

STATE OF CALIFORNIA

**ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

In the Matter of:) Docket No. 09-AFC-1
)
Application for Certification)
For the Watson Cogeneration Steam)
And Electric Reliability Project)

**STAFF COMMENTS ON WATSON COGENERATION
PRESIDING MEMBER’S PROPOSED DECISION**

Staff respectfully submits the following comments on the Presiding Member’s Proposed Decision (PMPD).

Air Quality

Staff has several minor comments about the PMPD and offers the following comments about the greenhouse gas (GHG) section.

The Watson Cogeneration Steam and Electric Reliability Project (Watson) presented staff a unique opportunity in applying its GHG analysis methodology. The Watson project would be a modern cogeneration, or combined heat and power, project. It would be operated in a manner to meet the needs of the thermal host, the adjacent Carson Refinery, currently owned by BP. The Carson Refinery, one of the largest refineries in California, is not a batch operation but rather a steady state continuous operation, processing oil into refined products 24/7/365. Therefore, it is highly likely that the Watson project would also operate 24/7/365 at steady state to constantly deliver steam to the refinery, and incidentally generate electricity except during unplanned and annual refinery outages. As such, the Watson electricity generation portion of the project would not be available to cycle on and off, provide black start, or load follow in support of the local and regional grid¹, or to integrate variable resources like renewable generation.

This does not suggest that the Watson project would be without environmental and specifically, greenhouse gas emission benefits. Staff was deliberate in their FSA to

¹ The Watson project, located inside a load center, would provide some support of the electricity grid necessary for the reliable operation of the system, and unrelated to the integration of renewables into system.

highlight the project's consistency with the State's policy (probably in effect for over 30 years) to promote cogeneration. Staff further demonstrated that Watson's combined generation of heat and power would be quantitatively more efficient and emit less GHG than the separate production of steam and electricity. Staff did not, and does not believe that Watson would foster, promote or integrate renewables. But more importantly, Watson would not interfere with the generation of renewable energy. Staff believes that deploying efficient combined heat and power projects (CHP), like the Watson project, would be part of the modern low-GHG/high renewables electricity system. Staff does not believe that industries should purchase electricity, even renewable electricity, to generate heat and steam for their processes when waste heat is available, whether from a process or electricity production.

The Watson PMPD captures much of the staff's GHG analysis from the FSA, but added unsupported findings and conclusions about Watson relative to renewable generation. Staff provides detailed concerns and recommends language changes below to align the PMPD relative to the record and the GHG and renewable generation implications of the proposed Watson cogeneration project.

Greenhouse Gases

Page 6.1-2—4th bullet, item (2). We do not agree that Watson's operation would be consistent with the state's GHG goals by "fostering the addition of renewable generation into the system...." We do not believe this is supported by the Watson GHG FSA or the record. Staff believes that Watson would result in system-wide reductions of GHG emissions because it is an efficient cogeneration facility, not that it fosters or integrates renewables into the system. Staff recommends the following changes to the PMPD:

- The Watson Project's operation will be consistent with the state's GHG goals and policies and will help achieve the state's GHG goals, by (1) causing a decrease in overall electricity system GHG emissions; ~~and (2) fostering the addition of renewable generation into the system, which will further reduce system GHG emissions; and~~

Page 6.1-6—Integration of renewables. The paragraph near the bottom of this page states "... power plants such as Watson advance climate and energy goals by facilitating integration of renewables" While Watson would be a strategic addition to the system, it would not be dispatchable and thus would not facilitate integration of intermittent renewable facilities. Staff has provided some edits below for the section.

Page 6.1-7—Integration of renewables. The paragraph near the top of this page states "(w)e therefore expect that the proportion of gas generation in the state's generation mix will gradually diminish." Staff agrees, but would add the clarification that

natural gas capacity (MW) may grow, but natural gas energy (MWh) production would decrease. Staff has provided some edits below for the section.

