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**VIA ELECTRONIC MAIL**

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Re: Pacific Gas and Electric Company's Comments on the California Electricity Generation Facilities Standards Committee's Draft Generator Maintenance Standards

Dear Committee Members and ALJ Sullivan:

Pacific Gas and Electric Company ("PG&E") hereby offers its comments on the California Electricity Generation Facilities Standards Committee's ("Committee") draft Generator Maintenance Standards, issued on December 19, 2002 (the "Standards"). PG&E's comments are detailed in the attachment to this letter and summarized below.

As an initial procedural matter, PG&E wholly supports the January 14<sup>th</sup> request by Greg Blue of Dynegy Generation to conduct the January 24<sup>th</sup> meeting in a roundtable format rather than a formal Committee meeting. As the attached comments demonstrate, PG&E has a number of significant concerns about the Standards and agrees that the roundtable forum would be the most productive means of discussing, and hopefully resolving, these concerns. PG&E also recommends the Committee's proposed schedule for adopting final Standards be extended slightly to provide sufficient time to incorporate the parties' comments.

Developing maintenance standards that are fair, balanced and flexible enough to be applied to all generators in California is a daunting task. The Standards must recognize there are an infinite number of equally valid and appropriate ways for generators to maintain their facilities. PG&E submits that the goal of the Standards should be ensuring that generators have effective, ongoing maintenance programs, rather than trying to specifically identify each and every element of such a program.

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PG&E is concerned that the Standards do not currently reflect this required flexibility. PG&E is particularly troubled by the Committee's deletion of a number of significant provisions contained in the draft standards previously developed by the California Independent System Operator ("ISO"). For example, the Standards have completely eliminated all provisions related to the establishment of an industry-based advisory committee to assist in implementing, revising and enforcing the Standards. PG&E believes the expertise provided by such a committee is essential to ensure the Standards are fair, flexible and workable.

The current Standards also appear to represent a shift towards use of the performance standards and assessment guidelines as a prescriptive "checklist" for compliance. Significantly, the Standards have deleted a critical concept contained in the draft ISO standards, which made clear that generators' maintenance programs would be judged based on whether they met the *intent* of the standards, not whether they met each and every performance standard and assessment guideline. The deletion of this concept is particularly troubling because so many of the standards and guidelines are entirely *subjective* in nature and generators have no objective means of determining whether their programs comply.

Additionally, the Standards must be revised to make clear that nuclear facilities are exempt (with the exception of limited reporting requirements) as clearly set forth in California Public Utilities Code § 761.3(d)(1). PG&E submits the Committee must apply this same limitation to hydroelectric facilities licensed by the Federal Energy Regulatory Commission ("FERC"), in recognition of FERC's exclusive jurisdiction under Part I of the Federal Power Act.

PG&E would like to thank the Committee for the opportunity to comment on the draft Standards. We hope the Committee will find the attached comments useful in adopting fair, workable standards that meet the intent of California Public Utilities Code § 761.3.

Sincerely,

/s/

Janet C. Loduca

cc: Electronic Service List, Rulemaking 02-11-039

**PACIFIC GAS AND ELECTRIC COMPANY'S COMMENTS ON THE  
CALIFORNIA ELECTRICITY GENERATION FACILITIES STANDARDS  
COMMITTEE'S DRAFT GENERATOR MAINTENANCE STANDARDS**

**I. Overview Of Standards**

The Standards issued on December 19, 2002 are based largely on draft standards previously developed in 2001 by the ISO, in consultation with industry stakeholders. Section 1 of the Standards establishes eighteen (18) qualitative performance standards for generator maintenance programs. Each performance standard is followed by a list of assessment guidelines that further describe the elements of a particular standard. The assessment guidelines are supplemented by "Maintenance Guidelines for Electric Generating Facilities" contained in Appendix A.

Section 2 of the Standards establishes more quantitative performance metrics, which compare a generating unit's current operating performance with its historical performance to determine whether a particular unit is experiencing an unusual amount of outage time. If a unit's capacity unavailability factor ("CUF") exceeds certain thresholds, it will trigger further investigation and/or audits to determine whether a unit is being properly maintained in conformance with the performance standards.

