Document CAL08

the public binational, local interest.

The draft study supposes, almost in good faith, nor mentions that a similar detail professional impact study for the power lines in the Mexican line has been conducted and submitted for public revision and comments. In that same respect, it also fails to mention of the revisions and reequations (phonetic) that have resulted from such initiative. Since this initiative has not been taken place, there are no reequations to that Mexican side of that MIA document.

In this respect, I can only comment that any document consultation, copying requests or a evaluation needs still be made directly to Mexico City, not the Energy Commission offices for access have been, in my case, denied. CAL07-5 (cont.)

This point in case is fundamental to know because of the limitations and responsibilities of the permit seekers on each of the sides of the border and the social commercial names stated on their respective companies. In any event, if they are responsible as legal entities to confront any given issue or correction of actions against them by the authorities or communities themselves.

Again, I thank you for allowing me to speak. Hopefully this time we'll get it right. Hopefully. And I know that it's a -- it is not easy when there is no criteria, there is no legal, constitutional mandates that

will allow parties of the two nations to come together and do a binational evaluation. Not passing by, but incorporating mutually our laws and our environmental criteria that has never be done in the border towns.

That could be one of the most strongest suggestions that we could make. We need to work binationally so that if we are to do something right binationally that will benefit the two sides of the border fence, it should be with the undertaking of the two governments doing the same thing in the same place for the same people. CAL07-5 (cont.)

Thank you.

MR. ANTHONY COMO: Thank you.

MS. ELLEN RUSSELL: Carlos, is this the address you want us to use or should we use your Calexico address?

MR. CARLOS YRVRETAGOYENA: It is easier for you to send me anything to my P. O. Box, than it would be anything else.

MR. ANTHONY COMO: Mr. Bill Powers.

MR. BILL POWERS: Bill Powers with the Border Power Plant Working Group. Powers, P-O-W-E-R-S. What else am I supposed to provide? That's it.

I think, since we've got -- it's 7:00. I probably need a little more than ten minutes, but not a whole lot more. Maybe 20 minutes or so.

I think what I would like to do is, one, to thank you for having this comment hearing, especially well in advance of the end of the comment period, so if we have additional comments we can still get them in in time. And I think, since I have submitted comments to you already, I would like to give just a brief overview and then just a summary of each one these comments.

And my overall impression of the document is that the -- last May and June, many of the people here weren't involved in this, but we had court hearings in San Diego before a federal judge and we got into a lot of the details of this case and we had expert declarations from the DOE, from Sempra, Intergen, from our side, back and forth. My impression really was we were getting into such technical detail at such a level that we are, in fact, doing an EIS as we went through these declarations back and forth. At least, we were providing the framework for doing a really detailed EIS.

And my impression from the EIS is that little, if any, of that information from those declarations served as a point of departure from the document. It's almost as if we went back to the period when we were looking at the environmental assessment in the FONSI. And the authors were working off of information from late 2001 without incorporating all of that tremendous amount of good

CAL08-1

information that was in there. So that's an overview of the document.

CAL08-1 (cont.)

We've got 13 comments and some of them are simple and some of them are a little more detailed. And in writing these comments, they are really just in chronological order. How is it that the draft environmental impact statement was written in a certain way, then bang, the first time something is seen, comment.

Comment No. 1 is very straightforward: DEIS must explicitly state that the New River flows north into the Salton Sea National Wildlife Refuge so reader understands significance of New River quality issue.

Most people here understand the river flows north. Anyone outside the region that would be a surprise. And, I think, that should be front and center. This is going north, it's going into the U.S. If it was going south, we don't care. Not to offend anyone from Mexico, it's just from a U.S. environmental assessment, if it's flowing south, it's in Mexico.

CAL08-2

The next comment is more substantial: DEIS cites incorrect interpretation of Executive Order 11214 as basis for determining that project impacts in Mexico are outside the scope of the EIS.

CAL08-3

That's a one-sentence citation in the document. Because the Executive Order from the Carter era was written

that there is -- this is a shield. We don't look at impacts in Mexico. And I did read this order after seeing that, and it's interesting, because it seems that the intent of the order is the exact opposite of that. The order states: This order furthers the purpose of the National Environmental Policy Act. Agencies shall establish procedures taken into consideration in making decisions. Major federal actions significantly affecting the environment of a foreign nation.

