

Robert Sarvey 501 W. Grantline Rd Tracy, Ca. 95376 (209) 835-7162

State of California State Energy Resources Conservation and Development Commission

In the Matter of:)	Docket # 09-AFC-03
Mariposa Energy Project)	Response to the Applicants January 25 th Motion to Strike

INTRODUCTION

On January 25, 2011 Mariposa Energy (applicant) submitted a motion to strike essentially all intervenor testimony submitted in this proceeding. The motion provides several reasons ranging from witness qualifications, improperly filed testimony, and relevance to the application. The motion is essentially an effort by the applicant to deny the intervenors constitutional and procedural rights to submit testimony in this proceeding. In the following I address each complaint by the applicant.

DISCUSION

I. The Committee should not strike the rebuttal testimony of the Sierra Club.

The applicant objects to the rebuttal testimony submitted by the Sierra Club. ¹ The applicant believes the testimony should have been submitted as opening testimony. Since

¹ Testimony of Edward Mainland (Alternatives) Dick Schneider (Greenhouse Gas)

Sierra Club was not granted leave to intervene until January 19, nine days after the submission of opening testimony the applicants claim has no merit. In addition the hearing officer has already granted Sierra Club leave to file rebuttal testimony.² If the applicant had issues with the hearing officer's orders on January 19th the applicant should have raised those issues then.

II. The Commission should not strike the rebuttal testimony of Intervenor Rob Simpson.

Mr. Simpson was granted intervention on January 19th ten days after the deadline for opening testimony. It would be impossible for him to file opening testimony. As with the Sierra Club's petition to intervene on January 7th the hearing officer sent out an email to the parties asking whether they opposed Mr. Simpson's intervention. All of the parties except for the applicant emailed back that they had no opposition to the intervention. The applicant failed to respond until January 13th effectively barring Mr. Simpson from filing opening testimony. Regardless the applicants complaint is moot since the hearing officer has already granted Mr. Simpson leave to file rebuttal testimony. (See Footnote #2)

III The Commission should not strike CalPilots' Rebuttal Testimony.

² ----- Original Message -----

Subject: Re: petition to intervene Mariposa 09-AFC-03

From: Ken Celli < Kcelli@energy.state.ca.us > Date: Wed, January 19, 2011 3:59 pm

To: <emainland@comcast.net>, <rob@redwoodrob.com>

Cc: Jennifer Jennings < JJenning@energy.state.ca.us >, Paul Kramer

<Pkramer@energy.state.ca.us>

Dear Mr. Mainland and Mr. Simpson:

Please be advised that your Petition to Intervene in the Mariposa Application for Certification will be granted and the Order will be e-mailed to you soon. The Notice of Prehearing Conference and Evidentiary Hearings which contains instructions for participating in these hearings is attached. **You may file rebuttal testimony which is due on January 21, 2011** and the Petitioners must file a Prehearing Conference Statement by Wednesday, January 25, 2011 and comply with the terms and conditions specified in the Notice of Prehearing Conference, Evidentiary Hearing and Order. Failure to file a Prehearing Conference Statement may preclude a party from participating in the evidentiary hearings. Late documents will not be accepted.

Kenneth D. Celli Hearing Advisor II Mariposa first argues as it does with all rebuttal testimony submitted that the testimony is not rebuttal testimony. If one were to take a close look at the applicant's complaint the applicant believes all testimony should be classified as opening testimony. The reasons for this are obvious.

If you examine CAL-PILOTS testimony it is clearly rebuttal testimony. In the first exhibit CAL-PILOTS provides a new flight path figure which rebuts the existing flight path exhibits that were submitted by the Applicant and the Staff. This is specific testimony that the applicant and staff have provided in their opening testimony and exhibits.

Next CAL-Pilots rebuts staff's plume height calculations. As the testimony begins, "Furthermore Staff fails to address or consider Trans- 7 Obstruction and Lighting and Trans- 8 Pilot Notification and Awareness which would require pilots to avoid overeflight of the MEP power plant located within Zone D." CAL-PILOTS offers a footnote of the exact testimony of Staff that is being rebutted. "Airport Diagram, Figure 2, Mariposa Energy Project – Byron Airport Compatibility Map. SSA Land Use Dated November 2010, CEC 700-2010-017,, Docket Number 09-AFC-3."