Page 6.1-7—Avenal Precedent Decision. The paragraph near the bottom of this page states that staff said that the Avenal Precedent Decision may not be applicable to the Watson Project. However, staff also said that while Watson would clearly meet conditions (a) and (c), that it was “not clear if BP Watson would meet condition (b)” of the Avenal precedent as it “is not expected to be dispatchable.” Lastly, staff added that it did “not follow that BP Watson will interfere with the development or integration of renewables into the electricity system”, which would be in violation of condition (b). Staff recommends the following changes to the PMPD:

g. Energy Commission Precedent

~~Implementation of the State and Energy Commission policies discussed above should result in increasing availability and flexibility of renewable generation. Gas-fired power plants such as Watson currently play a role in advancing the State’s climate and energy goals by displacing less-efficient generation resources and facilitating the integration of renewables into the system. However, as the Energy Commission observed in its December 2009 Decision on the Avenal Energy Project (08-AFC-01), the ability of gas-fired generation to contribute to the State’s climate and energy goals is limited. The availability of renewable generation will increase as new projects are licensed and built and the technology develops. Efficiency and conservation measures have already had a substantial impact on California’s energy consumption, and new measures continue to be implemented. We therefore expect that the proportion of natural gas energy generation (MWhr) in the state’s generation mix will gradually diminish, even as natural gas generation capacity (installed MW) increases. Accordingly, we must evaluate the consistency of each proposed gas-fired power plant with these policies in order to ensure that we license only those plants which will help to reduce GHG emissions.~~

In Avenal, the Energy Commission used a three-part test to aid in its analysis of a proposed gas-fired plant’s ability to advance the goals and policies described above. Gas-fired plants must:

1. Not increase the overall system heat rate for natural gas plants;
2. Not interfere with generation from existing renewable facilities nor with the integration of new renewable generation; and
3. Reduce system-wide GHG emissions and support the goals and policies of AB 32.³

While Avenal was decided before the Natural Resources Agency amended its Guidelines to specifically address GHG emissions, we find

the above factors to be consistent with the CEQA Guidelines, particularly the guidance set forth in Title 20, California Code of Regulations, sections 15064.4(b)(1) and (3).

Commission staff suggests in the Final Staff Assessment that **Watson would meet conditions (1) and (3) of the Avenal Decision, but that it was not clear whether** ~~not be applicable to the Watson Project, as~~ because it is a combined heat and power (CHP) project intended primarily to serve a refinery, and not a conventional natural gas power plant like Avenal, **would meet condition (2)**. However, the evidence shows that although the Watson Project's output is primarily intended to facilitate Reliable operation of the refinery, it is located in a heavy load pocket. The power it produces will reduce the refinery's demands on the grid and it would not interfere with generation from existing renewables, nor with integration of new renewables. These attributes are consistent with the three Avenal factors. (Ex. 200, p. 4.1-94.)

Page 6.1-15—Intermittent Generation Support. The 2nd complete paragraph near the top of this page states "... gas-fired generation such as Watson would be necessary to provide intermittent generation support...." However, with a 95 percent capacity factor, Watson would not be dispatched and thus would not provide such support for intermittent renewable facilities. Staff recommends that the entire paragraph be deleted as it is not supported by the Watson GHG FSA or the record.

~~As more renewable generation is introduced into the system, gas-fired power plants such as the Watson Project will be necessary to provide intermittent generation support, grid operations support, extreme load and system emergencies support, and general energy support, as well as meet local capacity requirements. At this time, gas-fired plants are better able to provide such services than are most renewables because they can be called upon when they are needed (dispatchable). (Ex. 200, p. 4.1-93.)~~

Page 6.1-16—Intermittent Generation Support. Staff had deleted a table commonly used in other GHG sections regarding growth of renewable energy, and decline of fossil energy, to achieve the 20 and 33% RPS, but appears to not have deleted all the associated text (2nd and 3rd paragraphs in "The Role of BP Watson project in the Renewables Goals/Load Growth" section, pages 4.1-101 to 102 of the Watson FSA). With the deletion of the two paragraphs, staff recommends the deletion of 1st, 3rd and 4th paragraphs in (iii) "Fostering Renewable Integration" section of the PMPD, as the PMPD discussion is not supported by the Watson GHG FSA or the record.

