Document 0004, Attachment A

PAPER NO: TP03-01
CATEGORY: DRY COOLING

COOLING TECHNOLOGY INSTITUTE

WHY EVERY AIR COOLED STEAM CONDENSER NEEDS A COOLING TOWER

LUC DE BACKER Ph.D.
WILLIAM M. WURTZ
HAMON DRY COOLING

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Presented at the 2003 Cooling Technology Institute Annual Conference
San Antonio, Texas – February 10-13, 2003

Document 0004, Attachment B

CEDAR FALLS UTILITIES
CEDAR FALLS, IA

STREETER STATION
Unit #7
Wet/Dry Cooling System

Document 0004, Attachment C

Document 0004, Attachment D

MAY-21-2004 16:48 GREENPEACE 415 2559281 P.03/04

Sempra Energy

Michael Murray
Director
Environmental & Safety Policy
101 Ash Street
San Diego, CA 92101-3017
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Fax. 619.696.4248
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May 21, 2004

Mr. John Coequyt
Energy Policy Specialist
Greenpeace
702 H Street, NW
Washington, D.C. 20001

Dear Mr. Coequyt:

As Sempra Energy's director responsible for environmental compliance, I have been asked by Mr. Baum to respond to your letter of May 18, 2004. I will be happy to meet with you next Tuesday, but first would like to address some strongly worded and inaccurate assertions you made in your letter.

We agree that renewable energy and energy-efficiency programs are vital to our nation's energy future, but, unfortunately, they alone cannot meet demand. Numerous market studies and experts support our belief that natural gas will remain a critical energy source for North America well into the foreseeable future -- especially to fuel the new, cleaner and more efficient generation of gas-fired power plants that have been built over the past decade.

Natural gas has been one of the largest contributors to displacing less environmentally friendly fuels and reducing air emissions, both in power production and in motor vehicles. Unfortunately, domestic production of natural gas is declining and cannot keep pace with increased demand. There is widespread agreement among government and industry leaders that the import of liquefied natural gas (LNG) will be critical in offsetting this supply shortfall.

In fact, just last month, Federal Reserve Chairman Alan Greenspan called for a major expansion of LNG shipping terminals, stating that rising oil and gas prices "can significantly affect the path of the U.S. economy."

Sempra Energy is taking a lead role in bringing LNG to North America with three LNG receipt facilities under development. Our Energía Costa Azul facility in Baja California, which you referenced in your letter, has been subjected to rigorous and careful review by federal, state and local regulators in Mexico. We will construct and operate this facility in full compliance with our permit conditions and the facility's design will incorporate some of the most stringent environmental safeguards in the industry.

MAY-21-2004 16:48 GREENPEACE 415 2559201 P.04/04

Mr. John Cosquyt
Energy Policy Specialist
Greenpeace
May 21, 2004
Page Two

Baja California, Mexico, has no native supplies of natural gas and, historically, has been dependent on gas exported from the United States. Therefore, Mexico's government has embraced taking control of its energy destiny and developed the regulatory framework to attract its own stable gas supply through LNG. You incorrectly stated that Energía Costa Azul is being built solely for the benefit of the United States. In fact, when our facility is completed in 2007, we expect that Mexico will consume about half of the gas from the plant and virtually all of the output by the middle of the next decade.

You should be aware that the Sempra Energy companies have a long history of environmental stewardship. Through San Diego Gas & Electric's agreement to purchase power, we were instrumental in the development of Mexico's largest geothermal field and we also have a major solar-power project operating at our jointly owned El Dorado Energy power plant in Nevada. Also, SDG&E and Southern California Gas Co. have been pioneers in the promotion and support of alternative-fuel vehicles, as well as in the development of fuel-cell technology.

Finally, in regard to SDG&E's electric-resource plan, we believe that SDG&E has done an excellent job developing a balanced portfolio of renewables, demand-response programs and local generating resources to meet the San Diego region's long-term energy needs.

SDG&E has dramatically increased its renewable purchases, currently contracting for 9 percent of its supplies, up from less than 1 percent only two years ago. The utility is well ahead of the plan to meet California's goal of supplying 20 percent of customers' energy needs from renewable resources by 2017.

