

Memorandum

Date: May 13, 2010
Telephone: (916) 654-4894

To: James Boyd, Vice Chairman and Presiding Member
Jeffrey D. Byron, Commissioner and Associate Member
Hearing Officer, Raoul Renaud

DOCKET	
08-AFC-8	
DATE	<u>MAY 13 2010</u>
REC'D	<u>MAY 13 2010</u>

From: California Energy Commission – Rod Jones
1516 Ninth Street
Sacramento, CA 95814-5512
Project Manager

Subject: **HYDROGEN ENERGY CALIFORNIA (08-AFC-8) STATUS REPORT 6**

Staff submits the following Status Report # 6 for the proposed Hydrogen Energy California (HECA) project, pursuant to the recent Committee Scheduling Order dated April 22, 2010.

HECA Data Response/Issues Resolution & Carbon Dioxide Enhanced Oil Recovery Workshops

On April 12, 2010, the HECA Data Response/Issues Resolution Workshop was held at Elk Hills School in the community of Tupman, California. The workshop focused on the applicant's responses to data requests set one and two, dated October 12, 2009 and January 13, 2010, respectively and in the areas of Soil and Water Resources, Biological Resources, Cultural Resources, Air Quality, Public Health, Hazardous Materials Management and Waste Management.

In addition, Energy Commission staff will conduct a workshop on the proposed carbon dioxide (CO₂) capture enhanced oil recovery (EOR) aspects of HECA, and have invited the staff of the Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR), United States Environmental Protection Agency, United States Department of Energy, and interested agencies to participate.

The workshop is scheduled for Friday, May 21st at 1:00 PM in Hearing Room B at the Energy Commission. The purpose of the workshop is to discuss the data responses on the CO₂ EOR project submitted by Occidental of Elk Hills (OEHI) to the Energy Commission on April 16, 2010; which included the following parts:

1. OEHI's CO₂ EOR Preliminary Project Description (Pre-FEED Stage);
2. Reports of technical studies and academic white papers analyzing the potential for CO₂ EOR as a form of sequestration; and
3. A sample Class II Underground Injection Control Permit Application (non-confidential) relative to the proposed OEHI's CO₂ EOR project.

Preliminary Staff Assessment (PSA)

The applicant has informed Energy Commission staff that their preference is to have air quality included in Part 1 of the Preliminary Staff Assessment (PSA). Staff concurs with the applicant that given the importance of air quality to the engineering-design of HECA, and the applicant's time constraints, there is a benefit to including air quality in Part 1 of the document.

In order to accommodate the applicant's request, staff needs the HECA Preliminary Determination of Compliance (PDOC) from the San Joaquin Valley Air Pollution Control District (District). Staff contacted the District staff and was informed that the PDOC would be available in late May or possibly early June, which would preclude staff's meeting the proposed May 26th PSA publication date in the Committee scheduling order. Given this time frame and other project related factors, staff anticipates Part 1 of the PSA would be published in late June /early July. The applicant has indicated that it does not oppose this schedule. Staff will confirm the publication date of the PSA once we have received the District's PDOC, and will communicate this to the applicant and the Hearing Officer. Part 2 of the PSA would include soil and water resources, waste management, alternatives, land use, visual resources, CO₂ EOR, cultural, and biological resources. Staff expects to publish Part 2 in late August.



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV**

**APPLICATION FOR CERTIFICATION
FOR THE *HYDROGEN ENERGY*
*CALIFORNIA PROJECT***

Docket No. 08-AFC-8

**PROOF OF SERVICE LIST
(Rev. 5/10/10)**

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DECLARATION OF SERVICE

I, April Albright, declare that on, May 13, 2010, I served and filed copies of the Energy Commission Staff's Status Report 6. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at:
for this project at: [www.energy.ca.gov/sitingcases/hydrogen_energy].

The documents have been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

(Check all that Apply)

FOR SERVICE TO ALL OTHER PARTIES:

- sent electronically to all email addresses on the Proof of Service list;
- by personal delivery;
- by delivering on this date, for mailing with the United States Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked "email preferred."

AND

FOR FILING WITH THE ENERGY COMMISSION:

- sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (*preferred method*);

OR

- depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION

Attn: Docket No. 08-AFC-8
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

I declare under penalty of perjury 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.

Original signed by: _____
April Albright