER-7** because the word “emergency” is “charged” and could be overly restrictive. They explain that there could be situations when recycled water interruptions occur due to non-emergency situations such as regular maintenance at the recycled water facility. They propose to refine the definition of “emergency”.

Staff understands SPA’s concern and concludes that the specificity of staff’s recommended condition of certification is necessary to ensure appropriate use of recycled water and minimize use of potable water when applicable. Staff proposes the following language for Condition of Certification **WATER-7**.

WATER-7: The project owner shall use tertiary treated recycled water supplied from the Regional San’s Water Reclamation Facility (WRF) as its primary source for evaporative cooling of the steam cycle in the cooling towers and landscape irrigation. Annual usage (excluding fire suppression) shall not exceed 1,120 acre-feet per year (AFY). Prior to the use of recycled water for commercial operation, the project owner shall install and maintain metering devices as part of the water supply and distribution system or verify that the recycled water supplier will provide adequate metering or billing to the project owner to document project water use as required to monitor and record in gallons per day the total volume(s) of water supplied to the SPAC from this

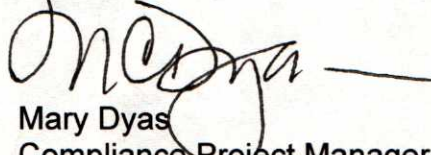
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water source. The metering devices shall be operational for the life of the project. The project may use potable water for backup and blending purposes in cases of interruptions in delivery of the recycled water, and when recycled water quantities or water quality are not sufficient for project use. Potable water shall not be used exclusively for evaporative cooling unless the source of recycled water is unavailable in the event of an emergency. For purposes of this condition, the term emergency shall mean the inability for SPAC to take or for Regional San to deliver recycled water to the SPAC in a quantity and quality sufficient to meet SPAC's water constituent criteria limits for plant performance and other requirements demand due to ~~natural disaster or other~~ circumstances beyond the control of the project owner ~~and it is necessary for SPAC to continue to operate.~~

Energy Commission staff will make above noted changes to the **Air Quality** and **Soil and Water Resources** Conditions of Certification in the Order that will be considered for approval at the July 13, 2016 business meeting at the Energy Commission.

If you have any questions, please call me at (916) 651-8891, or send an e-mail to me at mary.dyas@energy.ca.gov.

Sincerely,



Mary Dyas
Compliance Project Manager
Siting, Transmission & Environmental Protection
Division

cc: Energy Commission Docket Unit