This is telling us that you're going to do something that could affect a foreign nation. You have to look at what's happening in the foreign nation.

It also states: Nothing in this order shall serve to invalidate any existing regulations of any agency, or pursuant to judicial settlement of any case, measures in addition to those provided for herein to further the purpose of the National Environmental Policy Act.

Well, this case is under a judicial order, and we are doing this because of a court environment where the judge explicitly said she would like to know what's going on in Mexico. And so in reading that, just reading what's there, it would seem not only is it not justification for not looking at impacts that are occurring in Mexico, pulmonary sickness or water issues, this Executive Order is actually justification for looking at those. Not for

CAL08-3 (cont.)

ignoring them.

And my recommendation is to leave the reference to Executive Order 11214 as justification for ignoring assessments and include information that was provided to Argonne back in February, which is explicit. It tells you how many cases of asthma, how many cases of other pulmonary sicknesses there are in Mexicali. And it's important to roll Mexicali in, because Mexicali is five times bigger than Imperial County. So you are talking about "X" cases in Imperial County, you're talking about five "Xs" in Mexicali. So it's important information.

CAL08-3 (cont.)

Next comment: DEIS fails to analyze the preferred parallel wet-dry cooling system alternative.

DEIS simply states that dry cooling imposes a 10 to 15 percent efficiency penalty on the steam cycle. And the -- obviously, if you've got a big penalty like that, you probably want to stay away from it.

But this is where, as a professional engineer, I have a real bone to pick with the DEIS, because that is a misleading statement. The overall efficiency impact of dry cooling is more on the odor of 1.5 percent or less. And this is -- we have another project currently in the process of being permitted. Most of these are built, but that's in the process of being permitted, which is Blythe II Power Project, which is referenced in the document, 520 megawatts,

CAL08-4

Blythe.

The California Energy Commission staff is recommending dry cooling at that site. And they identified in their preliminary decision, they estimate the efficiency impact of dry cooling in Blyth, which is just as hot as Mexicali, is 1.5 percent or less overall. And so at a plant nearby under the same conditions, the California Energy Commission is telling us that the overall efficiency impact is one-tenth or less what is stated in the EIS. Again, for the steam cycle, that means nothing to someone who is a power plant engineer.

We did have a scoping period and we submitted scoping comments, and we recommended that the appropriate cooling system here, especially since these wet systems are built, is it be retrofitted parallel with a wet-dry system. And it's spelled out in detail in the scoping comments and the backup papers are provided. And we can provided them, again, with these comments.

But that parallel wet-dry cooling is dismissed as using 50 percent of the water of a wet system in the EIS. You could build it that way. I wouldn't recommend doing that. And I would say that since we provided so much specific, detailed information on how you would do it here, that that information needs to be looked at.

Recommendation on this is: Incorporate wet-dry

CAL08-4 (cont.)

cooling in both of these plants retrofitted to incorporate wet-dry cooling. Make it simple, give the developers, the operators a target. You reduce your water use 90 percent or more from what is currently identified. Consumptive water use is at nearly 11,000 acre-feet a year, which is over three-and-a-half billion gallons a year, the target is 90 percent or less reduction. You can use that water whenever you want. If you want to use it at the peak of the summer when it's hot, you can run it as a straight wet system and get maximum megawatts, but you are conserving water at the system.

And a couple of the attachments that are provided are, one, a paper written by Hamone (phonetic) Dry Cooling on how you build a wet-dry system to minimize that water use. Two is the one retrofit from wet to wet-dry that's been done in the United States. An excellent paper was given on that a couple years ago at the Dry Cooling Symposium, and that paper is provided as an attachment. That system is probably one-fifth the size of the steam cycle here, but it's an example of how it's done and where it was done and what the cost was like.

CAL08-4 (cont.)

Next comment, Comment 4: PSD increment analysis significant impact levels are not applicable.

This surprised me, because this first comment, in fact, it was identified in our scoping letter to the DOE, is

CAL08-5

that the fundamental problem with this whole air quality assessment that has been done to date is, it assumes that Mexicali is kind of a fictitious attainment area. The analysis that's been done by DOC's consultant is toward sources located in an attainment area. It's call: Prevention of Significant Deterioration. It's intent -- in fact, it's quoted in the document. It is for an attainment area. And its intent is to ensure that if you put a source in an attainment area, that you are not making the air considerably worse in that attainment area. Don't use it when the source is in a nonattainment area.