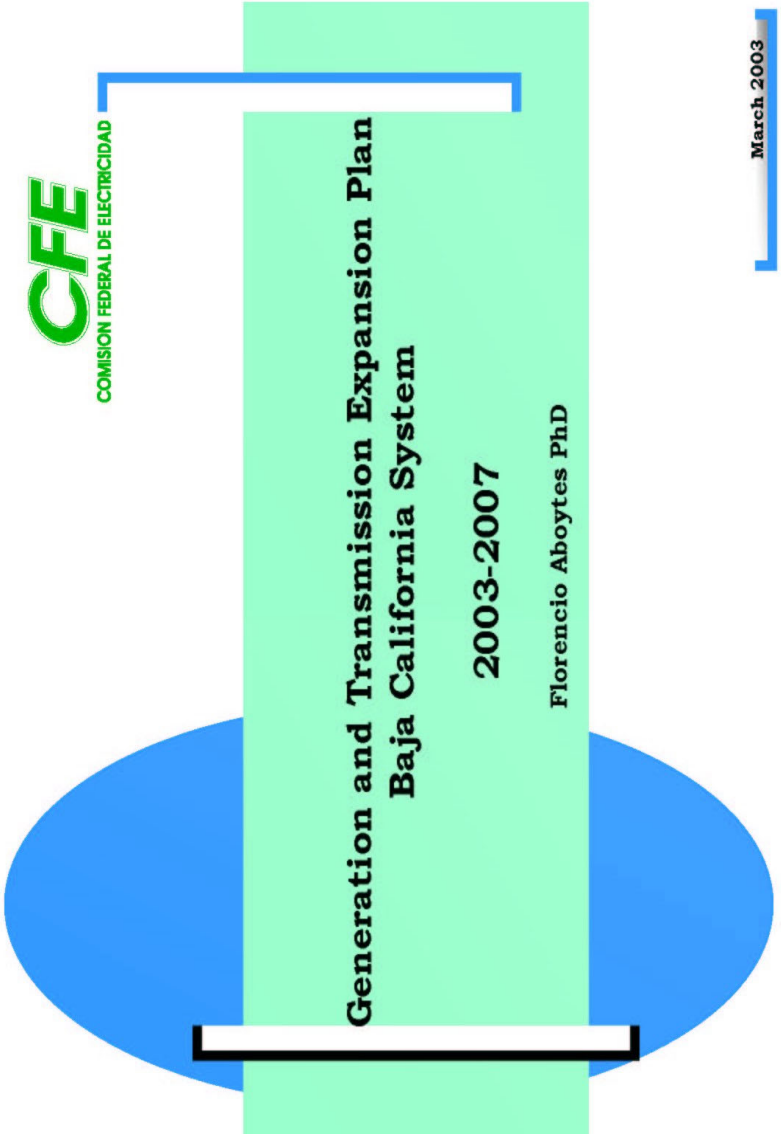
Furthermore, SDG&E and Southern California Gas Co. continue to be strong advocates of demand-response programs and have a well-documented track record of success in this area. The National Resources Defense Council recognized SDG&E in 1996 with a national award for the utility's leadership in energy-efficiency programs – the first time the environmental group ever recognized a private-sector utility for its contributions to the public interest.

At your earliest convenience, I would appreciate your contacting me at 619/696-2320 to coordinate our meeting.

Sincerely,

Michael J. Murray

Document 0004, Attachment E



Document 0004, Attachment F

InterGen gives in, unplugs turbine

By Diane Lindquist
STAFF WRITER
January 17, 2004

Under pressure from the U.S. Department of Energy, InterGen has shut down one generating unit at its Mexicali power plant, which has been transmitting electricity to California since July.

The action was taken, the department said, because InterGen misled the government into believing that both of the plant's export turbines were fitted with pollution control devices.

Environmentalists, who have long criticized the project, recently discovered that InterGen had not fitted one of the turbine units with the Selective Catalytic Reduction technology, or SCRs.

Late last week, officials with the Energy Department met with InterGen executives and threatened to revoke the company's export permit unless the company shut down the turbine, which produces about 100 megawatts of electricity.

InterGen agreed to turn off the turbine.

"We never intended to mislead anyone with regard to the SCR plan," InterGen said in a statement released yesterday.

