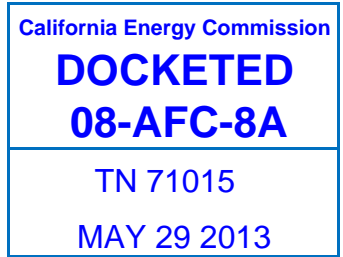


Association of Irrigated Residents
Tom Frantz, President

May 29, 2013

Dave Warner
Director of Permit Services

Re: PDOC for HECA and other private mitigation agreements
Facility # S-7616 Project # S-1121903
CEC application # 08-AFC-08A



15 Comments to the San Joaquin Valley Air District

1. The coal spilling off the rail cars has not been addressed. In either Wasco, or at the alternative HECA site, the rail cars will sit on a siding waiting to be unloaded or waiting to be taken away. While these cars sit on the siding there is ample evidence in Wasco currently that large quantities of coal falls out the bottom and bottom sides of these rail cars. This coal is in the form of fine dust and larger pieces that will ultimately weather and break down into dust. This coal dust easily blows in the wind and is a nuisance to nearby residents and to nearby crops. HECA has never said they will use another type of rail car other than what currently is going to Wasco.

There is also the question of coal spilling off of these rail cars in lesser quantities along the entire route the trains will travel.

Pieces of coal can be found along the railroad tracks throughout Kern County from the coal trains that continue to arrive in Wasco. Every few feet along these tracks, on average, there are several pieces of coal. This coal is continually breaking down into dust through oxidation and weathering. This dust is ultimately blowing away into the surrounding areas.

The air district has told the public that no coal will come off of these trains. The air district says the unloading of coal will be in an enclosed room so there will be no coal dust. The air district has failed to tell the public that significant amounts of coal falls off these rail cars while they are being moved around on the siding and while they travel through the county. There is no doubt that this coal is dusty and blows in the wind.

There must be mitigation to stop or minimize this coal and coal dust from entering the environment. It is wrong for the air district to ignore this problem and imply it doesn't exist. There must be mitigation imposed and the public must have a chance to comment on this mitigation.

2. The background values of NO₂ were taken from the Shafter monitor. The air district has correctly claimed that the Shafter monitor is more conservative (higher) in these measurements than the Arvin Bear Mtn monitor.

Although the Shafter monitor is a little bit closer to the proposed HECA site than the other monitors in Kern County, there is little in the two locations that make them similar. The Shafter monitor is in the middle of town. The only industry upwind of Shafter for dozens of miles is agriculture. Highway 43 does not nearly have the traffic counts of Highways 99, 58, and Interstate 5 in other parts of the county. There are no hills near Shafter. HECA is downwind of I-5 and also downwind of massive oil field activity along Hwy 33 such as boilers, flares, generators, and waste water ponds. HECA is also backed up against the hills. The only similarity with Shafter is nearby agriculture.

Since there is nothing particularly similar between Shafter and HECA, it makes sense for the most conservative monitor in Kern County to be used to gather background NO₂ readings. For this reason, an analysis must be made to find the most conservative monitor in Kern County and compare the results from using that monitor to the results with the Shafter monitor. This must be done to see if any monitor is more conservative and if this leads to any violation of federal or state NO₂ standards such as the one-hour standard. It is not enough to say Shafter is more conservative than Arvin. The public needs to know if Shafter is more conservative than Oildale, California, Edison, and Maricopa as well. The air district should definitely be using the most conservative monitor and must give evidence that it did.

3. There does not seem to be any mitigation for the VOC's and PM₁₀ (including PM 2.5) from the trucking related emissions for this project. The voluntary or private agreement only addresses the NO_x emissions. All emissions must be mitigated, not just NO_x. The air district claims all emissions are mitigated so show the public that is true.

4. Some of the project emissions are only mitigated down to the threshold with the purchase of emission reduction credits. How are the emissions below the threshold being mitigated? It is not enough to say the 1.5 distance ratio covers these extra emissions. That should be done for the emissions below the threshold as well. All emissions must be mitigated. Why is the 1.5 distance ratio not applied for the NO_x emissions covered by the voluntary agreements? Can the air district guarantee that all future emission reductions obtained by that extra mitigation agreement(s) be used within 15 miles of the project?

5. The air district has other money for grant and incentive programs. Will the approximately 8 million dollars from these extra HECA agreements be pooled with other district money designated for incentive funding or will it be kept separate. Most incentive money is used throughout the San Joaquin Valley for qualifying projects. Will the HECA funds also be used throughout the San Joaquin Valley or will they be designated just for Kern County and not displace other funding that would also be destined for Kern County?

6. Has the air district considered the pollution from the CO₂ injection process which will be operated by Occidental Petroleum? At the Kern Board Supervisors meeting, Mr. Sadredin said this injection process was actually a net benefit to air quality in the region

because it would displace much dirtier steam injection. Is that the reason the air district did not consider this additional 50 tons of criteria air pollutants?

