



NYSE CPN

CALPINE CORPORATION

4160 DUBLIN BOULEVARD
SUITE 100
DUBLIN, CA 94568
925.557.2224 (M)
925.479.9560 (F)

October 14, 2011

Ms. Christine Stora
Compliance Project Manager
California Energy Commission
1516 9th Street
Sacramento, CA 95614

DOCKET

97-AFC-2C

DATE OCT 14 2011

RECD. OCT 31 2011

**RE: Grimes Pipeline Project Amendment 97-AFC-02
Staff Assessment Proposed Conditions of Certification**

Dear Ms. Stora:

At our September 27, 2011 meeting, Calpine Construction Finance Company, L.P. and CPN Pipeline Company ("Project Owner") discussed with Staff the Staff Analysis of Proposed Modifications to Install the Sutter Grimes Pipeline. One of the matters discussed was possible revision to the Staff's proposed conditions of certification that would allow the Project Owner the option of conducting a geoarchaeological assessment of the Grimes Pipeline Project and tailoring the archaeological and paleontological monitoring programs to focus on those areas that have the potential to contain buried archaeological or paleontological deposits.

Upon further review of the Staff Analysis, we believe that Staff's proposed conditions currently provide the CPM with the authority to approve such an approach, without the need to further revise the Staff's proposed conditions. Proposed CUL-15.6 provides, "[i]n the event that the CRS believes that the current level of monitoring is not appropriate in certain locations, a letter or e-mail detailing the justification for changing the level of monitoring shall be provided to the CPM for review and approval prior to any change in the level of monitoring."

Therefore, under the currently proposed condition, the CPM would have the authority to approve a change to a lesser level of monitoring where the Project Owner adequately justifies the proposed change in the level of monitoring. At our recent meeting, Staff and Applicant agreed that the results of a properly performed geoarchaeological assessment could provide justification for a change in the level of monitoring. As such, we believe that the CPM has the authority to proceed under the currently proposed CUL-15.6 to review and approve a geoarchaeological assessment and approve any changes in monitoring levels accordingly.



The Staff's proposed paleontological resources condition PAL-8 allows the designated paleontological resource monitor ("PRM") to monitor only those areas where remnant river terrace deposits have been found, and Sutter Condition PAL-3 gives the PRM the authority to discontinue monitoring in a location where it is determined that the likelihood of encountering fossil resources is slight. A geoarchaeological assessment would determine those areas where remnant river terrace deposits are found, and therefore also support a PRM decision to reduce monitoring to less than full-time.

Under the geoarchaeological assessment approach, the Project Owner would contract with qualified archaeologists to conduct a geoarchaeological assessment of the Grimes Pipeline Project. The geoarchaeological assessment would build on the information contained in Appendix G of the Grimes Pipeline Amendment via three tasks: 1) expanded literature review, 2) excavation and field documentation of trenches, and 3) preparation and review of a geoarchaeological assessment report. The literature review would examine pertinent soil survey data, geologic mapping, archaeological and paleontological studies, and geotechnical reports. This review would enable the investigative team to site trenches with maximum efficiency and aid in the interpretation of field observations. Several trenches would be excavated via backhoe to a depth of seven feet below ground surface and of sufficient length to characterize soil and geomorphic conditions along the Grimes Pipeline Project. A Native American monitor would accompany the archaeologists during field investigations. The archaeologists and Native American monitor would rake through sediments excavated from the trench to detect archaeological materials. Stratigraphic and other observations would be made from within and outside the trenches via photography, soil texture and color characterization, drawn profiles, and visual search for archaeological materials. Additionally, sufficient soil organic matter or wood samples would be collected for radiocarbon assays, so that the age of stratigraphic units can be determined. The geoarchaeological assessment report would document the methods and findings of the investigation. We anticipate that the assessment would be completed prior to the start of construction.

Should the geoarchaeological assessment determine that little or no potential exists in the project area for buried archaeological or paleontological deposits, and the CPM and PRM agrees, then full-time archaeological and paleontological monitoring should not be required. Instead, the cultural resource specialist and PRM would remain on-call in the event that an inadvertent archaeological discovery occurs.

If you agree that the Staff's currently proposed conditions would grant you the authority to discontinue full-time cultural monitoring, and supports a determination by the designated paleontological resource specialist to discontinue monitoring, under the aforementioned conditions, then no further revisions to the Staff's proposed conditions are necessary and this Petition, under the terms set forth in the Staff Assessment, should be scheduled for adoption by the Commission at its next Business Meeting.



Please contact me at (925) 557-2238 if you have any questions.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'B' followed by a horizontal line extending to the right.

Barbara McBride
Western Regional Director, Environmental Health and Safety