(iii) Fostering Renewables Integration

~~Most new renewable generation in California will be wind and solar generated power. But the wind and the sun are not continuous, on-demand resources. As a result, in order to rely on such intermittent sources of renewable-generated power, utilities must have available other, nonrenewable generating resources or significant storage that can fill the gap when renewable generation decreases. Indeed, because of this need for backup generation, or if and when utility-scale storage becomes feasible and cost-effective, nonrenewable generation must increase in order for the state to meet California's RPS and GHG goals. (Ex. 200, p. 4.1-100.)~~

The Watson Project is not expected to provide flexible, dispatchable or fast ramping⁷ power. The Watson Project will be a base-loaded cogeneration facility that operates up to 24 hours per day, 7 days per week in response to steam demands at the refinery. The GE 7EA CTG ramp rate for the proposed cogeneration configuration will be less than 10 MW per minute.⁸ However, the Watson Project is not expected to be used in this manner due to the continuous steam needs of the refinery at which it would be located. (Ex. 200, p. 4.1-100.)

~~As California moves towards an increased reliance on renewable energy, the bulk of renewable energy generation available to and used in California in the near to intermediate future will be intermittent wind generation with widespread deployment of both utility-scale and small scale distributed solar. To accommodate the increased variability in generation due to increasing renewable penetration, compounded by increasing load variability, control authorities such as the California ISO need increased flexibility from other generation resources such as hydro generation, dispatchable pump loads, energy storage systems, and fast ramping and fast starting fossil fuel generation resources. (Ex. 200, p. 4.1-101.)~~

~~These assumptions are conservative in that the forecasted growth in retail sales assumes that the impacts of planned increases in expenditures on (uncommitted) energy efficiency are already embodied in the current retail sales forecast.⁹ Staff estimates that as much as 18,000 GWh of additional savings due to uncommitted energy efficiency programs may be forthcoming.¹⁰ This would reduce nonrenewable energy needs by a further 12,000 GWh given a 33 percent RPS.~~

⁹Energy efficiency savings are already represented in the current Energy Commission demand forecast adopted December 2009.

¹⁰See *Incremental Impacts of Energy Efficiency Policy Initiatives Relative to the 2009 Integrated Energy Policy Report Adopted Demand Forecast*

~~(CEC 200-2010-001-D, January, 2010), page 2. Table 1 indicates that additional conservation for the three investor-owned utilities may be as high as 14,374 GWh. Increasing this value by 25 percent to account for the state's publicly owned utilities yields a total reduction of 17,967 GWh.~~

Page 6.1-19—Support for Renewable Generation. The paragraph at the bottom of this page states that “It (Watson) would support, rather than interfere with, existing and new renewable generation.” However, with a 95 percent capacity factor, Watson could not be dispatched and thus would not provide such support. It is true that the new 85 MW of capacity would reduce the refinery’s demand for electricity from the grid, and thus lower the magnitude of renewables needed to meet the 33 percent renewable demand, but this tends to reduce the market for renewable capacity, and thus does not interfere with renewable generation. Staff recommends the following changes to the PMPD:

5. The Role of New Natural Gas Power Plants

At present, the California electricity system needs new efficient gas-fired generation to displace and replace less efficient generation, and to help integrate additional intermittent renewable generation. But as new gas plants are built to meet those needs, the system will change; moreover, the specific location, type, operation, and timing of each plant will be different. As a result, each plant will have somewhat different impacts. Furthermore, future implementation of efficiency and demand response measures, and new technologies such as storage, smart grid, and distributed generation, may also significantly change the physical needs and operation of the electrical system. It is therefore reasonable to assume that at some point in the future there will be a decrease in the need for additional gas-fired generation. Therefore, we cannot and should not continue adding gas-fired plants *ad infinitum*. Rather, we will analyze each such project in light of the goals and policies discussed above.

In this case, the evidence establishes that the Watson Project will not increase the system heat rate as it has a lower heat rate than many of the generators in the region it would serve. It will not support, rather than interfere with, existing and new renewable generation. Finally, it will reduce system-wide GHG emissions and otherwise support the goals of AB 32. We find the proposed project is consistent with state energy policy, and will help the state achieve its renewable energy goals.

