

PUBLIC COMMENTOR 220 - TONY CHASTEEN, SEPTEMBER 24, 1996

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Good afternoon. My name is Tony Chasteen. I'm Unocal's General Manager for the Geysers geothermal field. My address is 1300 North Dutton Avenue in Santa Rosa. My comments are going to be primarily to the Geysers option in the EIR. And while we feel the City has done a thorough job investigating the overall impacts of the Geysers recharge option, we'd like to offer a few comments and items that need to be further addressed.

I'm going to briefly mention these issues here and then submit further comments in writing. First of all, the City did not investigate the one percent river discharge option in conjunction with the Geysers Recharge Alternative. This gives higher capital costs and higher operating costs than the irrigation option and thus unfairly penalizes the geysers recharge option. It's sort of an apples and oranges comparison when it comes to the economic impact.

Secondly, there's a pipeline routing and design. There are significant overestimates of cost due to worst case pipeline routing and excessively conservative belt and suspenders approach to estimating construction cost. Pine flat road is not the practical choice for routing the transport pipeline. Now I realize the City did this as an expediency to simplify the EIR, but still, the pipeline could probably take a more direct and cost effective route. This again unfairly penalizes the economics of this project.

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Third are energy prices. Annual power costs are overestimated for the geysers recharge. This has presented a cost estimate of nearly 6.8 million dollars per year.

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Current industry power forecasts would indicate something about half that. Thus its energy costs are by far the single biggest part of the operating costs of this option, where this is a significant factor in misrepresenting the rate payer costs.

Third, there was an error in calculating the present value of the power cost. The EIR used a maximum flow at 20-year build out and then brought that back for present worth, and taking the average over the 20-year lifetime, and this needs to be corrected. And fifth, and I think the most significant is the opportunities for funding. There are opportunities for federal, state funding, and they have not been investigated or included in the EIR .

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Now, lake county was successful in getting both state and federal funding for their project in transporting treated wastewater to the geysers, and if the City of Santa Rosa wants to be successful, it's going to take a very aggressive effort on their part. Now recently, assembly bill 1890 was passed, and this is the bill that restructures the electric utility industry of California. And it includes funding opportunities for renewable energy resources. I realize this bill was passed since the EIR was issued, but still this is something the City needs to consider.

And certainly projects such as the pipeline to the geysers can be considered within that bill's framework. In conclusion, we'd like to see an approach – a combined solution that provides for minimal river discharge, authorization of irrigation with existing storage, and

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the geysers recharge alternative. We think there are opportunities for substantial support of a modified geysers recharge. Unocal and our partner calpine are enthusiastic about participating in such a conclusion of the Santa Rosa wastewater project, and we are open to contributions for a modified geysers alternative to help defray the cost.

Thank you very much.

Mayor Wright:

Mary Ann Diaz-Romero followed by Eric Koenigshofer followed by Mary Blanchard Coletti, I believe it is.