

Archie D. McPhee
40482 Gavilan Mountain Road
Fallbrook, CA 92028
October 26, 2008

Felicia Miller, Project Manager
Docket No. 08-AFC-4
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814 - 5512

DOCKET	
08-AFC-4	
DATE	OCT 26 2008
RECD.	OCT 30 2008

Dear Ms Miller,

Attached please find a recent communication from Archie McPhee to Senior Engineer John Annicchiarico of the San Diego County Air Pollution Control District. It involves California Energy Commission's detailed potable water design specifications for the Orange Grove Energy Power Plant (08-AFC-4) in relation to air pollution.

There is nothing in the California Energy Commission's design specifications that allow the Orange Grove Energy Power Plant (OGP), or the Fallbrook Public Utility District (FPUD), to substitute reclaim water for potable water. California Energy Commission's potable water design specifications are specific for Nitrogen Oxides control and power augmentation to prevent CTG turbine blade damage to/for the OGP.

Shortly after FPUD's June 30, 2008 "Special Meeting - Board of Directors", Ms Patricia J. Walker and Ms Nancy L. Howland were talking with, and complaining to, FPUD Director Keith Battle about using FPUD's potable water for the OGP. Battle's reply to these complaints were: FPUD would only provide reclaimed water, and had no intentions of providing any potable water to the OGP. He also said that FPUD had to state, in their potable water contract with OGP, that (FPUD) would supply potable water in this potable water contract **ONLY** to satisfy the California Energy Commission design criteria for potable water without any intentions of doing so. It is my belief that Ms Walker would be willing to testify to the above statement by Director Battle, under oath.

In closing, I believe the California Energy Commission should define the terms "Reclaim Water" and "Recycled Water" in their identification of abbreviations. Recycled water is different from reclaim water but these two terms are used interchangeably in the design specifications. "Recycled water" is also used in its true meaning when referring to cooling tower water. Attorneys love to pick apart faulty definitions.



Archie McPhee

BCC



PROOF OF SERVICE (E-FILED) 10/27/08 FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 10/30/08

Archie D. McPhee
40482 Gavilan Mountain Road
Fallbrook, CA 92028
October 21, 2008

John Annicchiarico
County of San Diego
Air Pollution Control District
10124 Old Grove Road
San Diego , CA 92131-1649

Dear Sir,

I am on the mailing list of the California Energy Commission's Orange Grove Energy Power Plant, Docket 08-AFC-4. I have also filled a "Petition for Intervention" with the California Energy Commission (CEC) concerning discrepancies in the Orange Grove Energy power plant (OGP) Potable Water Option Agreement with the Fallbrook Public Utility District (FPUD). Printed statements by officials of FPUD do not agree with the CEC's printed design conditions (see attachment addressed to Felicia Miller). In your Project Description/Process (Page 5) of the "Preliminary Determination of Compliance Orange Grove Energy", you state; "Each CTG will have water injection to control the combustion process and reduce nitrogen oxides (NOx) emissions". You are obviously utilizing the California Energy Commission's printed design certification requirements for potable water to arrive at your conclusions.

FPUD had a "Special Meeting-Board of Directors" on June 30, 2008. In plain language FPUD's Board of Directors at this meeting : **1)** assigned GM Lewinger to negotiate a potable/fresh water agreement and a potable water option agreement with Orange Grove Energy; **2)** approved a Level 1 drought condition for the FPUD water district; **3)** stated that during this Level 1, or higher, drought condition FPUD will not supply any potable water to Orange Grove Energy, only reclaimed water will be supplied.

4) Later GM Lewinger negotiated a potable water agreement (see item 1 of the Potable Water Option Agreement - Covenants) which would supply Orange Grove Energy for up to 62 AFY, acre feet per year, (20.2 million gallons/yr), while knowing a Level 1 drought condition had previously been declared by FPUD's Board of Directors which prohibited FPUD from providing any potable water to Orange Grove Energy during a Level 1, or higher, drought condition. **5)** Then, in a CYA move, Lewinger placed a vaguely worded water supply condition (item 5 of the Potable Water Option Agreement - Covenants) to restrict the potable water supply to Orange Grove Energy in the event of a real water shortage while **not identifying** that FPUD had already declared a Level 1 drought condition, thereby, preventing any potable water transfer to Orange Grove Energy. **6)** The FPUD Level 1 drought condition, in effect, made the agreement in "item 1 of the Potable Water Options Agreement - Covenants" worthless, even before the Potable Water Agreement was negotiated; **7)** There is no mention in "item 5 of the Covenants"

that FPUD had previously enacted a Level 1 Drought condition which , thereby, prohibited any potable water transfer to Orange Grove Energy at any time during this Level 1, or higher, drought condition.

