

## **Florez pushes for less Valley burning**

By Wes Sander, staff writer

The Capital Press, Saturday, August 7, 2010

While he may leave office before the issue progresses any further, Sen. Dean Florez, D-Shafter, still has an avenue for further squeezing ag burning in the San Joaquin Valley.

Claiming the numbers used by the San Joaquin Valley Air Pollution Control District are erroneous, Florez says he intends to make a case to the state air board to revisit the issue, hoping to change valley rules to prohibit more farms from burning ag waste.

Florez, who terms out, has made a signature issue of air quality in the San Joaquin Valley, which rates some of the nation's worst air. In 2003, the Legislature approved several Florez bills that, among other things, phased out the valley's ag burning.

The phase-out started in 2005. The San Joaquin Valley Air Pollution Control District was tasked with writing the plan for implementing the legislation. The state's Air Resources Control Board approved the plan, which allows exemptions for economic feasibility.

District director Seyed Sadredin says the plan has reduced agricultural burning by 80 percent, and that the number will soon increase to 90 percent.

At a July 28 Capitol hearing in which he grilled the regional board's director, Florez told Sadredin that the board could restrict more. Sadredin countered that doing so may not be desirable, given the district's limited resources while other pollution sources continue fouling the valley's air.

Sadredin said about 13,000 farms are currently allowed to burn.

"The question today is, can we find better ways to get at the 10 percent?" Florez said.

Florez said the board's economic models don't reflect reality, applying generalizations that may not apply to all growers of a given crop. He advocated for a process by which any farmer requiring a burn permit argue their case before a public meeting of the board, a system that he says would weed out those who don't really need the exemption.

Sadredin said the board wouldn't have the resources to handle requests individually.

Bob Alvarez, Florez's chief of staff, said the senator hopes the state air board will take up the issue in a public hearing by September. The board, having approved the regional plan earlier this year, could reject Florez's request.

Alvarez said Florez has pressured the regional district because it wasn't pushing the issue hard enough on its own.

"It's difficult for a board that has some local folks on it to bite the bullet," he said. "That's why sometimes having the state do it is beneficial."

## **Embattled BP collecting millions in government stimulus funds for Kern power plant**

By Will Evans, California Watch

In the Bakersfield Californian, Sunday, Aug. 8, 2010

The federal government is handing oil giant BP hundreds of millions of dollars in stimulus money to build a power plant on farmland near Tupman, even as the company faces heavy government pressure and a criminal probe into the Gulf of Mexico oil spill.

BP is benefiting from a \$308 million federal grant over several years to help build a cutting-edge power plant on cotton and alfalfa fields seven miles from the western edge of Bakersfield. It's the

second-largest award of California stimulus money to a corporation and among the biggest in the country.

The U.S. Department of Energy announced the grant last year to Hydrogen Energy California, a joint partnership of BP and the multinational mining firm Rio Tinto, and has paid out \$13.5 million so far. The money continues to flow even as the Obama administration bills BP for the massive costs of the oil spill.

"If you're trying to get money out of them, why are you giving them money?" said Tom Frantz, a local environmental advocate and part-time almond farmer who opposes the power plant. "If I was the government right now, I would not give BP \$300 million to do anything."

The stimulus award highlights the disconnect that occurs when the government gives grants and contracts to companies it has fined or prosecuted. BP, for example, had been fined hundreds of millions of dollars and pleaded guilty to criminal environmental violations before the Gulf spill and before receiving stimulus money.

The involvement of BP in this stimulus project also poses a sticky political calculus, pitting anger at BP against the desire to create jobs and advance alternative energy. The White House and some congressional critics of BP also support "clean coal" projects like the one this stimulus money will advance.

The grant appears to be the only significant stimulus award for BP. A review of the \$202 billion in stimulus funds awarded nationwide did not turn up any other major grants to the company.

A spokeswoman for the power plant partnership distanced the project from BP. "Most people understand that Hydrogen Energy California LLC, and not BP, is the entity that received a DOE (Department of Energy) grant after a competitive solicitation that was conducted, evaluated and awarded in 2009," Tiffany Rau wrote in an e-mail. "DOE reimbursements provide cost sharing in HECA's (Hydrogen Energy California's) expenses - no money is flowing to BP."