Next CALPILOTS explains the future uses at the Byron Airport since, "The CEC staff and MEP continue to avoid addressing the current and future use of the Byron Airport patterns. With increasing operations with the different types of aircraft the patterns 4, 5 become more congested and will require more airspace to keep aircraft separated at a safe distance both in the airport traffic pattern and in airspace over MEP and the now CEC licensed East Altamont Power Plant." CALPILOTS testimony specifically points out the testimony that is being rebutted throughout its rebuttal testimony.

The applicant then proceeds to try to discredit Mr. Wilson as unqualified to provide the testimony. This ironically is proffered after the applicant calls Mr. Wilson and CalPilots "sophisticated and experienced intervenors who, significantly, have practiced previously before this Commission." The applicant opines that Mr. Wilson is nothing more than a pilot. It would be hard to imagine that anyone who has never sat in a cockpit of an airplane would know the first thing about the dangers of aviation and sudden upsets

³ CAL-PILOTS Rebuttal Testimony Page 1

⁴ CAL-PILOTS Rebuttal Testimony Page 2

⁵ Applicant Motion to Strike Page 3

in wind patterns. A look at the applicant's witnesses and one would note that they consists of several lawyers opining that the FFA is the only authority and the CEC has no mandate to rule on any aviation issues. In most siting cases and legal settings the opinions of lawyers are left to briefing and are not accepted as "expert testimony." The rest of the applicants witnesses are academics whose resumes list no flight experience although that may have been an oversight. I do not question their expertise but would certainly be unwilling to climb into a plane with them and fly over a thermal plume from a power plant. In fact the applicant fails to provide any witness who has flown over a thermal plume unlike the Eastshore Project where the applicant did provide an actual plume fly over video and still had his project rejected.

Mr. Wilson's rebuttal testimony consists of a new diagram of current flight paths from the Byron Airport and an overview of existing expansion plans at the airport. We can be reasonably sure that lawyers and academics could not provide this testimony without the local expertise provided by Mr. Wilson who has actually gone out to the airport and discussed conditions on the ground with the actual pilots and has taken the time to research the flight paths at the airport.

IV The Commission should not strike Mr. Sarvey's rebuttal testimony.

The applicant begins by stating that, Mr. Sarvey addressed only two topics in his opening testimony: land use and socioeconomics. However, in his "rebuttal" testimony Mr. Sarvey submits for the first time new evidence and arguments on air quality, worker safety and fire protection, hazardous materials and alternatives, none of which were addressed at all in his opening testimony." Clearly my rebuttal testimony would not address issues I raised in my opening testimony as my rebuttal testimony is submitted to rebut other parties arguments not to support my own testimony. If I addressed issues raised in my opening testimony the applicant would complain that my rebuttal testimony is just a continuation and elaboration of my opening testimony just like he complains about CAL-PILOTS.

⁶ The applicant contradicts his own description of opening and rebuttal testimony. "Opening testimony is each party's independent, affirmative testimony, and is not by definition responsive to the testimony of other parties. I Rebuttal testimony, in contrast, is testimony that affirmatively and specifically responds to the testimony or evidence of other parties. Lacking any clear link to any other party or parties' testimony, the proffered testimony is in contravention of the Order and should be struck."

"First, CalPilots improperly utilizes rebuttal testimony as a vehicle to further advance arguments and evidence on matters previously submitted in the first part of CalPilots' own opening testimony, rather than to rebut testimony submitted by any other party."

As for new arguments a close look at my comments during this proceeding, my comments at the air district it is clear that all of these arguments have been previously raised and I am responding to the "testimony" proffered in response to my comments. The applicant believes that because staff, the air district and the applicant have addressed these issues I have no right to adjudicate these issues. My understanding of the evidentiary process is that this is precisely the time I am supposed to raise these issues before the Committee and have them decide who is right.