I have a copy of the June 30, 2008 "Special Meeting - Board of Directors" as well as the minutes of that meeting to verify my above statements.

The problem I am having is the statement on page 2-19 of the CEC Commission "Generation Facility Description, Design and Operation" of the OGP. "Water for use in the CTG's for NOx control and power augmentation must be very high purity (demineralized water) or turbine blade damage will result" and this water will be fresh water provided by FPUD (P 2-18). However in printed documents including minutes of the FPUD June 30, 2008 Special Meeting, FPUD stated (see attached document) it is not supplying any potable water to the OGP; it will provide only (foul smelling and contaminated) reclaim water to the OGP because FPUD is in a Level 1 drought condition.

The problem is: who is telling the truth? Is FPUD misinforming its ratepayers, or is FPUD, and possibly the OGP, misinforming the California Energy Commission and subsequently the "San Diego County Air Pollution Control District"?

The total dissolved solids (TDS) of the fresh water we (ratepayers) receive from FPUD is around 450 mg/l (average) while the TDS of the smelly, contaminated reclaim water is frequently around 1,000 mg/l, and probably contains unreported CH4 (methane). Some gaseous material/compound is most certainly contributing to its foul odor. In addition, by law, all reclaimed water must be labeled "Contaminated, do not drink" and transported in purple piping.

Please advise.



Archie McPhee

CC Felicia Miller, California Energy Commission





BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV

**APPLICATION FOR CERTIFICATION
ORANGE GROVE POWER
PLANT PROJECT**

**DOCKET No. 08-AFC -4
PROOF OF SERVICE
Revised 10/27/08**

INSTRUCTIONS: All parties shall either (1) send an original signed document plus 12 copies or (2) mail one original signed copy AND e-mail the document to the address for the Docket as shown below, AND (3) all parties shall also send a printed or electronic copy of the document, which includes a proof of service declaration to each of the individuals on the proof of service list shown below:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 08-AFC-4
1516 Ninth Street, MS-15
Sacramento, CA 95814-5512
docket@energy.state.ca.us

APPLICANT

Stephen Thome
J-Power USA Development
1900 East Golf Road, Suite 1030
Schaumburg, IL 60173
sthome@jpowerusa.com

Mike Dubois
J-Power USA Development
1900 East Golf Road, Suite 1030
Schaumburg, IL 60173
mdubois@jpowerusa.com

APPLICANT CONSULTANT

Joe Stenger, PG. REA
TRC
2666 Rodman Drive
Los Osos CA 93402
jstenger@trcsolutions.com

COUNSEL FOR APPLICANT

*Jane Luckhardt
Downey Brand, LLP
621 Capitol Mall, 18th Floor
Sacramento, CA 95814
jluckhardt@downeybrand.com

Wayne Song
Morgan, Lewis & Bockius LLP
300 S Grand Avenue, 22nd Floor
Los Angeles, CA 90071
wsong@morganlewis.com

INTERESTED AGENCIES

California ISO
P.O. Box 639014
Folsom, CA 95763-9014
e-recipient@caiso.com

Steve Taylor
San Diego Gas & Electric
8306 Century Park Court
San Diego, CA 92123
srtaylor@semprautilities.com

ENERGY COMMISSION

JAMES D. BOYD
Commissioner and Presiding Member
jboyd@energy.state.ca.us

INTERVENORS

Anthony J. Arand
219 Rancho Bonito
Fallbrook, CA 92028
tony@envirepel.com

ARTHUR ROSENFELD
Commissioner and Associate Member
pflint@energy.state.ca.us

Alliance for a Cleaner Tomorrow (ACT)
c/o Arthur S. Moreau, Klinedinst, PC
501 West Broadway, Suite 600
San Diego, CA 92101
amoreau@klinedinstlaw.com

Kenneth Celli
Hearing Officer
kcelli@energy.state.ca.us

Archie D. McPhee
40482 Gavilan Mountain Road
Fallbrook, CA 92028
archied1@earthlink.net

Felicia Miller
Project Manager
fmiller@energy.state.ca.us

Jared Babula
Staff Counsel
jbabula@energy.state.ca.us

Public Adviser's Office
publicadviser@energy.state.ca.us

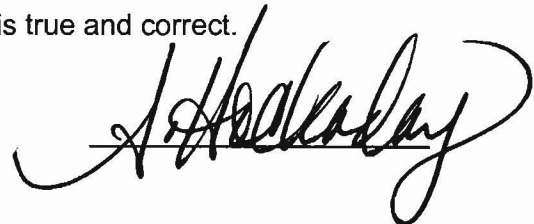
DECLARATION OF SERVICE

I, Angela Hockaday declare that on October 30, 2008 I deposited copies of the attached Letter from A. McPhee regarding SDCo AQ District in the United States mail at Sacramento, CA, with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.



Attachments.