

STATE OF CALIFORNIA
Energy Resources Conservation
and Development Commission

| | |
|-----------------|--------------------|
| DOCKET | |
| 09-AFC-1 | |
| DATE | <u>DEC 30 2009</u> |
| RECD. | <u>DEC 30 2009</u> |

Application for Certification for the Watson)
Cogeneration Steam and Electric Reliability Project) Docket No. 09-AFC-1
)
)
_____)

**WATSON COGENERATION COMPANY’S OBJECTIONS TO CERTAIN
COMMISSION STAFF DATA REQUESTS SET 2**

Pursuant to Section 1716 of the Commission’s regulations, Watson Cogeneration Company (“Applicant”), hereby files the following *Objections to Certain Commission Staff Data Requests Set 2*. The Data Requests were filed on December 10, 2009.

Section 1716 of the Commission's regulations (Cal. Code Regs., tit. 20 § 1716) contains the basic framework for information exchanges (i.e., Data Requests and Responses) for licensing proceedings: “A party may request from an Applicant ... information which is reasonably available to the Applicant which is relevant to the application proceedings or reasonably necessary to make any decision on the ...application.” [§ 1716(b).] The Applicant may then answer or object to the request. If the Applicant objects, the requesting party may then forego the request, seek alternative means of obtaining the desired information, or petition for an Order directing the Applicant to provide the information. In considering the reasonableness of a data request, the Commission evaluates whether the information sought appears to be reasonably available, relevant and necessary for the Commission to reach a decision on the Application.

For the reasons set forth below the Applicant objects to Staff Data Requests 47 and 48:

47. Please provide a description of the treatment processes and storage capacity for the BP Watson Refinery's oily-water treatment system. Please provide the estimated discharge volume to the oily-water treatment system during a 100-year storm event under existing conditions (including the BP Refinery and BP Watson Cogeneration site) and the increase in discharge volume with the proposed fifth train at the BP Watson Cogeneration site. Please demonstrate that the existing treatment system has adequate storage volume to contain the runoff from a 100-year event without exceeding the wet weather flow limit.

Response: Watson objects to this question insofar as it seeks information regarding the operation of the existing refinery rather than the proposed cogeneration facility. Information regarding the refinery is beyond the scope of this proceeding, not relevant, and unduly burdensome. Without waiving this objection, Watson will voluntarily provide certain information in response to this request.

48. Please identify any operational limitations that, as a factual and operational matter, would prevent the applicant from complying with the following proposed condition of certification.

SOIL & WATER-1: During operations, the Watson Cogeneration Steam and Electric Reliability Project (BP Watson) shall not exceed 8,623 acre-feet per year (afy) of total water supply. Beginning in 2014, reclaimed water shall comprise at least 5,806 afy of the total operational water supply and municipal water supplied by the California Water Services Company shall not exceed 2,817 afy. The use of groundwater supplied by onsite wells shall only be utilized as a back-up supply in the event of an interruption in the reclaimed water supply and/or the municipal water supply (this depends on Staff's analysis of potential impacts). Groundwater use shall not exceed 862 afy.

Prior to the use of water during commercial operation by the Watson Cogeneration Facility (Facility), the project owner shall install and maintain metering devices as part of the water supply and distribution system to monitor and record in gallons per day the total volumes of water supplied to the Facility from each water source. Those metering devices shall be operational for the life of the project.

During operations, the Facility shall deliver at least 70% of total water supply as steam to the BP Watson Refinery 600# Steam Header, and at least 12% of total water supply to the BP Watson Refinery High Pressure Water Supply. Release of steam from the Steam Cycle Blowdown shall be less than 1% of total water supply and discharge to the BP Watson Refinery Wastewater System shall be less than 5% of total water supply. To help monitor the

efficiency of water use at the Facility, the project owner shall install and maintain metering devices to monitor:

- Steam delivery to the Refinery Steam Header (line M, AFC Figure 5.5-1),
- Water delivery to the Refinery High Pressure Water System (line L, AFC Figure 5.5-1),
- Flash steam released from the Steam Cycle Blowdown Tank (line K, AFC Figure 5.5-1), and
- Wastewater Discharge (lines Q and P, AFC Figure 5.5-1).