A. Exhibits 403 and 412, Mr. Sarvey's Air Quality Testimony

The Applicants arguments related to these two exhibits is circular and amusing but unfortunately they belong on Saturday Night Live not in this forum wasting the Commissions and the parties time. The applicant begins this diatribe by noting that all the issues I raised as rebuttal testimony in Exhibits 403 and 412 are responses to answers I have received from the BAAQMD on the FDOC and by Staff in my comments on the Staff Assessment. Although even the applicant clearly admits that this is a rebuttal to the answers I received on my comments on the FDOC and the SA the applicant still maintains that this rebuttal should have been included in my opening testimony. This is after he defines rebuttal testimony as. "testimony that affirmatively and specifically responds to the testimony or evidence of other parties. Lacking any clear link to any other party or parties' testimony, the proffered testimony is in contravention of the Order and should be struck." Here the applicant admits there is a clear link to the other parties' testimony (FDOC and SA) and I have raised these issues previously in the proceeding and yet he complains that I have responded to these parties testimony in my rebuttal testimony.

⁷ Applicants motion to strike page 4"First, CalPilots improperly utilizes rebuttal testimony as a vehicle to further advance arguments and evidence on matters previously submitted in the first part of CalPilots' own opening testimony, rather than to rebut testimony submitted by any other party.

Next the applicant complains that, "Upon review of the District's response to his comments in the FDOC and Staff's review of the FDOC in the SSA, Mr. Sarvey did not contest the issuance of the FDOC or the Findings of the Staff Assessment. The applicant must not have received a copy of my comments on the Staff Assessment or a copy the Supplemental Staff Assessment. In those comments I raise the same issues that my rebuttal testimony addresses. In the Supplemental Staff Assessment on Pages 4.1-41-4.1-43 Staff responds to all my issues related to the FDOC and air quality. This is clearly rebuttal testimony to staffs response to my comments on the SA.

Next the applicant states that, "The resubmission of those comments as "testimony" at this late stage is simply an effort to re-litigate matters already decided in the FDOC, where his comments were considered and rejected." Mr. Wheatland the applicant's attorney would like to bar me and my constitutional and procedural rights to challenge the FDOC at the CEC. As Mr. Wheatland has previously argued at the air district hearing board the CEC has exclusive jurisdiction over all matters related to thermal power plants over 50 MW in the State of California.⁸ According to the popular theory espoused by Mr. Wheatland and other energy law practitioners the FDOC is merely the BAAQMD determination that the project complies with their laws as they interpret them and is not a permit that can be appealed to the hearing board. The actual permit is called an authority to construct and is issued after the Commission licenses the project. Normally matters contested in a final Authority to Construct can be appealed to the air district hearing board. In the case of a thermal power plant Mr. Wheatland and others have previously argued that no such option exists. According to this theory any issues I have with the FDOC can only be raised and be litigated at the CEC which is precisely what my rebuttal testimony does. Under Mr. Wheatlands theory where would I challenge the determination of the air district other than in this evidentiary hearing as I have already filed my comments on the PDOC and there is no other avenue to challenge the districts determination? Mr. Wheatland is keenly aware of that fact, and as with the rest of his motion to dismiss, he is merely trying to deprive the intervenors of their due process and procedural rights under the Warren Alquist Act and the U.S. and California Constitutions.

⁸ In the Matter of the Appeal of ROB SIMPSON from the issuance of an Authority to Construct for the Russell City Energy Center Application No. 15487 DOCKET NO. 3546

He knows the intervenors lack money for legal representation which largely creates a mismatch in CEC proceedings which he is seeking to exploit.

B. Exhibit 405 Hazardous Materials Testimony.

Mr. Wheatland argues that the, "proffered testimony addresses matters which are outside the jurisdiction of the CEC. The CEC has jurisdiction only up to the first point of interconnection with the PG&E gas pipeline system." Title 20 Section 1741 (a) provides:

"The purpose of an application proceeding is to ensure that any sites and related facilities certified provide a reliable supply of electrical energy at a level consistent with the need for such energy, and in a manner consistent with public health and safety, promotion of the general welfare, and protection of environmental quality."

