

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

**DOCKET****08-AFC-8**

DATE	SEP 21 2010	September 21, 2010
RECD.	SEP 21 2010	

Notice of Availability Related to the Preliminary Staff Assessment Part 1 for the proposed Hydrogen Energy California Project (08-AFC-8)

Pursuant to the Committee Scheduling Order dated April 22, 2010, the California Energy Commission (Energy Commission) staff filed a Preliminary Staff Assessment (PSA) Part 1 on August 31, 2010.

TO: AGENCY DISTRIBUTION LIST

This notice is to inform you of the availability of the PSA Part 1 for the proposed Hydrogen Energy California Project (HECA). The PSA Part 1 contains the Energy Commission staff's environmental, public health and engineering evaluation of the proposed HECA for the following technical areas: air quality, hazardous materials, noise and vibration, public health, socioeconomics, traffic and transportation, transmission line safety and nuisance, worker safety, facility design, geology and paleontology, power plant efficiency, power plant reliability, and transmission system engineering. We request that you review the enclosed PSA Part 1 for the areas for which your agency would normally be responsible but for the Energy Commission's permitting authority. Written comments on the PSA Part 1 should be provided to Rod Jones, Project Manager at the address on this letterhead (please add "Mail Stop 15") or by email to rjones@energy.state.ca.us, within 30 days of this notice, or by October 21, 2010. Technical or project schedule questions should also be directed to Rod Jones at (916) 654-5191, or by email.

Part 2 of the PSA is scheduled for publication in early November. At that time staff will solicit final written comments on the complete PSA in preparation for a staff workshop and the completion of the Final Staff Assessment (FSA). The FSA will serve as Energy Commission staff's testimony during evidentiary hearings held by the Energy Commission. The Energy Commission Committee assigned to the proceedings will consider and weigh the testimony, comments, and recommendations of all interested parties, including Energy Commission staff, the applicant, intervenors, public, and other local, state, and federal agencies, before issuing the Presiding Member's Proposed Decision (PMPD) for consideration by the full Energy Commission. The public, intervenors, local, state and federal agencies are encouraged to participate in these hearings. The Energy Commission will issue notices at least 14 days prior to any scheduled hearings.

Background

On May 28, 2009, HEI submitted a revised AFC that superseded and replaced the previously filed July 31, 2008 AFC in its entirety. On August 26, 2009, the Energy Commission accepted the revised AFC as complete. The determination initiated Energy Commission staff's analysis of the proposed project. If approved by the Energy Commission, the proposed HECA project would be the first of its kind to be constructed and

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operated in California. The proposed HECA facility would not be the average fossil fuel facility in it would generate electricity while increasing California's domestic oil supply.

Project Description

The proposed HECA facility would gasify petroleum coke (or blends of petroleum coke and coal, as needed) to produce hydrogen to fuel a General Electric (GE) 7FB combustion turbine operating in combined cycle mode. The hydrogen produced by the gasification block would fuel a 390 megawatt (MW) gross/250 MW net combined cycle power plant providing California with baseload power to the grid. The gasification block would also capture approximately 90% of the carbon from the raw syngas (the direct end of the gasification process) at steady-state operation, which would be transported to a custody transfer point within the Elk Hills oil field for CO₂ (carbon dioxide) enhanced oil recovery EOR and sequestration.

The proposed project would be located on a 473-acre site (currently used for agricultural production of alfalfa, cotton, and onions), and is comprised of two parcels (Part of Assessor's Parcel # 159-040-16 and 159-040-18, respectively). The project site would be located in western unincorporated Kern County, approximately 1.5 miles northwest of the unincorporated community of Tupman. It is bounded by Adohr Road on the north, Tupman Road to the east, the California State Water Project aqueduct to the south, and Dairy Road to the west. Adohr Road would provide primary access to the site. Most notably - Stockdale highway and Interstate 5 are located approximately one mile to the north and three miles to the east, respectively, and the Elk Hills oil field is located approximately one mile south of the proposed project site. If approved, project construction would begin in December 2011, with commercial operation commencing in September 2015.

Energy Commission Review Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines and natural gas and water pipelines. The Energy Commission is the lead agency under CEQA.

Public Resources, Contact Information and Additional Sources for Information

Please direct your technical or project schedule questions to Rod Jones, Energy Commission Project Manager, at (916) 654-5191, or by email at rjones@energy.state.ca.us.

If you desire information on participating in the Energy Commission's review of the proposed project, please contact the Energy Commission's Public Adviser's Office, at (916) 654-4701, or toll free in California at (800) 822-6228, or by email at publicadviser@energy.state.ca.us. News media inquiries should be directed to (916) 654-4989, or by email at mediaoffice@energy.state.ca.us.

The status of the proposed project, copies of notices, electronic version of the revised AFC, PSA Part 1, and other relevant documents are available on the Energy Commission's Internet web site at: http://www.energy.ca.gov/sitingcases/hydrogen_energy/index.html. You can also subscribe to receive email notification of all notices at

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<http://www.energy.ca.gov/listservers>.

Sincerely,

Date: _____

ROGER JOHNSON, Siting Office Manager
Siting, Transmission and Environmental Protection
Division

Enclosure
Mailed to list: 7324 - Agency



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
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APPLICATION FOR CERTIFICATION
FOR THE **HYDROGEN ENERGY**
CALIFORNIA PROJECT

Docket No. 08-AFC-8

PROOF OF SERVICE LIST
Rev. 8/18/10

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DECLARATION OF SERVICE

I, Teraja` Golston, declare that on September 21, 2010, I served and filed copies of the attached (08-AFC-8) HECA – Notice of Availability, Library Letter, and Agency Letter, dated September 21 2010. 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:

[\[http://www.energy.ca.gov/sitingcases/hydrogen_energy\]](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

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 Signature in Dockets

Teraja` Golston