The project owner shall prepare an annual Water Use Summary, which will include the daily usage, monthly range and monthly average of daily usage in gallons per day, and total usage by the project on a monthly and annual basis in acre-feet for each water supply (reclaimed, municipal, and groundwater) for the five-train Facility. In addition, the project owner shall prepare an annual Water Delivery Summary which will include daily delivery, monthly range and monthly average of daily delivery in gallons per day, and total delivery by the project on a monthly and annual basis in acre-feet for the delivery of steam, water, and wastewater to the BP Watson Refinery and release of flash steam from the Steam Cycle from the five-train Facility. Potable water use on-site shall be recorded on a monthly basis. The Water Delivery Summary should identify the percentage of total water supplied that was delivered as steam, water, and wastewater to the BP Watson Refinery and released as flash steam from the Steam Cycle. For subsequent years, the annual Water Use Summary shall also include the yearly range and yearly average water use by the project. The annual Water Use Summary and Water Delivery Summary shall be submitted to the Compliance Project Manager (CPM) as part of the annual compliance report.

Verification: At least 60 days prior to commercial operation of the Facility, the project owner shall submit to the CPM conclusive proof that metering devices have been installed and are operational on the water supply and distribution system. The project owner will document total reclaimed, municipal, and groundwater usage and report all water usage to the CPM. The project owner will report all disruptions to the reclaimed, municipal, and groundwater supply, the water treatment process, the volume of backup water used, and the total annual reclaimed, municipal, and groundwater use for the year, and the two years prior, in the annual compliance report. The project owner shall also document total steam, water, and wastewater delivery to the BP Watson Refinery and document the total steam, water, and wastewater delivery for the year and two years prior in the annual compliance report. The project owner shall also provide a report on the servicing, testing and calibration of the metering devices in the annual compliance report.

Response: The Applicant objects to this proposed condition of certification insofar as it proposes limitations regarding the operation of the existing permitted Watson Cogeneration Facility, rather

than the Project. Limitations regarding the existing permitted Facility are beyond the scope of this proceeding, not relevant, and unduly burdensome. Without waiving this objection, Watson will voluntarily provide certain information in response to this request.

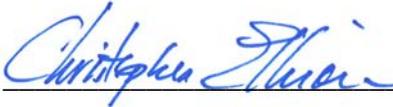
Conclusion

The Applicant looks forward to working with the Staff, other parties and the Commission to provide the information that is necessary to license this facility. The Commission must be vigilant to ensure that no party imposes informational requirements that exceed the scope of the Commission's regulatory authority or that imposes upon projects any burden that is not shared equally by all Applicants that have projects licensed by the Commission.

December 30, 2009

Respectfully submitted,

ELLISON, SCHNEIDER & HARRIS L.L.P.

By  _____

Christopher T. Ellison
Greggory L. Wheatland
2600 Capitol Avenue, Suite 400
Sacramento, California 95816
Telephone: (916) 447-2166
Facsimile: (916) 447-3512

Attorneys for Watson Cogeneration Company

STATE OF CALIFORNIA

Energy Resources Conservation
and Development Commission

Application for Certification for the WATSON)
COGENERATION STEAM AND ELECTRICITY) Docket No. 09-AFC-1
RELIABILITY PROJECT)
_____)

PROOF OF SERVICE

I, Karen A. Mitchell, declare that on December 30, 2009, I served the attached *Watson Cogeneration Company's Objections to Certain Commission Staff Data Requests Set 2* via electronic and U.S. mail to all parties on the attached service list.

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



Karen A. Mitchell

SERVICE LIST
09-AFC-1

APPLICANT

Ross Metersky
BP Products North America, Inc.
700 Louisiana Street, 12th Floor
Houston, Texas 77002
ross.metersky@bp.com

Gary Fay
Hearing Officer
gfay@energy.state.ca.us

Alan Solomon
Project Manager
asolomon@energy.state.ca.us

APPLICANT'S CONSULTANTS

URS Corporation
Cynthia H. Kyle-Fischer
8181 East Tufts Avenue
Denver, Colorado 80237
cindy_kyle-fischer@urscorp.com

Christine Hammond
Staff Counsel
chammond@energy.state.ca.us

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

COUNSEL FOR APPLICANT

Christopher T. Ellison
Ellison, Schneider & Harris L.L.P.
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
cte@eslawfirm.com

INTERESTED AGENCIES

California ISO
e-recipient@caiso.com

INTERVENORS

Tanya A. Gulesserin
Marc D. Joseph
Adams Broadwell Joseph & Cardozo
601 Gateway Boulevard, Suite 1000
South San Francisco, CA 94080
tgulesserian@adamsbroadwell.com

ENERGY COMMISSION

Karen Douglas
Chair and Presiding Member
kldougla@energy.state.ca.us

Julia Levin
Commissioner and Associate Member
jlevin@energy.state.ca.us