Page 6.1-22—Findings of Fact. Finding #17, while true, was not intended to be supported by the Watson GHG FSA Section, and is not supported by the record. Staff had deleted a table used in other GHG sections regarding growth of renewable energy, and the decrease of fossil energy to achieve the 20 and 33% RPS, but appears to not

have deleted the associated text (2nd and 3rd paragraphs in “The Role of BP Watson project in the Renewables Goals/Load Growth” section, pages 4.1-101 to 102 of the FSA). Finding #18 states that Watson would foster the addition of renewable generation. Staff recommends that Finding #18 be deleted as it was not intended to be supported by the Watson GHG FSA or the record. Finding #19 is a finding about dispatchable facilities; Watson would not be dispatchable and this finding is not needed. With the deletion of the two Watson GHG FSA paragraphs, staff recommends the deletion of Findings #17, 18, and 19.

- ~~17. Intermittent solar and wind generation will account for most of the installation of renewables in the next few decades.~~
- ~~18. The Watson Project’s operation will foster the addition of renewable generation into the electricity system by reducing grid demand from the refinery, which will further reduce system GHG emissions.~~
- ~~19. The addition of some amount of efficient, dispatchable, natural-gas-fired generation will be necessary to integrate renewables into California’s electricity system and meet the state’s RPS and GHG goals, but the amount is not without limit.~~

Page 6.1-22—Conclusions of Law. Conclusion #3 is not supported by the record. The record does not support that Watson will help utilities meet their RPS goals. Conclusions #8 and 10(b) state that Watson would not interfere with generation from existing renewables, which are much different than Conclusion #3. Staff recommends that Conclusion #3 be deleted as it was not intended to be supported by the Watson GHG FSA or the record.

- ~~3. The Watson Project’s operation will help California utilities meet their RPS obligations.~~

Miscellaneous Items:

- The California Air Resource Board should be abbreviated as ARB, not CARB, pursuant to ARB’s preference.
- The Emission Performance Standard is 1,100 lbs/MWh, or 0.5 MT/MWh per the regulations (Chapter 11. Greenhouse Gases Emission Performance Standard, Article 1, Section 2900 et. seq.), not 0.500 MT/MWh.

Air Quality

Page 6.2-3—PSD Authority for GHGs. The second paragraph on this page states that SCAQMD is delegated to perform PSD. This is correct, but the notation should be added that this is done under federal authority and not through a rule approved in the

State Implementation Plan. Thus, a separate permit application is required and the analysis is not in the SCAQMD's DOC.

Page 6.2-4 and 6.2-5—PSD Authority for GHGs. The text extending from the bottom of page 6.2-4 to the top of page 6.2-5 correctly describes the status of PSD authority for GHGs. This text should be moved to the GHG section.

Page 6.2-7 Typographical Error. Remove the “.” after “15 percent” on fifth line.

Page 6.2-12 Typographical Error. Remove the bolding from “89 percent” in second data row of table.

Page 6.2-18. Finding of Fact. Move #10 to GHG section.

Public Health

Page 6.3-4. Tier Levels. Remove “Tier 2 or Tier 1” and replace with “Tier 3 or better”.

Page 6.3-6. Missing Word. At the beginning of “Operation”, change “The emissions sources ...” to “The new emissions sources ...”

Cultural Resources

Page 17.3-16. CUL-2, first paragraph, third sentence. Maps shall include the appropriate USGS quadrangles and a map at an appropriate scale (e.g., 1:2000-~~or 1” = 200’~~) for plotting cultural features or materials.

Comment:

The deleted text is inaccurate and unnecessary.

Soil & Water Resources

Energy Commission Staff offers the following comments to the Committee that provide additional detail regarding project water supply and existing sea water intrusion impacts and mitigation for support of the Commission Decision.

Page 7.2-11 1st paragraph, add the underlined text. Watson proposes to use the Watson Cogeneration facility's freshwater supply for the existing four train plant to supply the combined five trains. The freshwater supply for the existing Watson Cogeneration facility is about two thirds municipal water (a blend of about 70-80 percent

imported water and 20-30 percent local groundwater), and about one third groundwater pumped from wells located at the BP Carson Refinery. The Applicant proposed maintaining annual freshwater supply at levels of up to 4,609 AFY based on the previous 11 years of operation (2000-2010) of the Watson Cogeneration facility....