Exhibit 405 points out to the Commission that there are individual and cumulative effects of connecting the Mariposa Project to PG&E Line 002 which has a history of considerable corrosion and does not meet current pipeline **safety regulations.** The Commission has also approved the interconnection of the MEP and the Tracy Combined Cycle Power project to this degraded line. Staff's cumulative hazardous material testimony fails to consider these issues⁹ and Exhibit 405 specifically rebuts that conclusion. The Commission has a duty and an obligation to ensure the publics safety in the construction and operation of any thermal power plant or plants.

Mr. Wheatland also objects to my presentation of the condition of Line 002 because he feels I am unqualified. I would like to draw the Committee's and Mr. Wheatland's attention to my resume which lists my qualifications to address the condition of Line 002. I was an Intervenor in C. 07-03-006 which was the first time any utility in California attempted to gain a waiver from pipeline safety regulations. Line -002 and Line-401 and the Chevron Oil Line all run in the same pipeline easement. The City of Tracy proposed a youth soccer field over the three pipelines. Ultimately I negotiated an all party settlement in which PG&E agreed to abandon the first and only waiver of pipeline safety standards in the State of California. In that proceeding I reviewed over 3,000 pages of documents related to the condition of Line-002 and Line-401. I currently have in my possession the

⁹ SSA Page 4.4-14

most recent pigging results of both of these lines. I am very familiar with the condition of PG&E Line 002 and if called upon I can testify to the condition of the line and provide to the Commission any relevant information on the line including the results of the most current smart pig assessment preformed by PG&E.

C. Exhibit 406 Alternatives Testimony (Bill Powers).

The Applicant's sole objection to this testimony is that it should be opening testimony. The applicant doesn't argue that Mr. Powers is unqualified and he doesn't argue that the Commission has no authority over the subject matter. Mr. Wheatland's definition of rebuttal testimony is, "Rebuttal testimony, in contrast, is testimony that affirmatively and specifically responds to the testimony or evidence of other parties. Lacking any clear link to any other party or parties' testimony, the proffered testimony is in contravention of the Order and should be struck."

Mr. Power's entire testimony rebuts Staff's alternatives analysis in the FSA. His opening statement in the introduction states "My testimony addresses viable, noncombustion turbine alternatives to the proposed Mariposa Energy Project (MEP) and the lack of serious consideration of these alternatives in the FSA." 10

Section I of his testimony on the Energy Action Plan begins with. "The Supplemental Staff Assessment (SSA) makes no mention of the California "Energy Action Plan" in the Alternatives section." 11

Section II of his testimony on energy efficiency alternatives opens with the identification of staff's failure to examine Demand Side Management and Energy Efficiency as an alternative to the MEP in the SSA.¹²

Exhibit 406 Page 1Exhibit 406 Page 1

¹² Staff's alternatives analysis in the Supplemental Staff Assessment (SSA) fails to examine energy efficiency measures and demand side management programs that are viable replacements for the MEP. The Alternative analysis dismisses energy efficiency and demand side alternatives to the Mariposa Energy Project (MEP) in a single sentence, stating:

[&]quot;Even with this great variety of federal, state, and local demand side management programs, the state's electricity use is still increasing as a result of population growth and business expansion. Current demand side programs are not sufficient to satisfy future electricity needs, nor is it likely that even much more aggressive demand side programs could accomplish this at the economic and population growth rates of the last ten years. Therefore, although it is likely that federal, state, and local demand side programs will receive even greater emphasis in the future, both new

Section III of his testimony begins with, "The SSA dismisses solar technology as an alternative in one sentence, "Solar and wind technologies are generally not dispatchable and, therefore, are not capable of providing fast-starting, flexible generating capacity and are not capable of producing ancillary services other than reactive power."

Mr. Power's entire testimony, "affirmatively and specifically responds to the testimony or evidence" in the SSA on alternatives.

D. Exhibit 407 Worker Safety and Fire Protection Testimony.

The applicant complains that this testimony is opening testimony. The applicant ignores the Supplemental Staff Assessment's response to my comments on providing mitigation for the Tracy and Alameda County Fire Department which the majority of the testimony rebuts.