And in this document, the DOE, you do cite, you do use Mexicali ambient air quality data. You do show in the appendix that includes that information that it is a nonattainment area by U.S. standards. Obviously, it's not U.S., but if you were applying the Clean Air Act regulations, like the PSD regulation, you got to follow the regs. You can't just pick it and say: Because the PSD format allows these significant levels. We trigger those significant levels, we got to do something to mitigate, offset. We don't trigger the significant levels, we don't have to do anything. The point here is you can't pick and choose. If it's not in an attainment area, you can't use an attainment area standard to judge whether you need to mitigate. CAL08-5 (cont.)

Recommendation to this: Follow the correct application of Clean Air Act requirements and in doing so you will identify that we need NOx and PM-10 offsets for these projects. CAL08-5 (cont.)

Next comment. Straightforward: Include a summary of Mexican Ambient Air Quality standards in the document. CAL08-6

Include a summary table. There are -- what's used in the document to provide an indication of air quality is annual average concentrations. And I think, really, what counts is the short-term peaks, that's where all the attainment violations occur. And what the document needs is a summary of the number of days where Mexicali is exceeding these short-term peak standards for ozone and PM-10 and CO. CAL08-7

Next comment, Comment 7, is: DEIS provides no verifiable information on what processes at the these two power plants, these wastewater treatment plants, are removing salinity, removing TDS.

This was actually a major issue during the hearing before the judge, and the question was: Claims are being made for a lot of salinity removal, 9 million pounds a year of salinity is being removed in the wastewater treatment plants at InterGen and at Sempra. And the question was: How? With what equipment? How is it being removed? We don't see any indication where you've got a process there that's specifically removing salinity. CAL08-8

And the experts for the companies claimed, correctly, that the salinity going into the treatment plant was approximately 1,200 parts per million, milligrams per liter. And in another declaration the claim was made that the salinity of the treated water coming out of the plant is essentially 1,200 milligrams per liter. Making our case, that we see no process where you are removing the salinity.

The company's own personnel and their own experts are validating that they are not removing salinity, yet in the EIS, after we have had all these declarations go back and forth, we get the exact information that we had in the original environmental assessment. We are removing 9 million pounds a year of salinity, and you have to accept our word on that. No description of the equipment that's doing it, how it's happening.

And this is absolutely fundamental, because one of the reasons, in my opinion, the plants weren't shut down last summer is because of this drumbeat claim again and again and again that major salinity removal is occurring in those wastewater treatment plants convinced the federal judge that these plants needed to keep operating from that clean-up guide. Yet we have expert testimony from the plants, themselves, indicating this isn't happening. So that's an issue that -- it will eventually get sorted out. Hopefully, we will get it sorted out in the final version of

CAL08-8 (cont.)

the EIS.

CAL08-8 (cont.)

The Comment 8: Brine discharges from the plant exceed 4,000 per milligrams per liter salinity the limit prescribed for the Colorado River Basin and that these brine discharges must be mitigated.

This is reported in the DEIS, that the salinity discharges or the brine discharges at the river range between 4 and 5,000 milligrams per liter. DEIS, also, identifies that the Colorado River Basin Regional Board has 4,000 milligrams per liter ceiling limit for the basin. And in one of the expert declarations provided by one of the plant experts indicated that as the New River reaches its terminus near the Salton Sea, the concentration of the New River is 4 to 5,000 milligrams per liter. So the standards, if we are using that as a benchmark, we have issues with that direct discharge into the river being greater than 4,000 mg/l, and issues with the New River, essentially, exceeding 4,000 mg/l before it hits the Salton Sea.

CAL08-9

And the -- two comments here, at least, as far as recommendations are, it needs to be mitigated. And one effective way to mitigate is eliminate those discharges to the river. And there are -- several plants are cited as, a little later, there's a cumulative impact analysis that includes three plants. It includes Blythe II, which is, as just mentioned, a 520 megawatt plant. How did they get rid

of their wastewater? They send it to evaporation ponds. Not a great plan, but it beats discharging straight to a river.

Salton Sea Geothermal Project, they reinject into the geothermal reservoir and eventually use some of that again in the power production.