Page 7.2-12 Following the 3rd paragraph, add: Finally, pumping in the West Coast Basin, particularly close to the Pacific Ocean, has resulted in significant sea water intrusion impacts to the aquifer. The Dominguez Gap Barrier Project's injection wells are operated by the Water Replenishment District of Southern California to mitigate sea water intrusion impacts into the West Coast Basin aquifer. The Water Replenishment District's groundwater modeling indicates that about 70 percent of the groundwater pumped for Watson Cogeneration's water supply is comprised of replenishment water injected into the Dominguez Gap Barrier due to the close proximity to the BP Carson Refinery's groundwater pumping wells. Thus, groundwater pumping at BP Carson Refinery limits the efficacy of the injection program and contributes to the sea water intrusion impacts to the West Coast Basin aquifer, and any increase in groundwater pumping to supply Watson above existing levels would exacerbate this already significant impact. (Ex. 200, p4.9-36.)

Page 7.2-14 following the 1st paragraph, add: the Watson Project, and to Watson Cogeneration, be metered and reported. In the event that the reclaimed water supply is interrupted by the reclaimed water supplier, Condition of Certification **SOIL&WATER-10** allows the project owner to petition the Energy Commission for a temporary increase in the 4,425 AFY freshwater cap provided that any impacts associated with the increased freshwater use are identified and mitigated.

Other minor comments:

Page 7.2-12 3rd paragraph citation should be (Ex. 200 p.4.9-356.)

Page 7.2-13 3rd paragraph. “Staff presented the testimony of Mark Lindley ~~Matthew Layton~~, Staff's expert witness on water supply. Mr. Lindley ~~Layton~~ testified that”

“... That review produced the figure of 4,425 AFY, which, according to Mr. Lindley ~~Layton~~, would constitute an appropriate baseline.”

Page 7.2-13 4th paragraph. “We find that the approach described by Mr. Lindley ~~Layton~~ in his testimony at the Evidentiary Hearing is reasonable....”

Page 7.2-17 Findings of Fact 5. 5. With the implementation of the proposed mitigation measures contained in the conditions of certification, the Watson Project's

construction and operation activities will not cause a substantial or potentially substantial adverse change in the quantity or quality of groundwater or surface water.

Page 7.2-21 SOIL&WATER-3 Verification last sentence. The project owner shall revise the SUSMP to address all comments from the Los Angeles Regional Water Quality Control Board and the city of Carson and submit the final SUSMP ~~for approval~~ by to the CPM prior to operation.

Page 7.2-22 SOIL&WATER-5 Verification 2nd paragraph, 2nd sentence.

At least 30 days prior to delivery of reclaimed water, the project owner shall submit documentation to the CPM that metering devices have been installed on each source ~~of~~ of reclaimed water (nitrified reclaimed water and single-pass reverse-osmosis reclaimed water).

Page 7.2-24 SOIL&WATER-8 Verification 1st sentence. At least 30 days prior to the project owner using reclaimed water, the project owner (in conjunction with the reclaimed water provider) shall submit an updated Water Recycling Requirements permit from the Los Angeles Regional Water Quality Control Board...

Page 7.2-24 SOIL&WATER-9. Condensate return to the Watson Project from Watson Cogeneration or the BP Refinery shall not be augmented with additional ~~of~~ non-condensate water at Watson Cogeneration or the BP Carson Refinery unless such augmentation is fully metered and reported.

Page 7.2-25 SOIL&WATER-10 1st and 2nd sentences. If, after the project receives reclaimed water, the water purveyor is unable to provide reclaimed water for the project's operation above the 4,735 AFY reclaimed water baseline, then the project owner may ask the CPM if they can use freshwater above the cap of 4,425 AFY. In order to use freshwater above the cap of 4,425 AFY, the project owner....

Page 7.2-25 SOIL&WATER-10 Verification 1st sentence. For this condition, where the use of freshwater is expected to exceed the annual cap, as based on a forecast of the ~~rolling~~ 12-month rolling average of annual freshwater use, the owner shall provide the CPM:

Facility Design

Revise all references to the 2007 California Building Standards Code to the 2010 edition, which became effective after staff prepared the FSA (December 2010). The 2010 edition has been in effect since January 2011.