"Medical emergency responses to incidents at power plants are very rare. Staff does not believe that there is a significant likelihood of medical emergency response by the Tracy Rural Fire Department to MEP over the life of the project. It should also be noted that fire departments have reciprocal agreements for mutual aid. So it is no more likely the Tracy Rural Fire Department will respond to an incident in Alameda County's service area, than it is that Alameda County will be required to respond to incidents in Tracy's service area. It is staff's belief that impacts resulting from the MEP on the Tracy Rural Fire Department will not be significant." ¹³

The other portions of the testimony lay out some common sense conditions that should be adopted to protect workers at the power plant. Prohibiting natural gas blows is a no brainer considering the devastating accident that occurred at the Kleen Energy Plant in February 2010 and the 2003 accident at the Wolfskill Energy Center. A safety shoe slip resistant program is another way to effectively prevent accidents at the power plant and save the project owner money. I have been administering safety shoe programs at industrial facilities for over 20 years and have had great success in lowering lost time accidents. While the applicant does not believe I have the expertise to opine on power

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generation and new transmission facilities will be needed in the immediate future and beyond in order to maintain adequate supplies."

¹³ SSA 4.14-12

plant safety the testimony speaks for itself and raises questions about the boiler plate testimony offered by the staff and the applicant.

E. Exhibit 408 Alternatives Testimony of Robert Sarvey

Once again the applicant states that Exhibit 408 should be struck because it should have been opening testimony. The testimony addresses alternatives that I proposed in my comments on the Staff Assessment and that staff replied to in the SSA. Turbine selection and water resources were issues staff addressed in the SSA¹⁴ in response to my comments on Staff Assessment.

The testimony on the fast start technology was raised in both the comments on the PDOC and the Staff Assessment. The testimony on fast start technology rebuts staffs responses in the SSA.¹⁵

The testimony on the no project alternative specifically rebuts staffs testimony on Page 6-18 of the SSA.

"In the absence of MEP, however, Diamond Generating Corporation or another power company would likely propose that other power plants be constructed along the PG&E transmission system to serve the demand that could be met with the MEP."

"If the project is not built, the region will not benefit from the relatively efficient source of 200 MW of new generation that this facility would provide. This new generation would increase the supply of energy and potentially serve load demands in the Bay Area of Northern California. It is thus difficult to determine whether the "no project" alternative would have serious, long-term consequences on air quality and the cost or reliability of electricity in the region."

Mr. Wheatland then goes on to argue that the, "Legislature has expressly declared that questions regarding project "need" and the integrated assessment of need are not relevant to this proceeding." To the extent that staff argues that the no project

proposed project and weighs the pros and cons of various technology options in the Alternatives

section. See also SSA Page 6-21

¹⁴ SSA Page 4.12-23 **Response:** Following the Staff Assessment, MEP added a water conservation program to the proposed project. The water conservation program would offset all water used for plant processes including NOx suppression and limit the potential for significant impacts related to water supply. Mr. Sarvey"s alternative technology suggestions related to Dry Low NOx Combustors in the proposed gas turbines are discussed in more detail in the alternatives section. While Mr. Sarvey provides compelling arguments for water savings, Staff does not have adequate information to evaluate fuel consumption, reliability, and capital costs associated with these newer gas turbine models. In the absence of a significant unmitigated impact, Staff reviews the application defining the

¹⁵ SSA page 4.1-90,91

alternative should not be adopted due to a lack of energy supplies in the Bay Area the testimony specifically rebuts that argument and is relevant to this proceeding. Staff assumptions on the basic objectives of the project is largely based on PG&E's Request for Offers on April 1, 2008, indicating that additional peak electric generation capacity is needed in the vicinity.¹⁶ In the land use section staff argues that the MEP is required for the public convenience and necessity need in order to qualify for a conditional use permit.¹⁷ There are multiple references in the SSA to PG&E's long term request for offers which Staff uses to justify the siting of this project.¹⁸

To the extent that the applicant argues that SB 110 states: "Before the California electricity industry was restructured the regulated cost recovery framework for powerplants justified requiring the commission to determine the need for new generation,

¹⁶ SSA Alternative Section Page 6-4 and 6.5 "MEP's primary objective is to provide dispatchable, operationally flexible, and efficient generation to meet PG&E's need for new energy sources. PG&E issued a Request for Offers on April 1, 2008, indicating that additional peak electric generation capacity is needed in the vicinity (PG&E, 2008). Staff began by identifying an initial study region that consisted of the geographic area surrounding the PG&E Kelso Substation. Staff chose this region to determine whether alternative sites were close enough to PG&E's Kelso Substation to provide power to that substation, similar to the proposed project."