The bottom line is that if this plant -- if these plants were located a couple miles north, they wouldn't be discharging directly into the New River their brine, and that needs to be mitigated. One way to really reduce the amount of mitigation that needs to be done is, again, to incorporate that parallel wet dry-cooling system. If you do that, reduce your wastewater discharge stream by up to 90 percent, you've got a lot smaller clean-up to get rid of, a lot smaller wastewater stream to get rid of.

So the recommendation: Mitigate wastewater discharges by retrofitting these wet systems to parallel wet-dry systems, and mitigate the remainder by what is known as the zero liquid discharge system. Whatever works. But don't discharge the brine directly to the river.

Comment 9: Conformity analysis. This is a little bit of a technical issue, but whenever you have a federal action and a nonattainment area, you have to examine if and how that will impact the area and how you can eventually get it to attainment.

And this is one issue I had with the DEIS, as well, when it looked at the conformity analysis, which is much of the document looks at the economics, looks at the power plants, looks at the emissions, impacts. But when we talk about the conformity analysis, we switch gears again. Now we are just looking at the transmission lines. And we say: Okay, the transmission lines, well, almost no emissions there.

But the conformity analysis thresholds are 100 tons per year NOx, 100 tons per years PM-10. If you isolate the power plants and they are not in that conformity analysis, you're in great shape because the transmission lines are not emitting anything.

And in this case the recommendation is: Include the power plants in that conformity analysis. When you do that, you trigger a conformity analysis without a doubt. You have hundreds of tons of PM-10 and NOx from the plant.

And I do want to go ahead and read from the court order, the original one, May 3rd, 2003, and this is from the order, itself. The judge says: Here the scope of the action relates only to the transmission lines, but the nature of the action includes the full scope of the analysis, including the effects of the action. The nature of the action, therefore, includes the importation of power generated in Mexico. Indeed, to leave out the secondary

CAL08-9 (cont.)

CAL08-10

CAL08-10 (cont.)

1 impacts would be at odds with the purpose of the
2 alternatives analysis, which is to provide a way for an
3 agency to calculate and compare the various predicted
4 effects of alternative courses of action. The analysis
5 would be arbitrary in itself if it did not take into act all
6 the effects of the proposed action.
7 And I think that's an excellent summary of why
8 it's arbitrary when you're looking at the conformity
9 analysis and then to say: All we're dealing with is the
10 transmission line and we won't include the power plants.
11 Because if we do, we trigger conformity and we have got to
12 do the evaluation.
13 Comment 10. Another issue related to these
14 declarations that went back and forth. One of the things
15 that came up was ammonia emissions in the plants. Control
16 systems are being used that require ammonia and ammonia
17 comes out the stack. Ammonia can, in the atmosphere,
18 combine and form a particulate. And so the question came
19 up: How much secondary particulate PM-10s are we going to
20 get from the operation of the plants.
21 And the plant's expert on this actually got down
22 to calculating a number, 1.8 micrograms per cubic meter for
23 20 hours. This is an important number, because once we get
24 enough of a push, we have to look at mitigating. And so we
25 had that number and it was quoted in the final court order

CAL08-10 (cont.)

CAL08-11

1 that the judge noted this number, and it was based on a very
2 low level of emissions of ammonia. The objective of that
3 declaration was to avoid getting a, basically, a shut down
4 on the plants because of these additional secondary
5 particulate emissions.
6 So to do that, the expert said: Well, we are not
7 going to look at what's required under the Clean Air Act,
8 which is you look at the potential to emit. If the court
9 has an emission limit of 10 ppm and when you do your
10 modeling and you look at 10 ppm, you don't say: Well, we
11 are just looking at one year, catalyst is fresh, so we're
12 going to assume it's only admitting 3 ppm. And we're going
13 to assume we are only going to operate the plant 60 percent
14 of the time or 70 percent of the time.
15 If you attempted to ration it down like that in a
16 U.S. air quality analysis, unless the plant is taking a
17 permanent condition which says we will not exceed 3 ppm, we
18 will not operate more than 70 percent of the time, it
19 wouldn't -- that approach wouldn't last five minutes. You
20 wouldn't do an analysis based on that.
21 You go to the Clean Air Act. It's explicit. If
22 your limit is 10 ppm, you run your analysis at 10 ppm. You
23 are not taking any restrictions in your operating hours, you
24 run it 8,750 hours a year. That's just background
25 information.

CAL08-11 (cont.)

