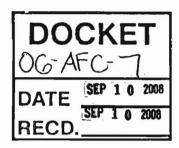


Plaza Towers 555 Capitol Avenue Suite 600 Sacramento CA 95814 Tel • 916.441.6575 Fax • 916.441.6553

September 10, 2008

Ms. Angela Hockaday California Energy Commission Docket Unit, MS-4 1516 Ninth Street Sacramento, CA 95814-5512



Re: HUMBOLDT BAY REPOWERING PROJECT
PACIFIC GAS & ELECTRIC COMPANY'S
COMMENTS ON THE PRESIDING MEMBER'S PROPOSED DECISION
DOCKET NO. (06-AFC-7)

Dear Ms. Hockaday:

Enclosed for filing with the California Energy Commission are one (1) original and twelve (12) copies of **PACIFIC GAS & ELECTRIC COMPANY'S COMMENTS ON THE PRESIDING MEMBER'S PROPOSED DECISION**, for the Humboldt Bay Repowering Project (HBRP) (06-AFC-7).

Sincerely,

David L. Wiseman

Counsel to PG&E Company

Scott A. Galati
David L. Wiseman
GALATIBLEK, LLP
555 Capitol Mall
Suite 600
Sacramento, CA 95814
(916) 441-6575

STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:

Application for Certification for the Humboldt Bay Repowering Project **DOCKET NO. 06-AFC-7**

PACIFIC GAS & ELECTRIC COMPANY'S COMMENTS ON THE PRESIDING MEMBER'S PROPOSED DECISION

Pacific Gas & Electric Company (PG&E) in accordance with the Committee Notice dated August 18, 2008, hereby files its comments on the Presiding Member's Proposed Decision (PMPD) for the Humboldt Bay Repowering Project (HBRP). PG&E thanks the Committee and Hearing Officer for issuing the PMPD quickly so that this very important project can proceed to construction before the winter rains begin.

TRANSMISSION LINE SAFETY AND NUISANCE

Page 96, Condition of Certification TSLN-2

Condition of Certification TSLN-2 requires that the project hire an individual to measure electric and magnetic fields from the transmission line. Since PG&E has qualified employees that may be able to conduct the measurement, we request the following modification:

TSLN-2 The project owner shall hire a qualified consultant **or otherwise employ a qualified individual** to measure the strengths.....

AIR QUALITY

Page 97, Third Paragraph

The Final Determination of Compliance (FDOC) issued by the North Coast Unified Air Quality Management District (NCUAQMD) also operates as the Authority To Construct (ATC) and the federal Prevention of Significant Deterioration (PSD) permit. Therefore, we request that the following sentence be added to the end of the third paragraph on page 97 of the PMPD.

The FDOC also operates as the Authority To Construct (ATC) and the federal Prevention of Significant Deterioration (PSD) Permit.

BIOLOGY

Page 253, Condition of Certification BIO-8 Verification

Condition of Certification BIO-8 requires the project owner obtain either a Water Quality Certification from the Regional Water Quality Control Board in accordance with Section 401 of the Clean Water Act or a waiver. PG&E has been working diligently with the North Coast Regional Water Quality Control Board to obtain the Water Quality Certification for the HBRP and has incorporated specific stormwater Best Management Practices (BMP) into the design of the project and the Drainage, Erosion and Sedimentation Control Pan (DESCP) required by Condition of Certification SOIL & WATER-1 and the Stormwater Pollution Prevention Plan (SWPPP) required by Condition of Certification SOIL & WATER-2. We request modification of the verification of this condition to allow the HBRP to install these BMPs and conduct above ground demolition activities prior to receipt of the final Water Quality Certification. With

implementation of the measures contained in the DESCP and the SWPPP the environment will be adequately protected during the limited construction activities associated with the above ground demolition and installation of the protective measures themselves. The verification language has been modified to provide additional protection ensuring that general site grading activities will not take place until after the Water Quality Certification is finalized. Without this modification, it may very well prevent installation of the stormwater protection measures prior to the onset of the rainy season. This will delay construction of the HBRP and thereby delay commercial operation and shutdown of older units. Therefore, we urge the Committee to accept the following modification.

<u>Verification:</u> At least 30 days prior to the start of any site or related facilities mobilization activities unrelated to above ground demolition activities and installation of stormwater BMPS not located in wetlands pursuant to the SWPPP and DESCP, the project owner shall provide the CPM with a copy of the final Water Quality Certification or waiver. Above ground demolition activities and installation of the stormwater BMPs not located in wetlands may occur prior to the final Water Quality Certification or waiver.

