

DOCKET	
08-AFC-8	
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STATE OF CALIFORNIA
 State Energy Resources
 Conservation and Development Commission

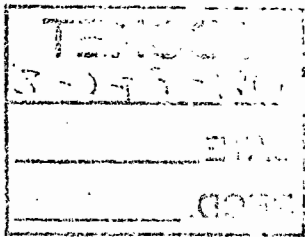
In the Matter of:)	
)	DOCKET NO. 08-AFC-8
)	
Revised Application for Certification of Hydrogen Energy California Power Plant)	Comment of Environmental Defense Fund on the Preliminary Staff Assessment Part 1, for the Hydrogen Energy California Project
)	
)	

September 30, 2010

/s/ Timothy O'Connor

 Date

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 Environmental Defense Fund



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Revised Application for Certification)	Comment of Environmental Defense
of Hydrogen Energy California)	Fund on the Preliminary Staff Assessment
Power Plant)	Part 1, for the Hydrogen Energy
)	California Project
_____)	

Environmental Defense Fund (EDF) submits this Comment to docket number 08-AFC-8 before the California Energy Commission concerning the Hydrogen Energy California Power Plant slated for construction in Bakersfield, California. On August 31, 2010 the California Energy Commission issued a Preliminary Staff Assessment, Part 1, ("PSA") for the project and requested public comment within 30-days.

Potential Impacts of the Hydrogen Energy California Project on the Surrounding Environment Must be Addressed

Environmental Defense Fund neither supports nor opposes the Hydrogen Energy California Project Permit Application currently before the Commission. However, EDF notes that state and federal law requires the project be designed, built and operated in a manner that is protective of the public health and environmental quality. In upholding their statutory mandates, the Energy Commission, San Joaquin Valley APCD, US EPA, and other relevant regulatory agencies face important decisions in conjunction with the process to consider the project's permit applications – decisions which have an impact on the people of California, and in particular, the

people living in California's Central Valley. To protect the people and environment of California, EDF supports the rigorous application of the environmental and public health laws in the siting process and requests the applicant continue to respond to issues raised by parties, interested stakeholders, and regulatory agencies in this matter.

Development of Carbon Capture and Sequestration Like That Proposed for the HECA Project are Critical Pursuits to Address Global Climate Change

Carbon capture and sequestration is an integral part of the overall solution to global climate change. By providing an opportunity to reduce greenhouse gas emissions from fossil-fuel derived energy generation, CCS can serve as a bridge technology for smoothing the long term transition to a decarbonized economy - one built primarily on renewable and non-fossil energy sources.

Although a critically important technology, challenges associated with cost, location, societal comfort and politics (to name a few) have kept large-scale CCS projects from being developed in more than a handful of sites, none of which are currently operating in the United States. Recently however, improvements in capture technology and site characterization, increases in private investment and government grants, and the development of power purchase agreements aimed at low-carbon energy have made overall technology deployment more viable. Expanding this viability is accomplished by the successful development and operation of projects that do not result in loss of sequestered CO₂ to the atmosphere. Only after first-mover projects are completed will barriers to further CCS deployment be overcome, thereby facilitating reduced emissions from the power sector.

Hydrogen Energy California is an important step toward demonstrating that CCS can be accomplished in a manner that achieves production of low carbon baseload power. Additionally, by advancing the conversation on Monitoring, Verification, Reporting and Accounting (MVRA) development and working through regulatory permitting issues, the project can serve as an important step toward the deployment of CCS that is not paired with enhanced oil recovery, but rather for projects performed strictly for greenhouse gas mitigation.

For HECA to Serve as an Important Milestone for Overall Technology Commercialization, the Project Must Move Forward in a Coordinated, Scientific and Rigorous Manner with Full Attention to Implementing MVRA Provisions

In addition to providing an example in California that CCS can be used to help generate low-carbon fossil-fuel derived power, the HECA plant and associated sequestration at Elk Hills also has the potential to set an important precedent for CCS technology as a whole. If developed and implemented in a coordinated, scientific and rigorous manner, the MVRA developed for sequestration at Occidental Petroleum's Elk Hills operation can become a litmus test against which other projects are judged, both for compliance with state laws as well as, potentially, for BACT determinations under federal greenhouse gas regulations.

To date, the MRVA plan for this project has been released in draft form, though it was not the subject of the PSA released by the Commission or the PDOC released by the air district. Additionally, the draft MVRA plan is not a final version of the ultimate plan for the project, and will therefore be superseded (as stated by the applicant) by a newer, more expansive plan that includes provisions for closure and post-closure management. EDF has previously discussed, on the record in this docket, the need for the project's MVRA plan to be comprehensive, accurate and protective of both atmospheric and subsurface resources. EDF continues to work towards development of the final version of the MVRA plan that achieves these objectives and looks forward to the PSA (Part II) that addresses it. EDF will continue our comments on this issue at that time.

Respectfully submitted,

September 30, 2010

Date

/s/ Timothy O'Connor

Timothy O'Connor
Environmental Defense Fund

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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)
of Hydrogen Energy California) **PROOF OF SERVICE**
Power Plant)
_____)

DECLARATION OF SERVICE

I, Holly Thompson declare that on October 1, 2010, I deposited copies of the attached Comment Letter titled "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 on September 30, 2010 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

Holly Thompson
Environmental Defense Fund

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