¹⁷ SSA Land Use Section Page 4.12-25 "Is the use required by the public need? On April 1, 2008, PG&E published a request for offers to procure 800-1200 MW of new resources, with a preference for easily dispatchable, operationally flexible resources (PG&E 2010). Also, in the Alameda County May 2010 letter, the county said, —even with growth constraints built into the ECAP, [Alameda County] will require significant electrical energy especially at times of peak demand."

¹⁸ Project Purpose Page 3-1, "The main objective of the MEP would be to provide dispatchable generation to meet PG&E's need for new energy sources in Alameda County and the San Francisco Bay Area, to support and back up intermittent renewable resources (e.g., wind and solar), and to satisfy the terms of MEP's power purchase agreement with PG&E.

Project Purpose Page 3-2, "PG&E has identified a near-term need for new power facilities that can be on line by or before 2015 and that can support easily dispatchable and flexible system operation. PG&E issued aRequest for Offers on April 1, 2008, to obtain these energy resources from qualified bidders.

Transmission System Engineering Page 5.5-2 "The applicant has signed a power purchase agreement with PG&E for power supply during peak hours. The project, a local peaking unit, would meet the increasing load demands in the Alameda County and PG&E greater bay area, provide additional reactive power and voltage support, and enhance system reliability.

Transmission System and engineering Page 5.5-12 "Staff believes that there would be some positive impacts because the project as a local quick start peaking unit, would meet the increasing peak load demand of the PG&E system in the greater bay area and Alameda County and, provide additional reactive power and voltage support, and enhance reliability."

Transmission System and Engineering Page 5.5-15 "The applicant has signed a power purchase agreement with PG&E for power supply during peak hours. The MEP as a local quick start peaking unit, would meet the increasing load demand in the Alameda County and PG&E greater bay area, provide additional reactive power and voltage support, enhance reliability and may reduce system losses in the PG&E local network."

and site only powerplants for which need was established. Now that powerplant owners are at risk to recover their investments, it is no longer appropriate to make this determination." The MEP is unfortunately is being financed by ratepayer money and as this Commission well knows power plants without ratepayer money are not being constructed.

V. Conclusion

The applicant's poorly written and unsupported motion to strike should be DENIED. The applicant erected procedural barriers for the Sierra Club and Mr. Simpson by delaying a response to their petition for intervention until January 13th three days after the deadline for opening testimony. All of the other parties responded immediately on January 7th to the hearing officer's inquiry on the petition to intervene and no party opposed it. With a proper response the intervention could have been granted and the Sierra Club and Mr. Simpson could have entered opening testimony. Regardless Mr. Simpson and the Sierra Club have already been granted leave to file rebuttal testimony by the hearing officer. If the applicant had objections he should have filed them then not after the submission of rebuttal testimony.

The applicant complains that all intervenor rebuttal testimony should have been opening testimony. As fully chronicled above the rebuttal testimony specifically points to the parts of Staff's testimony that are being addressed. According to the applicants own definition of rebuttal testimony the intervenor rebuttal testimony does, "affirmatively and specifically respond to the testimony or evidence of other parties."

This motion is nothing more than a procedural guise to deny the intervenors who are without legal representation their procedural and due process rights in this proceeding.

DECLARATION OF SERVICE

I, Robert Sarvey declare that on February 2,2011 I served and filed copies of the attached Response to the Applicants January 25th Motion to Strike. 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/mariposa/index.html].

The document has 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:
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_ x_ sent electronically to all email addresses on the Proof of Service list; ___ by personal delivery or by depositing in the United States mail at Sacramento,

California, with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses **NOT** marked "email preferred."

AND

For filing with the Energy Commission:

x_ 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. 09-AFC-3 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.

Rotin day