

**April 11, 2013**

**Status Report Six from the Association of Irrigated Residents (AIR)**

**Re:**

**General Comment**

There seems to be far too many open issues for staff to release a PSA by the end of April. AIR requests that the PSA release be delayed until July 1, 2013 in order to clear up all current outstanding issues. Leaving open too many important issues and questions infringes on the public's ability to comment on the PSA and shortens the time frame for comments on that information not yet available.

One issue just raised by AIR with the air district, with the Regional Water Board and with the County of Kern is the fact of large amounts of coal spillage along the BNSF railroad in Kern County between Bakersfield and Wasco. There is also the issue of coal spillage in even larger quantities along the siding where the coal cars are continually moved and stopped. Obviously this coal comes from the coal trains unloading in Wasco for the past several years. It is assumed the same type of thing will happen with HECA coal train deliveries. This issue must be addressed by the applicant. AIR did their own investigation and discovered this problem which has been overlooked by the applicant and the CEC. Because it is now known to be a problem the CEC should include it in the PSA including mitigation measures. Then the public can comment on the mitigation. Here is video evidence of the coal spillage in Wasco and in Bakersfield. It is easy for anyone to see in person.

<http://www.youtube.com/watch?v=lw1rWOruj0>

<http://www.youtube.com/watch?v=wEQfvFESHvg>

**Kern Board of Supervisors HECA hearing**

On February 26, 2013, many members of the public, including intervenors AIR, HECA Neighbors, and the Sierra Club, attended the Board of Supervisors' meeting for a hearing on HECA.

During the hearing Seyed Sadredin, executive officer of the central valley air district, gave extensive comments about the project. Representatives from HECA, including James Coyle, CEO of HECA, also spoke. Everyone, including the public, were given two chances to speak in order to respond to information raised by others.

The entire hearing may be seen through this web link:

[http://kern.granicus.com/MediaPlayer.php?view\\_id=33&clip\\_id=2283](http://kern.granicus.com/MediaPlayer.php?view_id=33&clip_id=2283)

Here are some of the statements given by Sadredin at the hearing with responses from AIR. Everything in italics are quotes from Sadredin transcribed from the video of the hearing.

\*Indicates Change



**Statement one:**

*“...this project, if built, will actually result in a net benefit in air quality in San Joaquin Valley and in the region...”*

This statement was meant to clearly tell the public, who are concerned about the hundreds of tons of criteria air pollutants from this project, that the air in Kern County will actually get cleaner if this project gets built. This is a blatantly false statement. The majority of the mitigation is through the use of emission reduction credits which supposedly allow for new sources of pollution. These credits do not clean the air at the current time.

**Statement two:**

*“I want to talk to you a minute about the public health benefit that comes from CO2 sequestration. Obviously it is a great benefit in terms of greenhouse gases. But, in our district we care more about pollutants that protect public health than the climate change greenhouse gases. One thing that happens here, as you know, in this area with heavy oil production, you have to inject steam into the ground to get the oil out. To do that you have to burn fuel to generate the steam and put it into the ground to get the oil out. In this case, using CO2 emissions, that will minimize and reduce the need for combustors, boilers, steam generators to run at the oil field, to generate the steam that would otherwise have to be kicked back into the system. That is an environmental benefit that we did not give the applicant any credit for when we were calculating the amount of mitigation they have to provide.”*

This is false because Occidental has stated at earlier workshops that the enhanced oil recovery operation with the CO2 injection is designed to get oil out of the ground that other known methods like steam injection cannot. The 50 Tons of criteria air pollutants from the CO2 injection are an additional negative impact on local air quality and should be mitigated as part of the project. The air district did not consider these emissions but is saying this operation could theoretically be considered a credit against HECA's emissions.

**Statement three:**

*“Why do we use the Shafter air monitor as opposed to Arvin? In this case, if we use Arvin monitor, that's more beneficial to the project. And to understand that you have to look at how we use the air monitoring data from Shafter for this project. We use it to estimate the baseline emissions from this project. We use the cleaner site and the closer site, Shafter, as the baseline. If we had used Arvin, you know that area has the highest pollution concentrations in the region, the baseline would have been higher, and the facility's impact would actually be less compared to what we are measuring in Arvin. So if we had modeled this plant and tried to project what its impact would be in Arvin, the impact would have been even less. So, because we are using the Shafter monitor for the analysis that we have done, it is more conservative and actually magnifies the impact from this project... When the baseline is lower, which Shafter gives us, it puts a higher burden on the company in terms of its impact... By using a lower baseline in Shafter, it makes this impact look worse for the facility.”*

