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STATE OF CALIFORNIA
Energy Resources Conservation and
Development Commission

In the Matter of:

Docket No. 08-AFC-8A

The Application for Certification for the
Hydrogen Energy California Project

SIERRA CLUB STATUS REPORT No. 7

Pursuant to the Revised Committee Scheduling Order for the Hydrogen Energy California Project (HECA), issued on March 27, 2013, Intervenor Sierra Club respectfully files this Status Report No.7.

Sierra Club submitted comments on the Air District's Preliminary Determination of Compliance (PDOC) on Thursday, May 30, 2013. Among other problems we found in the analysis, the PDOC impermissibly authorizes the use of invalid emission reduction credits (ERCs) to offset HECA's emissions of nonattainment pollutants. The HECA Project may not use 30-year old banked ERCs to offset ozone precursors and particulate matter equal to or smaller than 2.5 micrometers ("PM2.5" or "fine particulate") because the District does not have valid attainment plans in place to assure that allowing emission increases from HECA is consistent with "reasonable further progress" towards attainment for these pollutants. Even if the District were permitted to use banked ERCs to offset emissions from the HECA Project, several of the proposed ERCs are invalid and do not meet the requirements of the District's rules and the federal Clean Air Act.

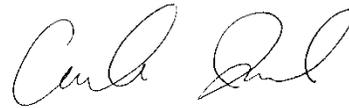
Additionally, the Sierra Club also found that the PDOC fails to demonstrate compliance with national and state ambient air quality standards. Sierra Club has corrected modeling errors in the PDOC and has found that the 24-hour PM10 impacts ("PM10" or "respirable particulates") from the proposed HECA Project will exceed the 24-hour PM10 PSD increment of 30 µg/m³ and the 50 µg/m³ 24-hour PM10 CAAQS. The San Joaquin Valley already experiences very high PM10 levels, which are very close to putting the region back into nonattainment status for this pollutant. The PM10 impacts from the HECA Project only add to this concern and could

jeopardize the current PM10 attainment status in the southern San Joaquin Valley. It is therefore essential that the 24-hour PM10 emission rates be corrected and completely reassessed with updated modeling analyses in the PDOC. Sierra Club urges staff to review and consider our comments on the PDOC before issuing the PSA.

Considering the size of the complexity of the project, and the size of the PDOC alone, the public will need sufficient time to review and comment on the PSA when it is released. Sierra Club requests a 90 day public comment period.

Dated: June 14, 2013

Signed:

A handwritten signature in cursive script, appearing to read "Carl Dahl".



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
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**AMENDED APPLICATION FOR CERTIFICATION
FOR THE HYDROGEN ENERGY
CALIFORNIA PROJECT**

**Docket No. 08-AFC-08A
PROOF OF SERVICE
(Revised 05/10/2013)**

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will provide a copy to the persons
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Commissioners' Technical
Adviser for Facility Siting

DECLARATION OF SERVICE

I, David Abell, declare that on June 14, 2013, I served and filed copies of the attached Sierra Club Status Report No. 7 dated June 14, 2013. This document is accompanied by the most recent Proof of Service, which I copied from the web page for this project at: http://www.energy.ca.gov/sitingcases/hydrogen_energy/.

The document has been sent to the other persons on the Service List above in the following manner:

(Check one)

For service to all other parties and filing with the Docket Unit at the Energy Commission:

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OR

 Instead of e-mailing the document, I personally delivered it or deposited it in the U.S. mail with first class postage to all of the persons on the Service List for whom a mailing address is given.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am over the age of 18 years.

Dated: June 14, 2013

/s/ David Abell
David Abell, Sierra Club