Generators will be required to self-certify that their maintenance programs meet the performance standards and will be subject to random and triggered audits to ensure compliance. Generators will also be subject to penalties for non-compliance. PG&E understands the California Public Utilities Commission ("Commission") will address the issue of penalties as part of its Rulemaking 02-11-039 after the Committee has adopted the final standards.

## **II. The Standards Must Allow Generators To Develop Tailored Maintenance Programs Appropriate For Their Individual Circumstances**

The goal of the Standards should be to ensure that generators have adopted and are implementing an effective, ongoing maintenance program. However, the Standards must recognize there are an infinite number *equally valid and appropriate* ways for a generator to maintain its equipment. The Standards must not attempt to identify each and every element of a generator's maintenance program. Rather, decisions regarding how best to most effectively implement a maintenance program should be left to the sound discretion of the owners and operators of the units.

PG&E believes the performance standards and assessment guidelines are a useful tool for generators in developing and assessing maintenance programs; however, generators must have the flexibility to tailor their programs to their individual generating units. The variations on appropriate maintenance strategies are far too numerous and diverse to be captured in a single set of detailed maintenance standards to be imposed on all generators.

For example, the Standards must be flexible enough to accommodate aging facilities such as PG&E's Hunters Point Power Plant, which is scheduled to be shut down in the near future. As Commissioner Wood recognized at the December 20<sup>th</sup> meeting, some generating facilities in California have simply "outlived their useful lives." R.T. at 65:21.<sup>1</sup> The goal of the Standards should not be high availability at all costs. Requiring owners of such aging units to strictly comply with each performance standard and assessment guideline is neither realistic nor cost-effective. The Standards must recognize that maintenance programs must reflect sound economics, and the determination of what constitutes "appropriate" maintenance will vary based on the unique circumstances of each generating unit.

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<sup>1</sup> "R.T." refers to the official transcript of the December 20<sup>th</sup> Committee meeting.

PG&E is concerned the current Standards reflect a shift in the direction of using the performance standards and assessment guidelines as a prescriptive “checklist” for determining whether a generator’s maintenance program complies with the Standards. Significantly, the following paragraph from the ISO draft standards has been deleted entirely from the introduction to the Standards:

When conducting an audit, the [CPUC] auditors shall focus on whether or not the generating asset owner is meeting the intent of the [ ] Generation Maintenance Performance Standards, as certified, rather than satisfaction of each and every element of its associated assessment guideline.

PG&E respectfully submits that the concept contained in the above paragraph is a critical component of a fair, flexible and workable set of standards. Its deletion suggests that Commission auditors *will*, in fact, use the performance standards and assessment guidelines as a prescriptive checklist for compliance. This is particularly troubling in light of the fact that so many of the assessment guidelines are *entirely* subjective in nature and generators have no objective means of determining whether their programs meet the guidelines. For example, the assessment guidelines contain statements such as, “[i]ndividuals at all levels in the organization . . . demonstrat[e] a great respect for safety in all actions and decisions,” “[m]anagers . . . maintain[ ] an environment that welcomes identification and communication of problems,” “[p]ersonnel throughout the organization are aligned to achieve common goals,” and “[p]ersonnel exhibit professionalism and competence in performing assigned tasks that consistently result in quality workmanship.” Standards, Section 1, “Safety” at p. 2, “Maintenance Management and Leadership” at p. 4, & “Conduct of Maintenance” at p. 13. While these guidelines may be worthy goals, “compliance” with such broad policies cannot be objectively

tested. Certainly, it is impossible to fairly assess penalties based on a perceived lack of compliance with such broad principles.

During the December 20<sup>th</sup> Committee meeting several individuals, including Mr. Bjorkland and Commissioner Wood, emphasized that the generator maintenance standards should not be used to “micromanage” the operation and maintenance of generating assets. PG&E could not agree more. The Standards should make clear that generator maintenance programs will be judged based on whether they meet the general *intent* of the Standards, not whether their programs meet each and every performance standard and assessment guideline.

### **III. The Additional Guidance In Appendix A Is Unnecessary**

The assessment guidelines in Section 1 are supplemented by additional guidance in Appendix A. PG&E submits that much of Appendix A is duplicative of the assessment guidelines and therefore is unnecessary. Moreover, PG&E is concerned that inclusion of Appendix A will confuse, rather than clarify, the issue of whether a generator’s program complies with the Standards. PG&E recommends Appendix A be deleted.