This is a false explanation for a couple reasons. The Shafter monitor was used as the baseline for NO<sub>2</sub> emissions which are actually higher in Shafter than in Arvin. So it is more conservative to use Shafter but not for the reason given by Sadredin. The purpose of establishing a background level of pollutants has nothing to do with the relative percentage contribution from the project as Sadredin tried to explain. The relevant point that was not given by Sadredin was an explanation of what was really measured at Shafter which was not ozone levels but NO<sub>2</sub>. Then an explanation should have been given that Shafter is not the most conservative site the applicant could have chosen in Kern County. Both the Edison and the California monitors would have been more conservative choices for measuring background NO<sub>2</sub>. The most conservative site(s) was not chosen because it would have made it difficult for the project to meet all ambient air quality standards like the one-hour NO<sub>2</sub> state standard.

**Statement four:**

*“I know there was one comment about these trucks or rail cars as they come in, about the coal dust that may be blown off of these trucks that may be a significant source of emissions. We have a lot of experience with that up north in the Port of Stockton which is part of our district and for years they had been bringing in coal and coke trains. There are two things that happened with that sort of transfer that leads to no emissions of dust from those activities. One is the moisture that is contained in the product as they spray them as they load them forms a crust or cake on these loads that are coming in and that really prevents any emissions or reduces them quite a bit. And they said that there might be some fines that get blown off very near to the source of origin. So there will be no emissions here but only in New Mexico in this case and not in San Joaquin Valley.”*

Sadredin is saying the air district experience in Stockton has told them there will be no coal coming off the rail cars and the unloading process is fully contained. But, the opposite is true about the coal trains that have been unloading in Wasco for many years and which is the unloading site for HECA if the rail spur is not built. In Wasco there are lumps of coal and coal dust lining the track for a full mile south of the unloading facility. There are literally several tons of coal just lying on the ground and weathering away. Strong winds will inevitably blow most of this coal away as it turns to dust. Some of it may mix with the soil in nearby farms and even wind up in the ground water. On top of that, if you follow the tracks these coal trains have used through Shafter and into Bakersfield, where the tracks of the BNSF join the Southern Pacific, there is coal visible along these tracks everywhere you look. Unless there is a change from current procedures there will continue to be coal spillage along the rail route in Kern County and even more spillage where the cars sit on a siding waiting to be unloaded whether that be in Wasco or at the HECA site.

**Statement five**

*“Obviously everyone agrees that we are requiring mitigation of stationary source emissions, the portion of the emissions that come from the plant itself.... For every pound of emissions that this facility emits we are requiring about one and a half pound of mitigation. So, fifty percent extra mitigation for their plant emissions.”*

The extra emission reductions are required by law. There is nothing extra in this mitigation. In fact the 1:1 ratio for interpollutant trading between SOx and PM10 is not even what is required by law. It is not even close to being enough. What is also implied with his statement is that credits were purchased for every pound of stationary source emissions. This is not true. There are thresholds for NOx, SOx, PM10, and VOC's and no offsets were purchased for emissions below these thresholds.

#### **Statement six**

*"This applicant was required to mitigate emissions associated with the delivery of fuel to the facility as well as removal of the waste. And we went through an exercise of quantifying under worst case scenarios what those emissions would be and have asked for full mitigation of those emissions both coming in and going out."*

Sometimes we hear there is a voluntary agreement and then we hear the applicant was required to make this agreement. The public cannot accept the reality of this so-called agreement until it has a chance to see it in writing. It is not in the PDOC. When it is made available and there will be a proper analysis to see if all emissions from mobile sources are being fully mitigated. Right now the air district can say anything it wants and it does not mean anything.

#### **Statement seven**

*"In the application, the applicant has estimated the emissions to be 106 tons of NOx emissions from the ongoing mobile sources attributed to the project. The correct number is only 40 tons so there is a 66 ton discrepancy there. The applicant has committed to make that fix in their application with CEC."*

If this is true then for months the public and the CEC has been given wrong information about the project's emissions from mobile sources. This must be cleared up so that the public, the CEC and the intervenors can see the actual numbers. Where is the explanation in writing for this statement that calculates the numbers? Why should we believe the air district is correct when HECA has made no public move to correct these numbers? Why was the CEC so wrong on assuming these numbers were correct?