Hydrogen Energy California is a 50/50 partnership owned by BP and Rio Tinto and registered to a BP address. The project's manager, as well as Rau, came to the project from BP. At a public hearing last fall, when a local landowner asked about potential disasters the plant could cause, Gregory Skannal, who worked at BP before becoming the project's health, safety, security and environmental manager, addressed the question: "One of our parent companies is BP," he said. "And in that same vein, we do have resources internal to the company that provide security assessments. And those are the resources that we will be relying on in supporting us and doing those assessments to determine vulnerabilities, security measures and consequences."

BP declined to comment for this story, but departing CEO Tony Hayward had stated in 2007, when announcing the joint venture, that "projects such as these have the potential to help deliver the carbon emission reductions which companies and countries around the world are now seeking. This will only be possible if companies work together and work alongside governments."

### **FUNDING FROM GOVERNMENT, UTILITY CUSTOMERS**

The federal government is providing about 12 percent of the project's price tag to foster "clean coal" technology that captures carbon dioxide emissions as part of the battle against global warming.

The 250-megawatt power plant would be a unique, groundbreaking combination of advanced technologies. It would turn coal and petroleum coke -- a hard, black byproduct of oil refining -- into hydrogen, which would be burned for energy.

The plant would trap 90 percent of the resulting carbon dioxide emissions, or about 2 million tons a year, and funnel it to the nearby Elk Hills Oil Field, in the dry, barren hills above Tupman. There, the captured gas would be used to push out previously unreachable oil for Occidental Petroleum. The carbon dioxide is intended to be stored underground forever.

"Government cost-sharing helps ensure that this crucial climate mitigation technology is successfully deployed, thus benefiting society, regardless of what private entities are providing investment," wrote Rau, the Hydrogen Energy California spokeswoman.

Customers of Southern California Edison will be footing even more of the project's bill after a ruling last year by the California Public Utilities Commission. The commission ruled that the electric utility could boost consumer rates to cover up to \$30 million, which will be passed on to the BP-Rio Tinto joint venture for feasibility studies. The joint venture spent \$92,000 lobbying the commission.

In announcing the decision, commission President Michael Peevey said the project would "reduce greenhouse gases, which would benefit ratepayers, the state and the nation." Ratepayer advocates, however, opposed the ruling as an inappropriate use of the public's money.

"Ratepayer money should go toward getting power delivered, not to research projects of unproven technology," said Mark Toney, head of The Utility Reform Network in San Francisco. Toney also said BP's involvement is a red flag: "I think it's justification for regulatory agencies to take a much more critical look at this."

The national advocacy group Public Citizen has called for barring BP from any government grants or contracts because of alleged misconduct in the oil spill and previous criminal violations. "It's entirely appropriate for the government to say it will not extend that privilege to BP, given how reckless it has been and because of the scale of environmental devastation it's wreaked on the Gulf," said the group's president, Robert Weissman.

Tiffany Edwards, a Department of Energy spokeswoman, said the project is "part of the administration's commitment to develop carbon capture and sequestration technologies that can be economical by 2020." She added, "As with all our joint projects with private industry partners, the department is working very closely with the project sponsors to ensure the project delivers results safely, on time and on budget."

The payout of stimulus money is governed by a formal agreement between the government and Hydrogen Energy California. Edwards declined to provide a copy of the agreement, citing proprietary reasons.

## **ENVIRONMENTALISTS DIVIDED**

Stimulus money prevented the project from being shut down and so far has saved or created 47 jobs, according to the joint venture. Despite the emphasis on stimulus projects that are "shovel-ready," Hydrogen Energy California is going through a permitting process and doesn't plan to start construction until 2012, with full operation in 2015. It promises to eventually create 1,500 construction jobs and 100 jobs operating the plant.

The grant was part of \$800 million in the 2009 stimulus bill earmarked for the Energy Department's Clean Coal Power Initiative with the help of the late Sen. Robert Byrd, D-W.Va. Since January 2009, Hydrogen Energy California has spent \$300,000 lobbying the federal government, including lobbying on the stimulus bill. The lobbyist working for the joint venture, Rachel Miller, previously worked for BP and Sen. Dianne Feinstein, D-Calif.

