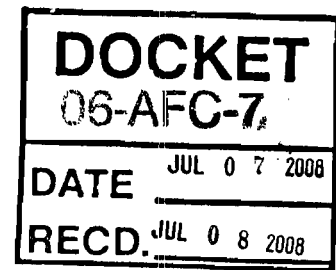


Scott A. Galati
David L. Wiseman
GALATIBLEK, LLP
555 Capitol Mall
Suite 600
Sacramento, CA 95814
(916) 441-6575



STATE OF CALIFORNIA

Energy Resources
Conservation and Development Commission

In the Matter of:

Application for Certification for the
Humboldt Bay Repowering Project

DOCKET NO. 06-AFC-7

**PACIFIC GAS & ELECTRIC
COMPANY AND CEC STAFF JOINT
STIPULATION ON MODIFICATION
TO FSA AND PROPOSED
CONDITIONS OF CERTIFICATION**

As directed by the Committee at the evidentiary hearing on June 17, 2008,
Pacific Gas & Electric Company (PG&E) and CEC Staff hereby file this joint stipulation
that the Proposed Conditions of Certification contained in the Final Staff Assessment
(FSA) should be modified as follows.

FACILITY DESIGN

Condition of Certification GEN-1

Condition of Certification **GEN-1** contained in the FSA should be replaced with the
following new condition.

GEN-1 The project owner shall design, construct and inspect the project in
accordance with the 2007 California Building Standards Code
(CBSC) (also known as Title 24, California Code of Regulations),
which encompasses the California Building Code (CBC), California

Building Standards Administrative Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, California Fire Code, California Code for Building Conservation, California Reference Standards Code, and all other applicable engineering LORS in effect at the time initial design plans are submitted to the CBO for review and approval, except that the CBSC applicable to the Wärtsilä supplied equipment shall be the 2001 CBSC. (The CBSC in effect is that edition that has been adopted by the California Building Standards Commission and published at least 180 days previously.) The project owner shall insure that all the provisions of the above applicable codes be enforced during any construction, addition, alteration, moving, demolition, repair, or 50 maintenance of the completed facility [2007 CBC, Section 101.3, Scope]. All transmission facilities (lines, switchyards, switching stations and substations) are handled in Conditions of Certification in the TRANSMISSION SYSTEM ENGINEERING section of this document. In the event that the initial engineering designs are submitted to the CBO when a successor to the 2007 CBSC is in effect, the 2007 CBSC provisions identified herein shall be replaced with the applicable successor provisions. Where, in any specific case, different sections of the code specify different materials, methods of construction or other requirements, the most restrictive shall govern. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall govern. The project owner shall insure that all contracts with contractors, subcontractors and suppliers shall clearly specify that all work performed and materials supplied on this project comply with the codes listed above.

Verification: Within 30 days after receipt of the Certificate of Occupancy, the project owner shall submit to the Compliance Project Manager (CPM) a statement of verification, signed by the responsible design engineer, attesting that all designs, construction, installation and inspection requirements of the applicable LORS and the Energy Commission's Decision have been met in the area of facility design. The project owner shall provide the CPM a copy of the Certificate of Occupancy within 30 days of receipt from the CBO [2007 CBC, Section 109 – Certificate of Occupancy]. Once the Certificate of Occupancy has been issued, the project owner shall inform the CPM at least 30 days prior to any construction, addition, alteration, moving, demolition, repair, or maintenance to be performed on any portion(s) of the completed facility which may require CBO approval for the purpose of complying with the above stated codes. The CPM will then determine the necessity of CBO approval on the work to be performed.

WASTE MANAGEMENT

Condition of Certification WASTE-7

WASTE-7 Prior to any site grading for the HBRP except for the temporary access road, potable water line, storm water discharge system, and storm water Best Management Practices ~~soil disturbance or the beginning of site mobilization for the Humboldt Bay Repowering Project,~~ the project owner shall provide to the CPM for review and approval a Remedial Investigation (RI) report or equivalent detailing site characterization and a Remedial Action Plan (RAP) or equivalent detailing site cleanup methods. The RI plan or equivalent shall include an assessment of the containment pond liners and whether they have been compromised. After implementation of the RAP (or equivalent), the project owner shall submit a report describing that the recommendations of the 2007 Preliminary Phase II Environmental Site Assessment have been implemented and shall include confirmatory sampling and analysis results as described in the RAP (or equivalent).

