

DOCKET**09-AFC-1**DATE Oct. 11 2011RECD. Oct. 11 2011**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

In the matter of:)

Docket No.: 09-AFC-1

))
WATSON COGENERATION STEAM)
AND ELECTRICITY RELIABILITY PROJECT)

Dated: October 11, 2011

STAFF'S PREHEARING CONFERENCE STATEMENT

The Watson Committee issued a Notice of Prehearing Conference and Evidentiary Hearing Order on September 12, 2011. In the Order, the Committee required Staff to file its Prehearing Conference Statement on October 7, 2011. Attached is Staff's statement responding to each numbered item in the Order.

1. All topics are complete and ready to proceed to evidentiary hearing except Air Quality. See number 2 below for the explanation.
2. Air Quality is the only area that potentially is not ready for evidentiary hearing. Staff explained the problem in its October 7, 2011 status report.
3. The only topic area that remains disputed is Soil and Water. The nature of the dispute was set forth in Staff's October 7, 2011 filing and is repeated here.

There are four central areas of disagreement regarding Water between Watson and the California Energy Commission Staff:

- a) Maximum Water Use (Cap) 4219 afy Energy Commission Staff v 4609 afy Watson.
- b) Use of Reclaimed Water
 - Energy Commission Staff wants an executed agreement for reclaimed water.
 - Watson does not want a required agreement for reclaimed water.
- c) If water use exceeds the cap, Watson wants a condition allowing the CPM to adjust the freshwater cap. (Page 4.9.-59 of Watson's Revised Water

section). Conditions proposed by Energy Commission Staff provide for a hard cap and would require an amendment for any water use above the cap.

- d) Differences in how to measure condensate return water.
- 4. The list of the Staff witness is attached hereto.
- 5. Mark Lindley is the only Staff person who will testify by telephone.
- 6. Soil and Water, if that area is still disputed. The scope of cross examination will include the factual matters related to the issues in dispute in paragraph 3 above. Staff believes 30 minutes will be sufficient.
- 7. Please see the attached Exhibit List. Staff will offer the Final Staff Assessment and a Revised General Condition number 15.
- 8. Staff believes that, if necessary, opening briefs should be due two weeks after the close of evidentiary hearings, with rebuttal briefs due 7 days after that.
- 9. Staff is proposing a new General Condition which will require the project owner to report within one hour by telephone or email any emergency situation at the facility. Also, Staff may be proposing revised conditions of certification in Soil and Water depending upon our discussions with the Applicant.

Dated: October 11, 2011

Respectfully submitted,

/S/
Jeffery M. Ogata
Assistant Chief Counsel for the
California Energy Commission Staff

**BP WATSON COGENERATION STEAM AND ELECTRIC
RELIABILITY PROJECT
(09-AFC-1)
FINAL STAFF ASSESSEMENT**

Executive Summary	Alan Solomon
Introduction	Alan Solomon
Project Description	Alan Solomon
Air Quality.....	Matthew Layton, Gerry Bemis, Dave Vidaver, Steve Radis
Biological Resources.....	Andrea Martine
Cultural Resources.....	Beverly Bastian
Hazardous Materials Management	Geoff Lesh, P.E., Rick Tyler
Land Use.....	Candace M. Hill
Noise and Vibration.....	Shahab Khoshmashrab
Public Health.....	Alvin J. Greenberg, Ph.D
Socioeconomic Resources.....	Kristin Ford
Soils and Water Resources.....	Mark Lindley, P.E., Paul Marshal
Traffic and Transportation	Scott Debauche
Transmission Line Safety and Nuisance	Obed Odoemelam, Ph.D.
Visual Resources	William Walters, P.E., Rick Tyler
Waste Management	Ellie Townsend-Hough
Workers Safety and Fire Protection	Geoff Lesh, P.E., Rick Tyler
Facility Design.....	Shahab Khoshmashrab
Geology and Paleontology	Dal Hunter, Ph. D, C.E.G.
Power Plant Efficiency.....	Shahab Khoshmashrab
Power Plant Reliability.....	Shahab Khoshmashrab
Transmission System Engineering.....	Sudath Edirisuriya and Mark Hesters
Alternatives	Alan Solomon
General Conditions.....	Dale Rundquist



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

Docket Number: 09-AFC-1

Date: October 11, 2011

Project Name: Watson Cogeneration Steam
and Electricity Reliability Project

EXHIBIT LIST

Exhibit	Docket Transaction Number	Brief Description	Offered	Admitted	Refused
200		Final Staff Assessment			
201		Revised General Condition 15			

Notification to CPM of a Situation Requiring an Unplanned Response from an Emergency Services Agency (COMPLIANCE 15)

The project owner shall notify the ~~XXX-CPM~~ within one hour by [telephone or e-mail](#) ~~XXX~~ of the circumstances, current status, and expected duration of all accidents, emergencies, and other abnormal incidents at the facility or appurtenant facilities, that have resulted or could result in any of the following situations:

1. Reduction in the facility's ability to respond to dispatch (excluding forced outages caused by protective equipment or other typically encountered shut down events),
2. Health and safety impacts on the surrounding population,
3. Property damage off-site,
4. Response by off-site emergency response agencies,
5. Serious on-site injury,
6. Serious environmental damage,
7. Filing of bankruptcy, and/or,
8. Emergency reporting to any federal, state, or local agency.

The owner shall also provide a detailed incident report describing the incident and any impacts as described above within 30 days that shall include, as appropriate to the incident, the following information;

1. A brief description of the incident including its date, time and location,
2. A description of cause of the incident, or likely causes if it is still under investigation,
3. The location of any offsite impacts,
4. A description of emergency response actions associated with the incident,
5. Identification of responding agencies,
6. Identification of emergency notifications made to other federal, state, and/or local agencies,
7. Identification of any hazardous materials released and an estimate of the quantity released,
8. A description of any injuries, fatalities, or property damage that occurred as a result of the incident,

9. Fines or violations assessed or being processed,
10. Name, phone number, and email address of the appropriate facility contact person having knowledge of the event, and/or,
11. Corrective actions or repairs necessary, a proposed schedule, and potential cost to restore the facility to acceptable performance and availability.

Verification: The owner shall document in the annual compliance report any incidents described in the condition above and provide the time of the incident, the time of CEC CPM notification, and the date of the follow up report.



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COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV**

**APPLICATION FOR CERTIFICATION
FOR THE *WATSON COGENERATION STEAM
AND ELECTRICITY RELIABILITY PROJECT***

DOCKET NO. 09-AFC-1
PROOF OF SERVICE LIST
(Revised 9/13/11)

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*indicates change

DECLARATION OF SERVICE

I, Chester Hong, declare that on, October 11, 2011, I served and filed copies of the attached **STAFF'S PREHEARING CONFERENCE STATEMENT, dated October 11, 2011**. The original document, filed with the Docket Unit or the Chief Counsel, as required by the applicable regulation, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [www.energy.ca.gov/sitingcases/watson/index.html].

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- Served electronically to all e-mail addresses on the Proof of Service list;
- Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked "e-mail preferred."

AND

For filing with the Docket Unit at the Energy Commission:

- by sending an original paper copy and one electronic copy, mailed with the U.S. Postal Service with first class postage thereon fully prepaid and e-mailed respectively, to the address below (preferred method); **OR**
- by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT
Attn: Docket No. 09-AFC-1
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

- Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

California Energy Commission
Michael J. Levy, Chief Counsel
1516 Ninth Street MS-14
Sacramento, CA 95814
mlevy@energy.state.ca.us

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

/s/
Chester Hong