The carbon capture and storage technology the project would use has caused a split in the environmentalist community, with more moderate advocacy groups like the Environmental Defense Fund supporting it as a way to get industry on board to fight climate change, and more purist groups like Greenpeace calling it a risky venture that diverts money from true clean energy like wind and solar. Those who support the project are hesitant to criticize BP's involvement, whereas those who oppose the technology tend to believe no oil companies deserve government money.

"It's not concerning that it's BP, other than the optics of the situation," said Tim O'Connor, an Environmental Defense Fund attorney who is monitoring the project.

The power plant will be built 1.5 miles from the sun-baked town of Tupman, population 227. Oil pumps rim the low, dusty hills on one side of the town, and the California Aqueduct's concrete

river winds along the other side. Tule elk roam an unassuming state reserve nearby. The Elk Hills Oil Field is famous for being part of the Teapot Dome bribery scandal that tarnished the administration of President Warren Harding in the early 1920s.

Tupman's quiet, potholed streets run by modest houses, trailer homes and dilapidated, shuttered buildings. The only local store shut down years ago. People here say they could definitely use an infusion of stimulus money, but they're divided about the benefits of building a giant power plant nearby.

"I hope they hurry up with it. I'd like to get a job there 'cause it's real close," said Jeremiah Craven, a 20-year-old construction worker. "I think they need to upgrade this town. ... Where's our taxpayer money showing up in my town? Nowhere."

Orbin Yates, a 70-year-old who talks with a slight drawl he picked up in Arkansas, is less enthusiastic. He can see the future construction spot from the green plastic chairs outside his house. As a mechanic contractor who's worked in the oil industry, he's skeptical that the carbon dioxide will stay underground and doesn't think trucking in loads of "dirty" coal and "nasty" petroleum coke qualifies as clean energy.

"If they're going to be using our money, they should be doing something that's going to be benefiting the people, not benefiting the fat cats and the stockholders," he said.

His 46-year-old daughter, Barbara Mora, who lives down the street, was outraged at BP's involvement. "Wasn't it Obama who stated that BP's going to pay?" she said. "Well, they're probably going to pay with the money we're giving them. Isn't that our money?"

### **AIR QUALITY CONCERNS**

Local activists are mostly concerned about the toll the project would take on the region's notoriously bad air. An American Lung Association report on air pollution this year ranked Bakersfield as either the worst or second-worst area in the country, depending on the measure.

"It's a real health issue for us that a new power plant can come in that is really quite dirty," says Frantz, the local environmental advocate who is a retired teacher living outside the nearby town of Shafter and runs the group Association of Irrigated Residents.

The project would be required to offset its emissions of pollutants like nitrogen oxide and particulate matter by buying pollution credits, according to the regional pollution control board.

Rau, the project spokeswoman, said it would use the industry's best practices and meet all regulations. "The Hydrogen Energy California project is designed to be the cleanest solid fuel power plant in the world," she said.

Since January 2008, the joint venture has spent nearly \$300,000 lobbying Gov. Arnold Schwarzenegger and various state agencies -- in addition to the \$300,000 spent to lobby the federal government. Schwarzenegger backs the project.

"California has led the world in enacting policies that harness the private sector to create the clean, alternative fuels and technologies needed to reduce our dependency on oil and help combat climate change," said Rachel Arrezola, spokeswoman for the governor. "Projects like this one are exactly the types of projects California needs to transition to a brighter clean-energy future, and the governor continues to support it."

Hydrogen Energy California also lobbied the California Energy Commission, which is determining whether to license the project. The commissioner presiding over the licensing process, James Boyd, is married to the president of the Western States Petroleum Association, of which BP is a member.

Boyd said his wife's job does not present a conflict of interest and that he was not personally lobbied by the joint venture. As for BP's involvement, he said: "There is no relevant connection between this Kern County project and the events in the Gulf of Mexico."

*California Watch is a project of the Center for Investigative Reporting.*

## **Struggling community's residents torn on power plant plans**

By Will Evans, California Watch

In the Bakersfield Californian, Sunday, Aug. 8, 2010

The people of Tupman, the community closest to the BP venture's planned hydrogen power plant, aren't content with the state of their town. They complain about the hole-riddled streets, the trucks that barrel through without stopping for pedestrians and the general lack of anything to do for children.