Verification: ~~At least 30 120 days prior to any~~ site grading for the HBRP except for the temporary access road, potable water line, storm water discharge system, storm water Best Management Practices ~~soils disturbance or the beginning of site mobilization for the Humboldt Bay Repowering Project,~~ the project owner shall provide the RI report (or equivalent) and the RAP (or equivalent) to the CPM for review and approval. After remedial activities have been completed and prior to site grading, the project owner shall provide a data compilation report, describing that the recommendations of the 2007 Preliminary Phase II Environmental Site Assessment have been implemented. ~~a~~ At least sixty (60) days prior to any ~~soils disturbance or the beginning of site mobilization~~ after the commencement of site grading, the project owner shall submit a report describing that the recommendations of the 2007 Preliminary Phase II Environmental Site Assessment have been implemented and shall include confirmatory sampling and analysis results final Remediation Completion and Closure Report.

PUBLIC HEALTH

Condition of Certification PUBLIC HEALTH-1

PUBLIC HEALTH-1 The project owner shall not operate the Wartsila engines on diesel fuel for a period exceeding 510 hours per year total for all 10 engines, with the exception of the first year when commissioning and compliance testing is required and the hours may not exceed 650. Once the health risk assessment prepared pursuant to **PUBLIC HEALTH-2** is approved by the CPM, the CPM will notify the project owner of the total number of engine hours on diesel fuel the project may operate annually, as determined by what the health risk assessment shows as the maximum number of hours that achieve a theoretical maximum cancer risk at the point of maximum impact of less than 10 in one million and acute and chronic Hazard Indices of less than 1.0. The CPM may also, based upon the results of the compliance testing and the health risk assessment, allow the use of an emission rate in pounds per year (lbs/yr) of diesel particulate matter as the limitation of operation when on diesel fuel in lieu of hours per year so long as the CPM can verify the emissions on a daily and yearly basis through objective criteria. The 510 total hours of operation for all engines using diesel fuel, and any subsequently adjusted number of hours, shall not include time needed for compliance testing required as per condition **AQ-167** if the testing is conducted when the wind direction is out of the east or south east. ~~Compliance testing required per condition **AQ-167** shall also not occur between 7:30 am and 3:30 pm on days when the South Bay Elementary School is in session.~~

Verification:

The project owner shall provide hourly logs of diesel fuel usage to the CPM in the Annual Compliance Report Summary. The log shall include the unit number, duration, purpose (annual compliance testing, natural gas curtailment or emergency), and wind direction, ~~and whether South Bay Elementary School is in session.~~

CULTURAL RESOURCES

Condition of Certification CUL-8

CUL-8 Prior to the demolition of the rail spur ~~and transmission line tower~~ associated with Unit 3, and the storage building (#7069) associated with Units 1 and 2, the project owner shall obtain the services of an architectural historian. The project owner shall provide the CPM with the name and resume of the architectural historian. No ground disturbance shall occur prior to CPM approval of the architectural historian, unless specifically approved by the CPM.

The resume for the architectural historian shall include names and telephone numbers of contacts familiar with the architectural historian's work and all information needed to demonstrate that the architectural historian has the following qualifications:

1. meets the Secretary of Interior's Professional Standards for architectural history;
2. has at least three years' experience in recording twentieth-century industrial structures; and
3. has completed at least one recordation project within the past five years involving coordination with the National Park Service's Heritage Documentation Program (HDP).

Verification:

1. At least 45 days prior to demolition of the storage building (#7069), ~~the transmission tower~~, and the on-site railroad spur, the project owner shall submit the name and resume of the selected architectural historian to the CPM for review and approval.
2. At least 35 days prior to the demolition of the storage building (#7069), ~~the transmission tower~~, and the on-site railroad spur, the project owner shall confirm in writing to the CPM that the approved architectural historian is available for onsite work and provide a date by which the architectural historian will undertake the HAER documentation of the three structures.

Condition of Certification CUL-9

CUL-9 Prior to the demolition of the rail spur ~~and transmission line tower~~ associated with Unit 3, and the storage building (#7069) associated with Units 1 and 2, the project owner shall ensure that the approved architectural historian prepares documentation of these structures to the standards of the Historic American Engineering Record (HAER). The project owner shall ensure that the architectural historian consults with the HABS/HAER Coordinator in the Pacific West Regional Office of the HDP, in ~~Oakland~~ Washington, D. C., and complies with ~~HDP~~ the Coordinator's guidance on the extent and content of documentation appropriate for these structures, as contributing elements of a probable National Register of Historic Places-eligible district and as a significant historical resource under CEQA, and on the format and materials to be used in the documentation.

To provide for the contingency that the HDP may require additional information after reviewing the architectural historian's draft documentation, the project owner shall ensure that the architectural historian over-records (for example, "brackets" all photographs; takes duplicate photogrammetric readings and measurements, if required by the HDP; makes copies daily of all field notes and logs and retains them in a separate location), in the field, those physical aspects (e.g., measurements, photographs, and photogrammetry) of the storage building (#7069), transmission tower, and the on-site railroad spur that will not be accessible after these structures have been demolished.