#### **Statement eight**

*"...many of the environmental groups across the nation, they are asking that all the coal power plants use this technology as clean coal technology.... CEC, and also the federal government, they like this project because of its carbon sequestration or CO2 sequestration."*

There are a lot of environmental groups that do not like this technology. Most think we should not be using coal in any form. The Sierra Club is one such group. Certainly the valley wide coalition of air quality advocates called CVAQ does not like this project. We need the names of who supports this technology, not just hearsay. When has the CEC said they like this project? That is incorrect. The CEC has not decided if they will approve the project so why is the public hearing they like it.

#### **Statement nine**

*“In fact, the emissions from this power plant, the nitrogen oxide emissions, which are the key pollutant, the emissions will be the equivalent to a clean natural gas fired plant that we have in California or that we would require in California. So, their emissions in terms of nitrogen oxide will be about 2 and ½ parts per million, that is exactly what you would get from a well controlled natural gas power plant that everyone would prefer to see in California.”*

The Avenal power plant, approved by the CEC, has an emission rate for NOx of only 2 parts per million. That is significantly better than this project. That difference represents tons of additional NOx emissions from HECA. Avenal represents a well controlled natural gas power plant approved for California by the CEC which is much cleaner than HECA.

#### **Statement ten**

*“So I want to spend just a minute going through what these ERC’s are all about. It’s a very complicated process that we could have an all day workshop on just how banking and credits and the air pollution business work. But I will give you just a quick snapshot of how credits come about and how we use them and how we make sure that they are real-time, contemporaneous reductions in emissions regardless of the age of those credits.”*

Emission reduction credits are based on reductions in pollution that took place in the past. They are not, and never will be, real-time, contemporaneous reductions in emissions.

#### **Statement eleven**

*“We do not just take the facility’s word on their emissions. This facility will have continuous emission monitoring on the stack. We are also measuring toxic emissions, not just NOx emissions and the criteria air pollutants.”*

No, they are not measuring air toxics/HAPs continuously. The PDOC requires an initial speciated source test for the various HAP emissions sources. Source tests are planned and the Applicant will make sure that the plant runs at its best. The results from these speciated source tests will from then on be used to calculate HAP emissions to demonstrate compliance with the limits. If the plant runs at less than optimum conditions and emits more HAPs, the District will never know.

#### **Statement twelve**

*“The way we make these credits available and make real-time improvements to air quality is that we put these credits in our inventory as an increase in emissions which then have to be mitigated with other measures to reduce their impact. Why do we do that? Well, To put a ban on growth would actually be bad for public health.”*

This is an incomprehensible statement that is never explained by Sadredin. There is plenty of room for growth in the valley for businesses that do not pollute the air like HECA. Businesses that do pollute the air this much should be banned. That is not a ban on growth. Just because HECA will give some money to the air district does not mean that is good for public health with respect to the pollution they are creating.

### **Statement thirteen**

*“I am not here to advocate for the project. That is not our job. I just wanted you to have the facts...”*

At this point, towards the end of Sadredin’s 20-30 minute talk, the audience, who had come to the hearing with serious concerns about the project, could no longer contain itself and there was loud spontaneous, laughter throughout the Supervisors’ Chambers. These comments by Sadredin were clearly meant to support this project and it was laughable to hear him say otherwise.

There is a clear pattern in Sadredin’s comments of support for the project and misleading information. One statement alone would not be so bad but these thirteen comments, taken as a whole, tell us that the air district is not being very objective about this project as they should be. Worse than that, the air district has chosen not to tell us all the facts but only those facts that make the project look good. Finally, the air district is telling the public some things about the project that are obviously false.

The CEQA process demands that accurate information be given to the public. It should be noted that the applicant made no attempt at this hearing to clarify these comments from Sadredin.

Tom Frantz  
President, Association of Irrigated Residents



**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  
PROOF OF SERVICE  
(Revised 3/4/13)**

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### **DECLARATION OF SERVICE**

I, Tom Frantz, declare that on April 11, 2013, I served and filed copies of the attached status report, dated April 11, 2013. This document is accompanied by the most recent Proof of Service, which I copied from the web page for this project at: [http://www.energy.ca.gov/sitingcases/hydrogen\\_energy/](http://www.energy.ca.gov/sitingcases/hydrogen_energy/).

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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, and that I am over the age of 18 years.

Dated: April 11, 2013

signed electronically

Tom Frantz