The power plant project could change things, but residents don't agree whether the change will be for the better.

Christina Harvey, 32, is worried about a catastrophe.

"We got the oil companies over there and the plant coming in there -- when something does happen, we're all gone," she said, standing outside her trailer with her niece. "We're not going to have any safeness out here. We're going to be out of luck if something does happen."

Jeremiah Craven, a 20-year-old construction worker, sees the project as the town's chance to develop.

"We'd be able to upgrade the town," he said. "We'd get a lot of traffic coming in and out of Tupman."

Craven is hopeful that Tupman might eventually get its own store and some money to fix the potholes that he sometimes fills with sand. He doesn't mind that BP is involved.

"I don't care who does it," he said. "I have nothing against BP. I can't say that (the Gulf spill) was BP's fault. A machine's not perfect."

A couple of streets over, Rick Stark, 54, doesn't like the project one bit. A former diesel mechanic who lives on a fixed income, Stark is outraged that the government decreased his monthly payments.

"They don't give us no stimulus and then pour money into that? Hell no. Give more money to them rich people? No," he said. "It won't help us. All it's gonna do is hurt us."

Further down the street, property manager Barbara Mora isn't any more enthusiastic about the plant.

"What about our farmland that's been there all these years? What about the dangers? What about the air? I don't see how it benefits us," she said, wearing sunglasses and sandals from a trip to Pismo Beach. "It's all about the money, baby. The rich get richer, and the poor stay poor, and the middle class pays."

Her father, 70-year-old Orbin Yates, hopes the project brings jobs to the locals and cheaper electricity to everyone. But, he says, "probably the bad is going to outweigh the good."

Yates is a mechanic consultant who knows something about the technology the plant will use. He once worked on the Elk Hills Oil Field and, on another project, injected gas into the ground to recover unreachable oil in Indonesia. "I don't think we ought to be subsidizing them," he said. "What is the benefit of that gift that we're giving to them? Is it really going to help us?"

Just outside Tupman, Carla Cota, 33, lives with her family just across the street from the onion fields that are part of the area Hydrogen Energy California would control. Her husband works on the nearby cotton farm. Cota said no one had contacted her about the new plant. She doesn't understand why the government is putting up money for it.

"The government says the economy is bad and there is no money," she said in Spanish, as tractors harvested onions across the street. "And then they go spending money."

A few miles away, Beau Antongiovanni, 33, farms wheat, alfalfa and pistachios. It pains him to see prime farmland taken over by the power plant.

"Why destroy productive ground to put that project there when there's unproductive ground where the project could go?" he said, wearing a blue bandana over shoulder-length hair, standing next to his pistachio orchards.

Antongiovanni thinks about the petroleum coke that will be trucked in from Los Angeles and elsewhere and says, "I'm not sure that's getting to the point of being more environmentally friendly. Just call it what it is -- another way to make money."

[Letter to the Merced Sun-Star, Friday, August 6, 2010:](#)

### **Wal-Mart questions**

Ellie Wooten, our former mayor, asks: Who funds Wal-Mart foes?

I have a question for her: Who backs Wal-Mart proponents in our community?

Wal-Mart is a giant corporation based in a far distant state. It sends out agents, lawyers and other operators, to hapless places like Merced, to push its agenda through a well-orchestrated propaganda campaign, all for the purpose of expanding its corporate hegemony.

Yes, Wal-Mart in Merced may result in a number of low-wage jobs featuring nothing or little in the way of benefits. But the bulk of profits generated by the distribution center will be sent far away, back to Bentonville, Ark., never to be seen here again.

It will also result in many hundreds of trucks per day added to already heavy local truck traffic, pounding our roads to rubble.

Will the damage to our roads and [air](#) even begin to be offset by the revenue? Who supports the local mouthpieces, our putative civic "leaders" who lead the charge for Wal-Mart? What inducements have been proffered for them to speak out on behalf of this entity which threatens to diminish our quality of life?

These are fair questions that deserve answers.

*Peter Lizdas, Merced*