Well, the good doctor runs the analysis. He assumes 90 tons a year of ammonia and he comes up with this number, approximately, 2 micrograms per cubic meter. The magic number is 5. If you hit 5, you have to do something. He comes up with 2. Well, no information is provided in the DEIS how many tons we are assuming in terms of ammonia.

But when you look at the appendix, which tells you what the emission limits are and what the potential to emit is, it's approximately 500 tons. More than five times what the doctor used to do his analysis.

What the document tells us is not to worry, de minimus. The amount of secondary particulate we're going to get from ammonia is de minimus. And that it's going to be on the order of 1 microgram per cubic meter.

CAL08-11 (cont.)

Well, this document is telling us that we are going to be on the order of 1 with emissions that are five times greater than what Doctor Heisler, under oath before the court, said would be, approximately, 2 in June of 2003.

That's why I'm saying -- there's representatives here from Argonne, the consultant -- but there is such a disjunct between what the EIS is saying and what we know from an under-oath declaration, that that has to be addressed. If you simply say the model is different than the one that was used a year ago, it's roughly the same. And if you were just to extrapolate what it should be

telling us, it should be telling us we're around 9 or 10 micrograms per cubic liter, not on the order of 1.

So this will be a major issue here, this Comment 10 on secondary PM-10.

Recommendations are: We have a major disjunct. We have to get it sorted out as to what assumptions did the modelers make and we need to see those assumptions and we need to corroborate them. Why is there such a difference between these two.

CAL08-11 (cont.)

Comment 11: DEIS must define offsets as necessary mitigation for PM-10 and NOx emissions and describe the specific offsets that will be obtained.

Following on the earlier comment that just the misapplication of the PSD regs is really what has led to this concept that we have some kind of increment that if we stay under we don't have to mitigation, which is a constant theme between the EA and the draft EIS.

There is some good information provided in the EIS of what offsets are available. There's a description of 23 miles of road paving in Imperial County, 650 tons. That's nearly the tonnage of PM-10 that's coming from the two facilities' export component. That's a good start. CAL08-12

Road paving, one attraction, this is just a personal observation of the road paving end, especially if any of it goes on on the Mexicali side, it's pretty easy to

verify. You don't have to have a lot of administrative references to go out and see if a road is paved and is staying paved.

The document also notes, correctly: NOx and PM-10 mitigation opportunities in Mexico could also prove to be beneficial and cost-effective. These might include road paving, replacing older automobiles and buses, and converting fuel used in brick kilns to natural gas.

I agree 100 percent. There's excellent opportunities in Mexicali. Very cost-effective.

And, also, I want to point out that these plants are competing in a power market in California. And it was a surprise to learn last summer that these plants are actually considered local California facilities. They are under the control of the California Independent System operator. Plants in Arizona and Nevada are not. These facilities are considered local California plants. They compete with the same power markets as other merchant plants that are built in California.

One of those merchant plants that is about to commence construction is the Otay Mesa near San Diego, which is two miles north of the border. Otay is going to be paying approximately $30 million for PM-10 and NOx offsets. Pretty innovative offsets, as well. Also interesting is the dry-cool plant, and it is the standard of comparison for

other plants that are competing in that market that are located in this area.

Blythe II, the project I mentioned earlier, is still in permitting, but the CEC, California Energy Commission, staff is recommending that be a dry-cool plant. And so it's important to put this in context, that the plants that are competing with these plants are either seriously looking at dry cooling or are dry cool and they are paying a lot of money for offsets of their emissions.

CAL08-12 (cont.)

Another issue that was dealt with earlier will be dealt with some more, I think, is that DOE must include impacts from power plants supplying the second circuits on the Intergen and Sempra plants in the cumulative impacts analysis.

CAL08-12 (cont.)

And, again, as the folks here know, the transmission lines were built. Currently those transmission lines are moving the power from, approximately, 600 megawatts of power production on each line. That's a single circuit. They're double-circuit systems, so they can handle double that amount of power. The analysis only looks at that one circuit, presuming that the second circuit will never been used, at least, it won't be used in a time period that matters.

CAL08-13

And the EIS relies solely on information, from what I could see, that was provided by Sempra that says: We

have no plans to construct a second plant anytime soon. And I definitely challenge that information, because obviously they have a strong financial interest in not indicating that there would be a second plant built anytime soon, because any additional emissions -- we double the emissions on that line, then the pressure, in terms of emissions to mitigate and offset, are going to be that much greater.