Socioeconomics

On page 8.3-3, first paragraph, first line, change “12 percent” to “1.2 percent.”

On page 8.3-5, third paragraph, fifth sentence, strike “NEPA”. **In the seventh sentence, strike** “low-income” and replace with “below poverty level” population.

On page 8.3-7, under Conclusion of Law, third sentence, (replace “noise and vibration” with “socioeconomics”). In the fifth sentence, replace “noise” with “socioeconomics.”

Waste

On p. 6.6-2, change the text as follows. The record indicates that the investigation of soil and groundwater contamination is part of a separate ongoing investigation and remediation conducted by the BP Carson Refinery Project as part of their two ~~COA~~ CAO Numbers 84-17 and 90-121. During the project geotechnical assessment and construction activities, any excavated soil will be managed pursuant to applicable BP Carson Refinery soils management plans, pursuant to Condition of Certification **Waste-2**, and health and safety of site personnel will be managed in accordance with the site specific health and safety plan (Condition of Certification **Worker Safety-2**) as well as applicable BP Carson Refinery procedures. Contaminated soils, if encountered, will be stockpiled on-site and later removed for disposal or treatment and recycling. If necessary, engineered fill will be imported to replace excavated materials that are not suitable for reuse. (Ex 200, pp. 4.13-10 - 4.13-11.)

On p. 6.6-4, change the text as follows:

a. Nonhazardous Wastes

During demolition, approximately 1,120 tons of debris will be recycled and approximately one ton will be disposed of in a ~~Class I or II~~ Class II or III landfill. During construction, as little as 20 cubic yards of non-hazardous solid wastes will be generated. Construction waste would include scrap metal, wood, concrete, steel/metal, paper, glass, empty tanks, waste oil, and plastic waste. All non-hazardous wastes will be recycled to the extent possible and non-recyclable wastes will be collected by a licensed hauler and disposed of in a solid waste disposal facility, in accordance with California Code of Regulations, title 14, section 17200 et seq. (Ex. 200, pp. 4.13-12 - 4.13-13.) Implementation of Condition of Certification **WASTE-5** would ensure that the Watson Project owner complies with the

county's Construction and Demolition Debris Recycling and Reuse Program Ordinance, Chapter 20.87. Compliance with Condition of Certification **WASTE-5** would further reduce potential impacts to local landfills from project wastes.

Land Use

Staff has a question about the following paragraph, found at page 8.1-4 of the PMPD:

“As noted above, existing projects in the vicinity of the Watson Project site include industrial facilities and uses. According to the City of Carson, five other projects are either proposed or approved within one mile of the project site: the Alameda Corridor Improvement Study; the Shell Oil Products U.S. Redevelopment; the Watson Safety, Compliance and Optimization Project; a mixed-use office, parking and recreational area located at 2254 East 223rd Street; and the expansion of an existing industrial facility located at 2116 E 220th Street. (Ex. 200, p. 8.4-9.)”

In staff's FSA under the Cumulative Impacts discussion, only 2 projects were identified, i.e. the Alameda Corridor and the Shell Oil Products Revitalization Project Specific Plan. Staff did not reference any of the other projects set forth in the PMPD. Therefore, it is not clear where the information about the five projects came from and the Exhibit citation is not within staff's FSA.


Visual Resources

Please replace Visual Resources Figure 1 on page 8.5-4 with the attached revised figure. The arrows and lines in the figure should have been removed from the FSA version as well. This is the corrected version.

Staff will be prepared to discuss our comments in more detail at the March 20, 2012 Committee Conference.

