

supplemental testimony after the FDOC is issued. This means final testimony on this issue will probably not be filed before late in May.

The applicant has raised three issues with Staff's proposed conditions in air quality. First, Staff has recommended limits on the amount of sulfur in gas used to fuel the project. The applicant objects that such a requirement is unnecessary and perhaps infeasible. Second, Staff has proposed a condition to limit maximum daily emissions below those required by the District PDOC. The applicant asserts that this mitigation is unnecessary and infeasible, in that it will restrict plant operating flexibility necessary for the project to be viable. Third, Staff has proposed a condition revising maximum start-up/shut down emissions based on source tests taken during the first year of operation. The applicant contends that this is unnecessary and would ignore higher emissions that might be expected from equipment degradation or different operating scenarios.

Staff believes that each of the proposed requirements to which the applicant objects are consistent with prior cases or with limits proposed by the Pittsburg Delta AFC for a similar project.

Staff and the applicant have only just begun to discuss these issues, as the Staff Assessment and the District PDOC have only recently been issued. Staff will be meeting with both the District and the applicant to resolve these issues prior to the FDOC, in which case adjudication will become unnecessary.

WATER RESOURCES

There is no current disagreement in this area. However, Staff is doing further analysis regarding whether the higher concentration of heavy metal constituents of water returned to the Delta Diablo Water District could adversely affect the surface waters into which the water will be discharged. The discharge would be pursuant to the water district's NPDES permit. The water district believes that the discharge will still be within acceptable limits. Staff is currently confirming this.

VISUAL RESOURCES

Staff's Assessment indicates that the project will have a significant effect on visual resources because of its transmission line and the transition stations where the line will go underground. The applicant has expressed disagreement with Staff's conclusions, but has also just proposed new mitigation that would lower the transmission poles and visually screen the transition stations. Staff is evaluating whether this mitigation effectively reduces the visual impact to less than significant, and will file supplemental testimony on that issue. Adjudication may be necessary, but it is

uncertain until Staff has evaluated the mitigation and had further discussion with the applicant.

LAND USE

Staff is unaware of any issues requiring adjudication. However, it needs additional time to finalize proposed permit conditions that reflect requests from the City of Pittsburg, the City of Antioch, and Contra Costa County, particularly with regard to conditions for encroachment permits and franchise agreements. These will be covered in supplementary testimony.

TRANSPORTATION

Staff is unaware of any issues requiring adjudication. However, public comment and the City of Antioch have requested further analysis of 1) truck route impacts and alternatives (including public health concerns), and 2) construction traffic impacts on two intersections in the City of Antioch. These issues will be covered in supplemental testimony.

TRANSMISSION SYSTEM ENGINEERING

The Detailed Facilities Study will not be available before May. The Independent System Operator will use that study to decide what, if any, downstream facilities will need to be upgraded. These "downstream" upgrades will in all likelihood not be finally identified before late June; thus, any necessary environmental analysis of downstream upgrades would require a substantial delay in the proceeding. Staff has proposed how it believes this issue should be handled, and is waiting for the Committee to either confirm the Staff proposal or otherwise direct its analysis.

FACILITY DESIGN

Staff is unaware of any issues requiring adjudication. However, comments received from the applicant request changes to the recommended conditions of certification to relax record-keeping review and approval requirements. Staff and the applicant have only just begun to discuss these issues.

WITNESSES

Staff witnesses are identified in the Staff Assessment. Staff may also sponsor witnesses from the Delta Diablo Water District and the Independent System Operator.

HEARING SCHEDULE

With the exception of the testimony in air quality, Staff will attempt to file its supplemental testimony in time for the hearings in late April. Air quality testimony should be filed by late May.

Dated: March 26, 1999

Respectfully submitted,

A handwritten signature in black ink that reads "Dick Ratliff". The signature is written in a cursive, flowing style.

DICK RATLIFF
Senior Staff Counsel

STATE OF CALIFORNIA

State Energy Resources Conservation
and Development Commission

In the Matter of:)	Docket No. 98-AFC-1
)	
Application for Certification)	PROOF OF SERVICE
for the PITTSBURG DISTRICT)	*[Revised 02/25/99]
ENERGY FACILITY)	
_____)	

I, **Alicia Perez**, declare that on **March 26, 1999**, I deposited copies of the attached **PITTSBURG DISTRICT ENERGY FACILITY STAFF'S PREHEARING CONFERENCE STATEMENT** in the United States mail in **Sacramento, CA** with first class postage thereon fully prepaid and addressed to the following:

DOCKET UNIT

APPLICANT

Send the original signed document plus the required 12 copies to the address below:

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* * * * *

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In addition to the documents sent to the Commission Docket Unit, also send individual copies of any documents to:

**Revisions to POS List, i.e. updates, additions and/or deletions.*
PITTSBURG/98-AFC-1.POS

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**Revisions to POS List, i.e. updates, additions and/or deletions.
PITTSBURG/98-AFC-1.POS*

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

A handwritten signature in cursive script, appearing to read "Alicia Perez", written over a horizontal line.

[signature]

* * * *

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