So I think it's useful that they have contributed to you some information, but that's definitely not where the analysis of cumulative impact stops in determining whether there will or will not be a second plant using the second circuit in the next ten years.

And I think the 10-year time period that the EIS identifies is cumulative impact, foreseeable future, that's fine. 10 years is fine. That's long enough.

The DEIS only cites three power products in that cumulative impact analysis, saying that this is all we see happening. One is Blythe, which I mentioned, the geothermal project Salton Sea or Salton Sea No. 6 geothermal. And then another project in Yuma, the Wellton-Mowhawk 600 megawatt project.

According to the California Energy Commission, both Blythe II and Salton Sea, the two California projects, they are supposed to be on line in 2006. Two years. They are -- the geothermal project is permitted, the Blythe

CAL08-13 (cont.)

project is in the final stages of being permitted. Wellton-Mowhawk project was approved a year ago by the Arizona Corporation Commission. It's expected to be on line in 2006 or 2007, if it's built.

So the three projects that are identified in the EIS are all U.S. projects and they are all, at least, slated to be built in the next 2 to 3 years, leaving us 7 to 8 years of, apparently, no activity anywhere in the region that could impact the cumulative impact analysis for this project.

That's where this issue of Executive Order 11214 come in, but we're not looking at things going on selectively in Mexico. Because, if you look at what's going on in Mexico, there's more activity down there. The Mexico Secretary of Energy at the invitation of the Secretary of Energy, United States, Spencer Abraham, gave a presentation in Washington on December 17th, I think, at the LNG Ministerial Summit.

And he was there to underscore Mexico's dramatic need for LNG and gas because of the huge power construction boom that will be occurring in Baja, California over the next ten years. He had specific numbers. 2055 megawatts of additional power projects in Baja over the next 10 years. That's a doubling of their power-generation capability, including these plants that are exporting to the United

CAL08-13 (cont.)

States in 10 years.

In another venue I had a meeting with the Sempra representative about a month-and-a-half ago where they indicated that, we're talking LNG at that point, but they were talking about: No, no, this is not for California. Half of this LNG will be going to Baja when the plant starts up in 2008. That's four years from now. And by the middle of the next decade, all of it will be going to Baja, California.

We are talking about volumes of gas, if half of it goes to Baja, that's almost a tripling of gas use. And all of it will be used in power plants, essentially.

So we've got the Secretary of Energy in Mexico telling us: We're going to double our plant output in Baja, California in 10 years. We've got Sempra telling us: We are triple our gas sales to Baja in four years and we are going to, by a factor of five or six, in 10 years. And we know that virtually all this gas is going to power plants.

We have another document, that was actually submitted earlier, where -- it's a CFE presentation a year ago -- where they identified on their transmission expansion plan, 2003 to 2007, Sempra's second 600-megawatt project here in Mexicali by 2005. That's not going to occur. They haven't done the permit yet, they haven't broken ground.

But, to me, that's a sufficient amount of evidence

to indicate we are going to get more projects and they are going to be using those transmission lines.

So the point here is that all of that information has been provided to the DOE as attachments to this document and the analysis needs to include the second circuit being utilized in the cumulative analysis. CAL08-13 (cont.)

And the final comment is: The EIS needs to recommend permit conditions. The presidential permits need to have environmental conditions in them. And the case study for this is what happened with InterGen's EAX server when we went through -- some of us were in the hearings that we had last summer where the original EA assumed that this turbine was equipped with an advanced NOx control system, all the modeling assumed that is was equipped with advanced NOx control system. The judge assumed it was equipped with the system. We looked at all of this data about impacts, in part, because it was presumed that the system was on there, of the issue of shutting down the plant went in favor of the plant. They weren't shut down. CAL08-13 (cont.) CAL08-14

And, by chance, it became apparent that the unit wasn't equipped with an SCR. I know we talked about last summer is: Wait a second. If Mexico has their own authorities, Mexico inspectors are out there checking these facilities, they are on top of it, there's no need to have any conditions in these presidential permits, that's an

