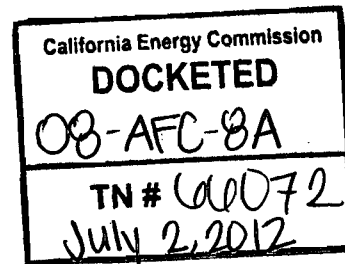


Association of Irrigated Residents
Tom Frantz, President

June 29, 2012



Data Request and Status Update

RE: Docket No. 08-AFC-08A

Data Request

1. This first question or data request is about "eminent domain" and is addressed to both HECA and the CEC.

Assuming HECA decides they need to build a railroad spur through surrounding farmland and assuming local farmers may not wish to have this railroad spur disrupt their farming operations, then which government entity, if any, will exercise the option of eminent domain and condemn the farmland so that it can be sold to HECA?

If there are multiple options, please indicate. We also request an answer to this question before the local Tupman meeting on July 12 since local residents will be present who need to have this information.

2. If eminent domain procedures are initiated for the railroad spur, do these procedures have to be completed before the CEC gives final approval for HECA?

3. During the workshop on June 20, a question was raised about whether HECA would receive approval with an option to use either a-railroad spur for local railroad delivery of coal or use trucking of coal from the depot in the town of Wasco. Isn't it true that this option must be decided before any final CEC approval of the project? The two options are vastly different in their effects on local residents. If this is left as an open question indefinitely, please explain how that would be legal under CEQA regulations. Please clarify when these transportation options must be finalized.

4. It was stated at the June 20 meeting by a spokesperson for HECA (Schrag) that carbon capture and sequestration was the third option out of three in solving the problem of excessive green house gas emissions from energy production. Alternative one was efficiency and conservation. Alternative two was renewable energy and nuclear energy. Does HECA mean to imply from this presentation that CCS is equivalent to or just as important to reducing GHG emissions as the first two alternatives? We request to see some actual numbers showing potential quantities of reductions and costs related to all three options so that the relative value of each of the three may be appropriately considered. It may be that CCS, through projects such as HECA are so expensive, unreliable, and irrelevant to solving the earth's GHG problem that the CEC and the public may want to logically spend their time and money on other paths.

5. In an earlier data request, AIR questioned why Shafter was the appropriate site for baseline ozone and nitrogen oxide emissions. AIR disagrees with the answer it was given which basically said Shafter was closer to the project than any other monitor. Under CEQA, the most precautionary assumptions need to be made. It is therefore appropriate to use the monitor in Kern County showing the highest emission levels of these pollutants and not the monitor showing the lowest levels. Arvin Bear Mtn is the monitor which should be used. We need a further explanation why this is not true. CEQA requires conservative and precautionary assumptions, not best case scenarios. It would help if officials from Region 9 of the EPA would be brought in to explain objectively why Shafter and not Arvin is the appropriate monitor to use.

6. The public needs to hear what the mitigation for the loss of prime farmland is going to be for HECA so it can comment on that proposed mitigation.

7. HECA needs to quantify all potential CO₂ emissions related to this project. Maximum possible leakage of the CO₂ which comes back to the surface with the enhanced oil recovery operations has not been quantified to our knowledge. That CO₂ must be added to the total for the power plant to see if California's emission performance standard is being met. The CO₂ or equivalent emissions from the massive fuel transportation, water pumping, waste removal, CO₂ injection operations, recapture of CO₂ operations, and product transportation related to this project must be quantified and totaled. Since N₂O is 310 times the value of CO₂ in terms of GHG emissions, what are the N₂O emissions associated with the manufacture of the fertilizer products and with the packaging and transportation of the fertilizer products? This too must be quantified. It would also help the public to understand this project if the N₂O from agricultural use of the fertilizer products were quantified and the CO₂ from burning the oil recovered by this CO₂ injection were quantified. Since it has been stated that the oil is not recoverable by any other means then it is important to know how much oil will most likely be recovered because of this project. If oil is recovered which would not otherwise be recovered because of HECA (and similar projects if HECA is successful), how will this affect the relative price of oil vs renewable energy? Will the effect be negative or positive on the effect of pricing for renewable energy?

8. AIR wishes to see a comparison of burning hydrogen as a fuel in this project with burning natural gas in terms of the amount of NO_x emitted by the power plant. A comparison should be made with a modern natural gas plant such as the Avenal power plant recently approved by the CEC and also in the San Joaquin Valley. What are the respective rates of NO_x emissions per unit of electricity produced for the two projects?

9. Why is natural gas not considered an alternative fuel to coal for this project? Please compare the relative price and availability of coal to natural gas in the southern San Joaquin Valley. Also, please explain the need for HECA, a \$3 billion project with taxpayer subsidies, to bring this large amount of coal into California as a fuel for the next 30 years.

10. Since the Avenal project agrees to use turbine air cooling instead of massive amounts of water, why is that not the best alternative for HECA given that water is always short in the valley and the water proposed for HECA is only relatively contaminated on the brackish side compared to other groundwater in the region and compared to the billions of gallons of produced water available in the nearby oil fields?

11. With the large amount of NOx emitted from burning hydrogen as a fuel and because of the air quality problem in this part of the San Joaquin Valley, explain why there is no option considered to use oxygen only as the combustion air when the hydrogen fuel is burned. In other words, why is it so necessary for HECA to further pollute the air the public breathes in order to save the earth from more GHG emissions?

Status Update

Members of AIR intend to attend the July 12, 2012 meeting in Tushman and continue to intervene with this application before the CEC.

Original copy signed by

A handwritten signature in black ink that reads "Tom Frantz". The signature is written in a cursive, flowing style.

Tom Frantz

President, Association of Irrigated Residents



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV**

**AMENDED APPLICATION FOR CERTIFICATION
FOR THE HYDROGEN ENERGY
CALIFORNIA PROJECT**

**Docket No. 08-AFC-08A
(Est. 6/4/2012)**

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DECLARATION OF SERVICE

I, Tom Frantz, declare that on June 30, 2012, I served and filed a copy of the attached document dated June 29, 2012. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at: [www.energy.ca.gov/sitingcases/hydrogen_energy/index.html].

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- ☒ Served electronically to all e-mail addresses on the Proof of Service list;
- ☐ Served by delivering on this date, either personally, or for mailing with the U.S. 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 "e-mail preferred."

AND

For filing with the Docket Unit at the Energy Commission:

- ☒ by sending one signed copy, mailed with the U.S. Postal Service with first class postage thereon fully prepaid and e-mailed respectively, to the address below (preferred method); **OR**
- ☐ by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT

Attn: Docket No. 08-AFC-8
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

- ☐ Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

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Michael J. Levy, Chief Counsel
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mlevy@energy.state.ca.us

I declare under penalty of perjury under the laws of the State of California 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 signed by Tom Frantz