This assumption that the injection process is good for air quality is wrong and the air district should correct this earlier public statement by Mr. Sadredin. Occidental officials have made clear to the public that steam injection is no longer viable as a means of getting the oil out of the ground where the CO₂ injection will take place. In other words, there would be no steam injection in this oil field if the HECA project did not take place. Therefore, the emissions from the CO₂ injection must be considered new pollution. The air district needs to explain why it is not looking at this new pollution as part of the HECA project. Permitting the Occidental operation separately is wrong because it is part and parcel of the HECA project and is also before the CEC currently. It also allows the Occidental operation to slip under the thresholds of major sources for some pollutants and not mitigate all of the related emissions the same way as if it was lumped together with the greater project. Please confirm that the total mitigation required for the CO₂ injection process will be less when that operation is considered separately than if that operation were considered together with all other HECA pollution. Also, please explain why the extra mitigation agreement did not include this extra pollution from the project.

7. The air district has claimed several times that this project is fully mitigated. Mr. Sadredin even claimed that air quality in Kern County (the area of the project) would actually improve if the project was built. Please give a numerical accounting of the total pollution from this project and what parts are mitigated by what means and what agreements. Also, please show clearly how air quality will actually improve in Kern County, and by how many tons of which pollutants, from this project. It is assumed the air district is neutral on this project so public claims of air quality improvement from the project must be backed up with firm and clear numbers which the public can understand.

8. More than once, air district officials stated publicly that environmentalists and the CEC like this project. Please give a reference to which environmentalists or groups like this project and which statements from the CEC show they like this project. To be fair, please also list the environmental groups which do not like this project.

9. Supervisor Couch, from Kern County and a member of the local air board, voted against approving the voluntary emission reduction agreements. Supervisor Couch had the advantage of having attended several public meetings where HECA had been discussed in detail by the applicant, the air district, and the public, prior to his vote. Please explain why the air district refused to have a public comment period on the voluntary emission reduction agreements so that the other air board members could have had a chance to also hear some discussion from the public about the project before casting their vote?

10. Why does the air district not consider air cooling to be BACT for controlling particulate emissions from the cooling towers? Have other power plants in the San Joaquin Valley used air cooling technology? Do these other power plants have far less particulate emissions in relation to the amount of power produced?

11. Is the NO_x boiler emission rate of 2.5 ppm the best that other power plants in the San Joaquin Valley have done? Is it true that other power plants have actually been permitted at 2 ppm?

12. The trading of SO_x emission reduction credits for PM₁₀ has been done incorrectly. The ratio is wrong. EPA says 4:1 is the minimum and they recommend 40:1 yet the air district insists on using a 1:1 ratio. Is our air quality so good that the air district can justify the less conservative ratio even though it would be fully justifiable to use the higher one? Second, please explain how SO_x credits can offset PM₁₀ emissions. Third, please explain how these SO_x emission credits are valid since there are currently very strict rules limiting SO_x emissions that were not in place at the date the credits were formed. The air district has said very clearly that if future rules will force emission reductions then the credits from an earlier time are not valid.

13. Please show the progress that has been made in reducing ozone levels over the past 6 years in Kern County (2007-2012) using all monitors available. Is the improvement the last six years at a reasonable rate of progress that shows Kern County will reach federal standards by current deadlines? Six years should be a valid time frame to show at least some improvement. The air district claims a lot of improvement from 20 years ago which is true. But, it seems the rate of improvement has either slowed dramatically or even stopped in recent years. In this regard, how can the air district justify the continued use of emission reduction credits as even partial mitigation for large polluting projects such as HECA?

14. The air district claims the total transportation emissions are around 60 tons less than the emissions totaled by HECA and submitted to the CEC. Please explain the difference in detail and why the air district insists on using the less conservative number while the CEC uses the more conservative number. Why would the air district not use the higher number if it is truly being health protective towards the public? The higher number is clearly a legitimate number accepted by both HECA and the CEC. Yet, the air district contrives a lower number to the benefit of HECA. There should be at least \$10 million more in mitigation money from HECA for these higher emissions.

15. Dave Warner said recently in Buttonwillow that HECA was possibly the dirtiest power plant in terms of output, that he has seen in many years and that it will be located in the county with possibly the dirtiest air in the nation and that this air is harming and killing people. He also said that if the voluntary emission agreement was shown not to be strong enough that the air district would strengthen it and take it back to the board for approval again. It is clearly not strong enough because the ERC's are too old, reasonable progress towards the standards is not being made, and not all emissions from the project are being mitigated. Therefore, please take the agreement back and make it stronger. The amount of money needs to at least be tripled and there has to be a guarantee that every cent will be spent in Kern County on top of any other incentive funding Kern would ordinarily receive through the air district.



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
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**AMENDED APPLICATION FOR CERTIFICATION
FOR THE HYDROGEN ENERGY
CALIFORNIA PROJECT**

**Docket No. 08-AFC-08A
PROOF OF SERVICE
(Revised 05/10/2013)**

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DECLARATION OF SERVICE

I, _____Tom Frantz_____, declare that on ____May 29____, 2013, I served and filed copies of the attached _____PDOC comments_____ dated ____May 29____, 2013. This document is accompanied by the most recent Proof of Service, which I copied from the web page for this project at: http://www.energy.ca.gov/sitingcases/hydrogen_energy/.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am over the age of 18 years.

Dated: _____**May 29**_____
_____, 2013

_____Tom Frantz_____