GEOLOGY AND PALEONTOLOGY

Page 307, Condition of Certification GEO-1, Verification

The verification of Condition of Certification GEO-1 requires delivery of a letter from the project structural engineer relating to design of the Control Room/Office/Workshop structure at least 30 days prior to start of grading. Since the final structural design of that particular structure will not be completed prior to the need to begin installation of the access road, site remediation activities, demolition activities and the need to install

the stormwater system, we request the verification language be modified so as not to preclude those activities while design of the Control Room/Office/Workshop is proceeding.

<u>Verification:</u> At least 30 days prior to start of grading *for project components other than installation of the access road, site remediation activities, demolition activities and installation of the stormwater system, the project owner shall submit to the CPM a letter from the project structural engineer describing the offset resistant design and verifying that the design intent is to resist the prescribed magnitudes of horizontal and vertical movement.*

VISUAL RESOURCES

Page 370, Second Paragraph

We request the following modifications to reflect the project components accurately.

The project would introduce to the area a 90 -foot tall *long* rectangular engine hall, four large off-white colored cylinder fuel tanks, a steam turbine-generator structure and its two groups of five rust-colored steel exhaust stacks (100-feet tall), the switchyard, steel vertical poles, overhead wires, an 80-foot lattice tower, and two diesel-fueled gas turbine mobile emergency power plants. A 46-foot tall diesel storage tank would be located east of the engine hall. Project structures would be painted a neutral, non-reflective gray color. (Ex. 200, p. 4.12-13.)

CONCLUSION

We believe that the above suggested modifications will not change the Committee's findings that the HBRP will not result in environmental impacts and will comply with all applicable laws, ordinances, regulations and standards. We respectfully request the Committee issue an errata to the PMPD incorporating the above changes in order to facilitate consideration of the PMPD at the September 24, 2008 Business Meeting.

Dated: September 10, 2008

Respectfully Submitted,

Scott A. Galati Counsel to PG&E

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION FOR THE HUMBOLDT BAY REPOWERING PROJECT BY PACIFIC GAS AND ELECTRIC COMPANY

Docket No. 06-AFC-7 PROOF OF SERVICE (Revised 7/24/2008)

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

* CALIFORNIA ENERGY COMMISSION Attn: Docket No. 06-AFC-07 1516 Ninth Street, MS-15 Sacramento, CA 95814-5512 docket@energy.state.ca.us

APPLICANT

Jon Maring
PGE
245 Market Street
San Francisco, CA 94105
J8m4@pge.com

APPLICANT'S CONSULTANTS

Gregory Lamberg
Project Manager,
Radback Energy
P.O. Box 1690
Danville, CA 94526
Greg.Lamberg@Radback.com

Douglas M. Davy, Ph.D.
CH2M HILL Project Manager
2485 Natomas Park Drive, Suite 600
Sacramento, CA 95833
ddavy@ch2m.com

Susan Strachan
Environmental Manager
Strachan Consulting
P.O. Box 1049
Davis, CA 95617
strachan@dcn.org

COUNSEL FOR APPLICANT

Scott Galati, Project Attorney GALATI & BLEK, LLP 555 Capitol Mall, Suite 600 Sacramento, CA 95814 sgalati@gb-llp.com

INTERESTED AGENCIES

Tom Luster California Coastal Commission 45 Fremont, Suite 2000 San Francisco, CA 94105-2219 tluster@coastal.ca.gov Paul Didsayabutra
Ca. Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630
PDidsayabutra@caiso.com

INTERVENORS

ENERGY COMMISSION

JEFFREY D. BYRON Commissioner and Presiding Member jbyron@energy.state.ca.us

KAREN DOUGLAS
Commissioner and Associate Member kldougla@energy.state.ca.us

Gary Fay
Hearing Officer
gfay@energy.state.ca.us

John Kessler Project Manager ikessler@energy.state.ca.us

Lisa DeCarlo Staff Counsel Idecarlo@energy.state.ca.us

Public Adviser pao@energy.state.ca.us

DECLARATION OF SERVICE

I, David L. Wiseman, declare that on September 10, 2008, I deposited copies of the attached PACIFIC GAS & ELECTRIC COMPANY'S COMMENTS ON THE PRESIDING MEMBER'S PROPOSED DECISION in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

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

David L. Wiseman

Counsel to PG&E Company