1 issue for another party.
2 Well, obviously, that party didn't get the word.
3 And I think one of the issues here is that there's no
4 crosstalk of any kind between U.S. authorities and Mexican
5 authorities. The best I could tell, they weren't aware that
6 that was a requirement for that facility, a least to hear
7 them tell it.
8 So I think, as a result of that incident, which I
9 think was fairly embarrassing for Intergen and everybody
10 involved, given that an SCR is a fairly big system and it's
11 hard to miss when it's up and running, that we need permit
12 conditions. We need permit conditions that include
13 monitoring and reporting that the facilities are actually
14 meeting their commitments and it needs enforcement.
15 And I have some suggested permit conditions here,
16 and I think that will be the extent of my comments. One is
17 that all of the PM-10 and NOx emissions from the facilities,
18 approximately, 700 tons of PM-10 and, approximately,
19 400 tons of NOx need to be offset in Imperial County and,
20 where appropriate, in Mexicali, as well.
21 That the DOE have a condition that must state
22 clearly that you will enjoin the use of the transmission
23 lines if the monitoring and reporting information reveals
24 that the facility is not meeting the commitments that they
25 made in the EIS, in the document. If they say there's going

CAL08-14 (cont.)

1 to be 4 ppm NOx, 4.5 ppm NOx and we are getting information
2 that's showing that the SCR is down and they are
3 operational, the transmission line is shut off until they
4 get it fixed.
5 Everyone on this side of the border is flying
6 completely blind. We have no idea if the SCR is
7 operational, if they are meeting -- if there is no reporting
8 going on, there is no data passing hands.
9 One of the frustrating issues that occurred with
10 this incident with the EAX turbine is, suddenly they got it
11 installed, and they are on line. I don't think the judge
12 was provided with the information that indicated that they
13 were meeting their emission limit. We sure weren't. It's
14 just they say it's in, they're on, we are good to go. We
15 are still completely blind. We don't know what level they
16 are operating at. So we need, especially with this
17 incident, to have conditions in there. It's a case study of
18 why you need good monitoring reporting and force issues with
19 a permit.
20 The water issue should be kept simple. Right now
21 the estimated use of water is 11,000 acre-feet a year. Cut
22 it by 90 percent. 1,100 acre-feet a year, split it
23 appropriately between the two terms. Use the water anytime
24 you want, but that's your limit. You have a water meter.
25 You exceed it, you are in violation, transmission line is

CAL08-14 (cont.)

shut down. Let them take care of the details of what system to build.

And, finally, the issue of discharging high salinity wastewater to the New River. Stop it. Prohibit it. Install a system that takes care of that issue, and that those are -- the hammer is, if it doesn't get done, they are denied access to the transmission lines.

I would like to read just one other thing that came out of the court order, which I think is an excellent observation by the judge: Although defendants argue that international sensitivities preclude conditioning the permits from being a reasonable and feasible alternative, such a discussion belongs to the EA's alternative analysis rather than a litigation brief. Furthermore, the court is unconvinced that the federal government's jurisdiction to ameliorate negative environmental effects within the United States necessarily offends international principles of law. The condition would not be a direct regulation of Mexican power plants; those plants could still choose to sell power to the Mexican markets or transmit their power via an alternate route rather than meet the condition.

Absolutely right. If the proponents have a problem with reducing water usage, with offsetting air quality impacts, with stopping direct discharge of brine to the New River, they can choose to sell their power to the

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Mexican market or go another route. They do not have to do this. And it is not imposing a burden on Mexico. It's simply insuring that those plants are up to par on environmental issues.

So that's it for my comments. I do have one more observation, and that is that I am in the engineering business and I do subscribe to a bunch of different magazines, and I subscribe to Gas Turbine World. I can see a couple people who must subscribe to it as well up here in the audience, probably not most of you.

And there is an interesting comment. This is Gas Turbine World, April/May 2004. This is the most recent edition. It came out a couple months ago. This is kind of a promo for -- that was put in by Sempra Energy. Last page. Mexicali plant spurs serge in capacity. And just a few paragraphs on the advantages of Mexico, starting about three paragraphs in: Other plants stationed in Mexico sell power primarily into the U.S. grid with gasping supply from indigenous U.S. suppliers. Strong economic advantages for the Mexican programs include availability of low-cost labor and avoiding some of the stringent environmental rules for new U.S. facilities. Another overriding factor is that under Mexican regulations permitting for a new plant takes only six to eight months compared to much longer periods, usually twice that, to gain approval for U.S. projects.

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