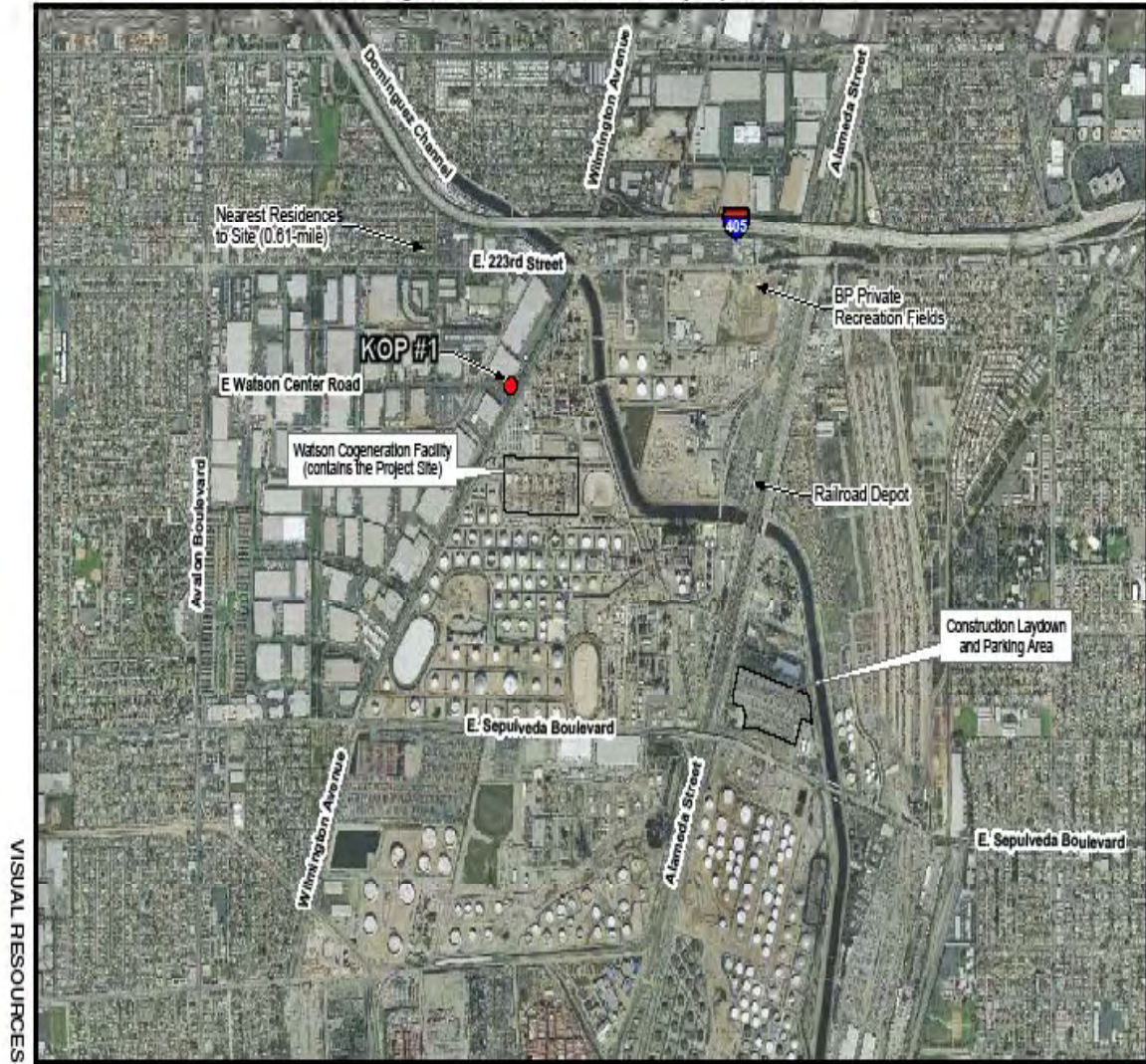
Date: March 16, 2012

Respectfully submitted,



Jeffery M. Ogata
Assistant Chief Counsel

VISUAL RESOURCES - FIGURE 1
Watson Cogeneration Steam and Electric Reliability Project - KOP Location



CALIFORNIA ENERGY COMMISSION - SITING, TRANSMISSION AND ENVIRONMENTAL PROTECTION DIVISION
SOURCE: AFC Aerial of Immediate Project Vicinity Fig. 5.13-2



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
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1-800-822-6228 – WWW.ENERGY.CA.GOV**

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

DOCKET NO. 09-AFC-1
PROOF OF SERVICE LIST
(Revised 2/21/12)

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DECLARATION OF SERVICE

I, Chester Hong, declare that on March 16, 2012, I served and filed a copy of the attached "Staff Comments on Watson Cogeneration Presiding Member's Proposed Decision" This document is accompanied by 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;
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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:

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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, 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