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STATE OF CALIFORNIA
State Energy Resources
Conservation and Development Commission

In the Matter of:)	
)	DOCKET NO. 08-AFC-8
)	
Revised Application for Certification)	Brief of Environmental Defense Fund
of Hydrogen Energy California)	and Natural Resources Defense Council
Power Plant)	Concerning Staff Workshop on
)	Occidental of Elk Hills, Inc. draft
)	Monitoring Reporting, and Verification
)	Plan
_____)	

Environmental Defense Fund (EDF) and Natural Resources Defense Council (NRDC) submit this brief relating to docket number 08-AFC-8 before the California Energy Commission concerning the Hydrogen Energy California Power Plant slated for construction in Bakersfield, California. In particular, these comments concern the recently circulated draft Monitoring, Reporting, and Verification (MRV) Plan for Carbon Capture and Sequestration (CCS) associated with the project.

Environmental Impacts of the Project as a Whole

EDF and NRDC are deeply concerned about ongoing environmental issues in the California Central Valley, including public health impacts from degraded air quality associated with emissions of criteria and hazardous air pollutants. The purpose of this brief however, is solely to reflect upon the draft MRV plan document submitted to the Commission. Accordingly, while EDF and NRDC do not address the impact of the proposed project on air quality at and around the planned project site in this letter, we may, as we have with regard to other projects in the past, comment in the future on the air quality impacts of this project and the need to mitigate them. As intervenors in this proceeding, EDF and NRDC have committed to examining all project aspects with regard to environmental impacts, and will comment as appropriate.

Recommendation for Consideration of the Draft Monitoring Reporting, and Verification Plan by CEC

With regard to the MRV plan submitted by Occidental Petroleum for controlling the CCS operations at Elk Hills Oil Field, and that is the subject of the public hearing on August 17, 2010, EDF and NRDC are encouraged by the progress that has occurred thus far to develop a plan to permanently sequester CO₂ in the subsurface. A comprehensive plan for CO₂ sequestration that includes adequate MRV provisions will be necessary for Hydrogen Energy International, LLC (“Applicant”) and the Energy Commission to document compliance with the state’s emissions performance standard for power generation as well as to document compliance with other greenhouse gas emissions control laws.

We believe that the draft plan has a number of strong points. However, EDF and NRDC, as parties to this proceeding, **respectfully urge that the draft plan be viewed as no more than an informational item at this time.** It is neither a completed draft plan for MRV at the project site, nor a draft that is sufficiently developed to adequately guide agency efforts to frame all of the relevant issues that must be considered.

Comments on the Draft Monitoring Reporting, and Verification Plan

EDF and NRDC have, over the course of the past several months, engaged in conversations with Occidental Petroleum to identify important provisions necessary for inclusion in the MRV plan for the proposed project. At times, this has included suggestions from EDF and NRDC which have been incorporated into the draft that has been submitted to the commission. However, this process is still ongoing and the draft plan neither represents an agreement by EDF, NRDC and Occidental as to what is needed in a final MRV plan, or whether what has been proposed is adequate. Rather, EDF and NRDC have identified several areas where the plan can and should be modified to ensure permanent sequestration of CO₂ in the subsurface. EDF and NRDC would be happy to provide those comments to the Commission as they are developed further.

The draft MRV plan before the Commission, as it stands, is preliminary and not an adequate basis for future deliberations by the Commission, and the Commission should treat the plan as such. Prior to consideration of the MRV plan, the Commission should develop a process by which necessary aspects of MRV plans in general are identified and by which the draft MRV plan submitted for the HECA project can be evaluated. Further, we encourage the Commission to solicit and accept comments from a wide array of relevant experts in the field of CCS for the purposes of reviewing plans for MRV associated with this project, and others like it, to ensure completeness and accuracy since EDF and NRDC do not claim to be the sole holders of relevant expertise in this issue area.

EDF and NRDC looks forward to working further with Occidental Petroleum, the Applicant, and the Energy Commission to improve the plan and ensure permanent sequestration of CO2 in the subsurface is realized for this project.

Respectfully submitted,

August 18, 2010

/s/ Timothy O'Connor

Date

Timothy O'Connor
Environmental Defense Fund

August 18, 2010

/s/ George Peridas

Date

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STATE OF CALIFORNIA
State Energy Resources
Conservation and Development Commission

In the Matter of:)	
)	DOCKET NO. 08-AFC-8
)	
The Application for Certification)	PROOF OF SERVICE
of Hydrogen Energy California)	
Power Plant)	
_____)	

DECLARATION OF SERVICE

I, Holly Thompson declare that on August 18, 2010, I deposited copies of the attached Brief of EDF and NRDC (related to the Draft Hydrogen Energy California Power Plant Monitoring, Reporting, and Verification Plan) 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 below. Transmission via electronic mail was made to the electronic service list and was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. I declare under penalty of perjury that the foregoing is true and correct.

/s/ Holly Thompson

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