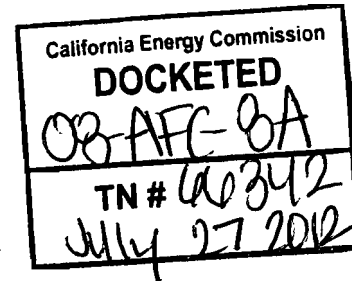


Association of Irrigated Residents
Tom Frantz, President
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Tom Frantz

July 27, 2012

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CEC Docket Number: 08-AFC-08A

Re: DOE EIS comments for analysis of the proposed HECA taxpayer subsidy of \$400 million for an air polluting coal fired power plant with enhanced oil recovery benefits for Occidental Petroleum in Kern County, the most polluted county in the most polluted air basin in the country, on some of the richest farmland in the world, and where the nearest coal mine is hundreds of miles away.

Re: This submittal also constitutes an Issues Statement to the CEC by the Association of Irrigated Residents

The Association of Irrigated Residents advocates for better air quality in the San Joaquin Valley. AIR has members in Kern County, several of whom live within a dozen miles of this project. AIR also has members in four other San Joaquin Valley counties and has been active in its advocacy locally for nearly twelve years.

AIR would like to make the following comments to assist the DOE in analyzing the worthiness of this project for receiving this massive taxpayer subsidy.

- **Total pollution and GHG emissions must be analyzed from cradle to grave for this project**
That analysis must include all criteria air pollutants, ammonia, NO₂, and toxic emissions from every aspect of the project including waste disposal and pumping of water. That analysis must include all GHG emissions from the project and from the enhanced oil recovery process. Finally, the analysis has to look at pollution and GHG emissions from the mining of the coal, the consumption of the oil recovered by Occidental Petroleum which could not be recovered in any other way, and the consumption of the ammonia products in whatever form and whatever way.
- **Air pollution must be looked at from the perspective of health concerns in the SJV**

Residents of Kern County experience the worse air in the nation according to the American Lung Association in their annual State of the Air reports. <http://www.lung.org/associations/states/california/advocacy/fight-for-air-quality/sota-2011/state-of-the-air-2011.html>

The cost of this air pollution is over \$6 billion per year as documented in the Cal State Fullerton Jane Hall Study.

<http://calstate.fullerton.edu/news/2008/091-air-pollution-study.html>

The contribution of HECA to these health and economic issues must be considered.

- **Chemical plant must be permitted by Kern County not the CEC**

Just like DOGGR has been given the task to permit the CO2 injection, the county must do the permitting of the chemical plant. It is not just a zoning change matter for the county but a full blown local permit that is necessary for the building of this facility. The applicant already wishes this chemical plant to be treated separately in analyses about air pollution and GHG emissions. The CEC, of course, would ensure that CEQA procedures were followed by the county.

- **Area proposed for HECA is a floodplain with above average danger of flooding.**

The area has been flooded many times in the past. The rich top soil is direct evidence of many flooding episodes. One local resident commented at the DOE scoping meeting June 12 in Tupman that there were old treaties or binding agreements that say no flood waters may be diverted from the site. A careful examination of these claims must be made and analyzed as to their possible effect on the HECA project for the next 100 years. Rapid snow melt due to climate change gives an even greater possibility of flooding compared to recent history.

- **The Shafter monitor is an inappropriate baseline for local pollution levels.**

The applicant could have used a different monitor in Kern County for the baseline NO2 emissions. They chose instead to use the monitor in Kern County with the lowest baseline levels. The fact that the Shafter monitor is closer does not mean it is the best choice. There are many reasons why the Arvin Bear Mtn monitor is the better choice and therefore appropriate. Using the Shafter monitor allows HECA not to predict any violations of any air quality standard in the local area. This is not necessarily true if a different monitor had been chosen. Analyze the situation independently and determine if Shafter is the appropriate monitor for this situation. Do not depend on HECA or the San Joaquin Valley Air Pollution Control District to do this analysis. Both are biased in favor of the project.

- **Electricity used in the EOR process uses an inappropriate baseline for GHG emissions.**

The original application for HECA in Kern County used a GHG emission rate for the electricity used in the Enhanced Oil Recovery process which was far lower than the state average emission rate. We assume this will still be the case with the revised application. It must be determined if this is proper accounting.

- **The cost of HECA seems uneconomical.**

An analysis of the cost of HECA compared to the production of energy or fertilizer must be made. Assumptions should be made for cost savings in the future if multiple facilities were to be built. The cost of the coal should be included including transportation costs. All operational costs should be included. This cost factor or ratio must be compared to standard ways of producing these same goods or energy for society using other fuels like natural gas. This cost factor needs some comparison also with the cost of renewable energy such as wind and solar. The cost of capturing the carbon from gasifying natural gas should be compared to this process with the coal. The cost of other technology that has far fewer air quality impacts, such as using oxygen only in the combustion of the coal (or the hydrogen) or using natural gas only in a high tech facility with CO₂ capture should be compared to the HECA proposal in terms of cost.

- **The location is wrong for this type of project.**

Why does the project have to be on prime farmland? Originally the project was to be located in the hills closer to the oil fields. It is hard to believe that environmental factors that had to be mitigated at the first location were the reason for moving to and destroying prime farmland. If this were true why did a project like La Paloma get permits to build in the oil fields? How is HECA different than La Paloma so that it has to be located in the middle of prime farmland and disrupt surrounding farming operations as well?

