

# Memorandum

Date: June 30, 2010  
Telephone: (916) 654-4894

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

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

<b>DOCKET</b>	
<b>08-AFC-8</b>	
DATE	JUN 30 2010
RECD.	JUN 30 2010

Subject: **HYDROGEN ENERGY CALIFORNIA (08-AFC-8) STATUS REPORT 7**

Staff submits the following Status Report # 7 for the proposed Hydrogen Energy California (HECA) project, pursuant to the Committee Scheduling Order dated April 22, 2010.

### **Staff Workshop on Carbon Dioxide Enhanced Oil Recovery for HECA**

On May 21, 2010, Energy Commission staff facilitated a workshop on the proposed carbon dioxide (CO<sub>2</sub>) capture and enhanced oil recovery (EOR) aspects of HECA, and invited the staff of DOE, Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR), United States Environmental Protection Agency, and interested agencies to participate. The workshop was attended by most of the invitees as well as by the Carbon Capture and Storage Review Panel staff. Unfortunately DOGGR could not attend. Staff believes that DOGGR is an important participant and hopes to further engage the agency in this proceeding.

Occidental of Elk Hills (OEHI) is currently developing a monitoring and verification reporting plan (MVRP) with environmental organizations and plans to submit a draft of the document to staff the week of July 5<sup>th</sup>. Once the MVRP has been received and reviewed by Energy Commission staff, there will be a follow up workshop scheduled for late August with the applicant, OEHI, and other interested parties and agencies to discuss the MVRP/CO<sub>2</sub> EOR portion of the HECA project.

### **Emission Reduction Credits Package**

Staff was informed that on April 15, 2010, the applicant procured the emission reduction credits necessary for HECA, required by the current San Joaquin Valley Air Pollution Control District's (District) air permit application. The emission reduction credit package is deemed an essential component of the Preliminary Determination of Compliance (PDOC) for HECA.

### **Preliminary Staff Assessment (PSA)**

Staff continues to work towards publishing part 1 of the Preliminary Staff Assessment (PSA). Staff contacted Leonard Scandura of the District and was informed that the PDOC was mailed out on June 24, 2010, so we should receive it this week. As a result of having to wait for the PDOC along with limited staff time due to priority projects, staff expects part 1 to be published in late July. We will keep the parties abreast of any future adjustments to the PSA publication schedule. As discussed in status report 6, part 1 of the HECA PSA will consist of the following

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technical areas: air quality, hazardous materials management; noise and vibration, public health, socioeconomics, traffic and transportation, transmission line safety and nuisance, worker safety/fire protection, facility design, geology and paleontology, power plant efficiency, power plant reliability, and transmission system engineering.

Part 2 is slated for publishing in late August or mid-September and will include the following technical areas: Biological Resources, Cultural Resources, Soil and Water Resources, Visual Resources, Land Use, Waste Management. Additionally an analysis of the proposed site Alternatives and the Greenhouse Gas Emissions appendix, which will include an analysis of the carbon dioxide enhanced oil recovery and the sequestration proposal (a key component of HECA) will be in Part 2 of the PSA.

Staff has concerns that the PSA publication schedule for part 2 could slip given that the applicant is now developing new alternative routes for the CO<sub>2</sub> and natural gas and potable water lines in order to avoid state-owned conservation easements, based on feedback received from the California Department of Fish and Game (CDFG). Staff is concerned that the new information may not be submitted in a timely manner. The information when received would be used by staff for the land use and biology analysis. Also, staff is still reviewing the applicant's groundwater data and may need additional information to complete that analysis.



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

Docket No. 08-AFC-8

PROOF OF SERVICE LIST  
(Rev. 6/22/10)

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DECLARATION OF SERVICE

I, Teraja Golston, declare that on June 30, 2010, I served and filed copies of the attached (08-AFC-8) Hydrogen Energy – CEC Status Report #7 , dated June 30, 2010. The original documents, 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: [[www.energy.ca.gov/sitingcases/hydrogen\\_energy](http://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**

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1516 Ninth Street, MS-4  
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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 Signature in Dockets  
Teraja' Golston