No ~~ground disturbance or demolition of the transmission line tower~~, rail spur or storage building (#7069) shall occur prior to the completion by the architectural historian of the over-recording (defined above), in the field, of the three structures, and the submission to and approval by the CPM of the draft HAER documentation, unless specifically allowed by the CPM.

The project owner may make available to the architectural historian original architectural drawings of Units 1 and 2 and associated structures, and photographs of their construction held in its files, so these can be submitted as part of the HAER documentation instead of new measured drawings.

Verification:

1. At least 20 days prior to demolition of the storage building (#7069), ~~the transmission tower~~, and the on-site railroad spur, the project owner shall submit to the CPM a letter or memorandum from the architectural historian detailing the scope of the HDP-recommended documentation of the three structures.
2. At least 15 days prior to demolition of the storage building (#7069), ~~the transmission tower~~, and the on-site railroad spur, the project owner shall

provide a copy of the draft HAER documentation of these structures to the CPM for review and approval.

3. The owner shall retain copies of the CPM-approved HAER documentation of the rail spur and transmission line tower associated with Unit 3, and the storage building (#7069) associated with Units 1 and 2. In the event that the rest of the HBPPHD structures are also documented to HAER standards, the owner shall include the HAER documentation of the rail spur and transmission line tower associated with Unit 3, and the storage building (#7069) associated with Units 1 and 2, in the HBPPHD HAER documentation package and carry out the disposition that is provided in **CUL-11 CUL-10**. ~~In the event that the rest of the HBPPHD structures are not documented to HAER standards, the owner shall donate the HAER documentation of the rail spur and transmission line tower associated with Unit 3, and the storage building (#7069) associated with Units 1 and 2, to the same repository as the HBPP materials donated under CUL-12.~~

Condition of Certification CUL-10

Condition of Certification **CUL-10** contained in the FSA should be replaced with the following new condition.

CUL-10 The project owner shall develop a historic resources mitigation plan for the entire Humboldt Bay Power Plant property, including Units 1, 2, and 3 and all appurtenances. The plan shall be developed under the direction of a person meeting the Secretary of the Interior's professional qualifications for historian or architectural historian. The plan shall include the following elements:

- A. A thorough historic background statement that describes in detail the development of the Humboldt Bay Power Plant (Units 1, 2, and 3 and all appurtenances) in the context of Humboldt County and the Humboldt Load Pocket, describes the history of power generation technology in the area and identifies the place of the Humboldt Bay Power Plant in local, regional, and national history.
- B. A fully developed historic themes and contexts statement that identifies the key historic themes in association with which the Humboldt Bay Power Plant gains significance and the scope (topical and geographical) of significance at the national, regional, and local levels.

- C. A fully developed mitigation plan that identifies, for the entire property and under the assumption that the entire property will be demolished, the key actions proposed to mitigate each significant aspect of the property, considering Units 1, 2, and 3 and all appurtenances on the PG&E property. Mitigation actions can and shall include photographic recording to the standards of the Historic American Engineering Record (HAER), archiving of engineering drawings or other engineering documents, and archiving of historical photographs and documents relating to the development, construction, and operation of the facility. The plan shall address elements of the property's significance and the preservation of mitigation documents and other materials on a national, state, and local level.

The mitigation plan shall include the elements to be documented under Conditions **CUL-8** and **CUL-9**, notwithstanding that the mitigation of properties identified under **CUI-8** and **CUL-9** may be completed before the mitigation plan is finalized and reviewed by all parties.

Verification: The project owner shall submit the Historic Property Mitigation Plan to the CPM for review and approval and to the Heritage Documentation Program (HDP) of the National Park Service, California Coastal Commission (CCC), Humboldt County Community Development Department, and California Office of Historic Preservation for review and comment. The owner shall allow up to 180 days for the National Park Service and up to 90 days for the other entities to comment on the draft plan and shall consider their comments in revising the plan. In the event that the comments are in conflict or are inconsistent, comments and direction of the National Park Service shall take precedence. The project owner shall finalize the plan and provide copies of the final plan to the HDP, CCC, Humboldt County Community Development Services Department, Humboldt State University Library Humboldt Room, Humboldt County Library, COHP, and Nuclear Regulatory Commission 180 days before demolition of Units 1, 2, and 3 will begin. The plan shall be implemented prior to demolition.

Condition of Certification CUL-11

This condition should be deleted.

Condition of Certification CUL-12

This condition should be deleted.

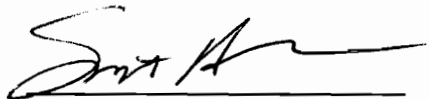
Condition of Certification CUL-13

This condition should be renumbered **CUL-11**.

The parties hereby stipulate to the modifications as outlined herein.

Dated: July 7, 2008

Agreed:



Scott A. Galati
Counsel to PG&E

Agreed:



Lisa M. DeCarlo
CEC Senior Staff Counsel