- **Water use is very high for the local economy which is dependent on scarce water.**

San Joaquin Valley farmland has a water shortage. This is obvious from reading the newspapers. It is talked about continuously by state and local government officials. The brackish water proposed for this project is around 6.6 million gallons of water that could also be used to irrigate hundreds of acres of farmland if it is mixed with some fresher water. The word brackish is a relative term and the type of water proposed for this project is on the very lowest end of the brackishness scale. Water of only 1000 TDS, which will be in the mix of water according to HECA, could be used on Pistachio Trees with no fresh water mixed in. Another point is that the Buena Vista Water District may claim to have surplus water and that this use of the brackish water is a benefit to them. But, these claims do not determine if this benefit applies to other water districts or water banks in the area. Allowing fresher water to fill the pore space of the 6 million gallons of brackish water every year begs the question of where this fresher water is ultimately coming from. With the general shortage of fresh water in the valley it has to be coming from someone else who is already using it. Alternatives to the brackish water source under agricultural lands include using the brackish water produced in the nearby oil fields. There is a more than adequate supply of this produced water that goes into hundreds of acres of nearby percolation ponds where it

basically evaporates into the air adding massive amounts of VOC emissions to our already heavily polluted air.

- **Lack of adequate time for public to comment**

The scoping meeting for this DOE EIS was inadequate. There was not sufficient time for local residents to give their comments. Commenters were repeatedly cut off after a 3 minute time period. This frustrated several speakers who live or work near the project site and who were unable to get even one of several carefully prepared statements made. Some of them will never put their comments into writing. The DOE should stop all analysis until it can return to Kern County and properly listen to the concerns of all residents who wish to speak without such an arbitrary and short comment period.

- **This is a lousy demonstration project on several levels.**

The 500 plus tons of criteria air pollutants which doesn't count unknown ammonia emissions should not happen with such a high tech operation that is receiving such a massive taxpayer subsidy. Why should residents of Kern County pay taxes in order to breathe worse air in the hopes that carbon sequestration processes will not ruin their groundwater and all this from coal which needs to stay in the ground if there is to be any hope of preventing disastrous climate change.

- **The project is now a waste of stimulus funding**

This project is not shovel ready at this time. By the time it is ready it will not help the economy as intended by the Recovery Act. It therefore should be obvious that it no longer qualifies for the DOE subsidy. Senators McCain and Coburn already pointed this out specifically for HECA in a document he titled Summertime Blues in August of 2010. http://www.coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=e1e0624e-d02a-42d4-9dbb-f5b9f21b3572

- **ERC Interpollutant trading of SOx credits for PM 2.5 emissions is inappropriate.**

This proposal was already announced in the earlier AFC to the CEC. Our local air district believes these emission credits may be substituted on a 1:1 basis. EPA recommends such substitutions be done on a 40:1 basis. Not only are the emission credits themselves next to worthless in improving our air quality, this type of trading does no one any good when we have the worst PM 2.5 levels in the nation according to the American Lung Association.

- **Coal as a fuel in Kern County does not make sense.**

The DOE must justify why coal needs to come all the way to Kern County from hundreds of miles away in order to demonstrate CCS for energy from coal.

- **The alternative of air cooling needs to be considered.**

At least one other large power plant approved by the CEC for the San Joaquin Valley uses air cooling technology so it does not have to deplete any type of local water supply. This is the Avenal plant. Why does this

very high tech plant that some wish to call “clean energy” have to waste so much water and produce massive amounts of particulates at the same time from the cooling towers? Kern County residents suffer from particulate pollution year around.

- **The alternative of pure oxygen in the combustion chamber needs to be considered.**

Just like the lowered emissions obtainable with air cooling, if pure oxygen were used in the combustion chambers, there would be few NOx emissions. Only clean water would be emitted. This would be very appropriate for such a polluted valley as ours where NOx is considered by the air board as their number one problem.

- **Transportation routes and rail option plus the routes must be further analyzed including the relative effects from rail traffic vs truck traffic.**

The project must decide before receiving any permits or subsidies if it is going to build a 5 mile rail spur to the project or is it going to depend exclusively on trucks at the local level. The different scenarios present vastly different environmental impacts on local farms and nearby communities such as Buttonwillow, Shafter, and Wasco, and on the highways and roads connecting these communities. The choice of transportation options has to be defined and limited early in the permitting and analysis process and not simply left as an option for the project to decide after they have received permits and approval of this massive DOE taxpayer subsidy. We also request a statement from the DOE that they, or the federal government, will not initiate any eminent domain proceedings against nearby property owners in order for the project to build a rail spur, a power line, any road, or any pipeline. The CEC and the applicant have stated they will not implement eminent domain proceedings against neighboring landowners for a railroad spur. But, the possibility remains that Kern County or another government agency may condemn and take land for this project. The local land owners possibly affected should be told immediately if this taking of their land by force is even a remote possibility. It is patently unjust that local landowners did not receive an answer to this question at the June 12, 2012 meeting in Tupman.

- **Clean coal and Clean Hydrogen Energy are words/phrases being thrown about recklessly by the DOE, the CEC, and the project itself. But, these words have to mean clean in every aspect, not just lower CO2 emissions which don't harm the local environment directly unless greatly concentrated at ground level or in ground water. This is not a clean project in respect to the local environment. Stop using these words unless the project changes in a way to make it truly clean. Every time the DOE uses the initials CCPI (Clean Coal Power Initiative) it is implying that this project is clean which is far from the truth and very misleading to the public. We demand that a clarifying statement be made every time these initials are used in relation to HECA. The statement should say that clean means there may be lower CO2 emissions than from a regular coal fired power plant but this plant is certainly not clean in its direct effects on pollution that is defined by the**

Clean Air Act to be very detrimental to the health of the residents who must breathe it in the region where it is produced.



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
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**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 July 24, 2012, I served and filed a copy of the attached document dated July 27, 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 **A**
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:

California Energy Commission
Michael J. Levy, Chief Counsel
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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