Tony Como of the Energy Department said his decision to grant the permit to allow InterGen to build a transmission line across the U.S.-Mexico border was based on his understanding, expressed in the department's environmental assessment, that InterGen would install scrubbers before operating the export units.

"It is contrary to the public interest for a permit holder to violate representations it makes in the course of applying for a permit," Como said in a declaration to U.S. District Judge Irma E. Gonzalez in San Diego.

Neither Como nor other Energy Department officials could be reached for comment yesterday. In a lawsuit last year filed by the Border Power Plant Working Group, Earthjustice and Wild Earth Advocates, Gonzalez ruled that the permit was granted illegally.

She ordered the Energy Department to conduct a more thorough analysis of the environmental impact of InterGen's plant and another built nearby by Sempra Energy. She allowed the facilities to continue transmitting electricity from Mexico to California, however.

All of Sempra's turbines are fitted with SCRs.

Bill Powers, organizer of the Border Power Plant Working Group, said attorneys for InterGen and the Energy Department testified that the pollution controls were in place.

"The judge made her decision based on bad information," Powers said. "I think we would have seen a different determination on whether InterGen could continue to operate the plant."

A clerk for Gonzalez said the judge will not take further action on the case "at this time." Plaintiffs are in the process of deciding whether to ask Gonzalez to reconsider her decision, Powers said.

InterGen also has sent declarations to the court in the wake of the discovery.

In one, Vimal Chauhan, vice president of Baja California Power, an InterGen subsidiary, said the company decided to equip the unit with pollution controls after area residents raised concerns about emissions.

"We believed it was permissible to operate the unit pending the SCR retrofit as long as that was accomplished in a reasonably expeditious manner," Chauhan said.

Officials in Imperial County, concerned about emissions from both the InterGen and Sempra plants, also believed the InterGen unit was equipped with scrubbers.

"We were all very disappointed to learn that they weren't," said Miguel Monroy, an official in the county's agricultural and air pollution control agency.

Rep. Duncan Hunter, R-San Diego, and Sen. Dianne Feinstein, D-Calif., said they decided not to proceed with legislation to ban electricity from Mexico.

"We weren't pleased" to learn the turbine wasn't outfitted with SCRs, a spokesman for Hunter said. "We took the commitment made by InterGen on good faith."

The legislators wrote a letter urging Energy Secretary Spencer Abraham to take action and they are monitoring the situation. Legislation could be reactivated at any time, the spokesman for Hunter said.

Diane Lindquist: (619) 293-1812; diane.lindquist@uniontrib.com

Additional Submittal from Commentor 0004, Bill Powers

Understanding Air Pollution and Health in the Binational Airshed of the Imperial and Mexicali Valleys

Comprensión de la Contaminación del Aire y la Salud en la Cuenca Binacional Atmosférica de los Valles de Imperial y de Mexicali

Revised – Versión actualizada

Document 0005

Russell, Ellen

From: Bernchrisp@aol.com
Sent: Saturday, July 31, 2004 12:01 PM
To: Russell, Ellen
Cc: fan@wafs.com
Subject: Comment on Sempra Energy and Intergen

Ellen Russell
NEPA Document Manager
Office of Fossil Energy (FE-27)
U.S. Department of Energy
1000 Independence Avenue, SW.
Washington, DC 20585-0350

Dear Ellen Russell,

I learned about U.S. power plant developers tattempting to take advantage of less stringent environmental standards in Mexico during the NEPA process. It is very important the full NEPA process not be averted, shortened or avoided. That is your responsibility as a government worker and a US citizen. 0005-1

The current NEPA regulation requires that Sempra Energy and Intergen mitigate the impacts of their power plants before being granted presidential permits, and that DOE condition any permits on mitigation. That process must take into account the emission offsets for nitrogen oxide (NOx) and particulate emissions from Intergen's La Rosita Power Complex and Sempra's Termoelectrica de Mexicali. 0005-2

The draft Environmental Impact Statement (EIS) prepared by the DOE for these two power plants clearly identifies significant air and water impacts, while at the same time concludes that these problems do not reach a sufficient level of significance to require mitigation. 0005-3

I will be looking for your decision on this matter and your response.

Sincerely

Christine Powell

PO Box 1583

El Granada, California 94018

8/16/2004