In many instances, the statements in Appendix A simply repeat comments contained in the assessment guidelines with little, if any, elaboration. For example, one of the assessment guidelines for the “Spare Parts, Material and Services” performance standard states that, “[p]olicies and procedures are in place for early identification and timely procurement of parts, material, and services.” Standards, Section 1 at p. 21. Similarly, Appendix A states that generators should, “[e]stablish policies for early identification and timely procurement of parts, material, and services.” Standards, Appendix A at p. 49. Another assessment guideline states that, “[t]hese policies are understood by materials management, materials engineering, purchasing personnel, and other plant personnel who interface with the procurement process,

such as maintenance managers, planning and scheduling personnel” (Standards, Section 1 at p. 21), while Appendix A states, “[t]hese policies must be understood by materials management, materials engineering, systems engineering, design engineering, procurement engineering, purchasing personnel, and other plant personnel who interface with the procurement process, such as maintenance managers and planning and scheduling personnel.” Standards, Appendix A at p. 49. Similarly, the assessment guidelines state that, “[a]s part of the design change process, spare parts needs are updated and outdated and obsolete materials are removed from the stock system” (Standards, Section 1 at p. 21), while Appendix A advises generators to, “[e]stablish a system as part of the design change process to update spare parts needs and remove outdated and obsolete materials from the stock system.” Standards, Appendix A at p. 49.

While not all of Appendix A is as redundant as the above examples, Appendix A adds little value and has the potential to create confusion regarding what “standards” generators are really being held to. Unlike the assessment guidelines, which are relatively concise and delineated by bullet points, Appendix A consists of sixty-nine (69) pages of single-spaced text. Use of this text as a supplementary tool is made difficult by the fact that it is not well organized and does not correspond to individual assessment guidelines. Moreover, like the assessment guidelines, many of the statements in Appendix A are entirely subjective, making it impossible to fairly judge compliance.

PG&E is concerned that Appendix A may be used as yet another checklist against which generators’ maintenance programs will be judged for compliance. Indeed, the Standards themselves are unclear as to how Appendix A is to be used. On the one hand, Appendix A is described as “methods and means that a generating asset owner *could* use in developing or upgrading a maintenance program” (Standards, Overview at p. 2, emphasis added) and users are

referred to Appendix A “to gain additional insight regarding how to satisfy a particular performance standard.” Standards, Section 1, Introduction at p. 4. On the other hand, the introduction to Appendix A describes each section as “an *essential element* of an effective maintenance program” and notes that Commission auditors will use Appendix A when conducting audits of generators’ maintenance programs. Standards, Appendix A at p. 3 (emphasis added).<sup>2</sup> As with the assessment guidelines, strict application of Appendix A would result in an inappropriately inflexible program, and would leave generators guessing as to whether their maintenance programs complied with the Standards. PG&E recommends the largely redundant Appendix A be deleted.

#### **IV. The Standards Should Include An Industry-Based Advisory Committee**

Developing Standards that are fair, balanced and flexible enough to be applied to all generators in California is a daunting task and requires a high level of expertise. During the development of the ISO draft standards, the ISO and stakeholders recognized that the standards ultimately adopted by the ISO would necessarily require subsequent modification and revision based on real-world application. The draft standards developed by the ISO included a stakeholder advisory committee (the “Generation Maintenance Advisory Committee” or “GMAC”) to assist the ISO in reviewing the effectiveness (or lack thereof) of the standards and making revisions as appropriate. The GMAC would further ensure that the standards were harmonized with (and did not duplicate or conflict with) other related industry standards and

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<sup>2</sup> At the December 20<sup>th</sup> meeting, Mr. Pettingill took the position that generators would *not* be subject to the guidelines in Appendix A:

We also put in this package a set of maintenance guidelines. And the concept here was to provide additional information for generation owners in regards to what we were thinking, what’s the background behind a good set of maintenance practices and to give them some additional or supplemental information, if you will, that, *of course, they were not necessarily subject to the provisions of the standards* but would be helpful as an appendix to the standard. R.T. at 36:14 – 22.



requirements, including those established by the ISO, the Western Electricity Coordinating Council (“WECC”) and the North American Electric Reliability Council (“NERC”). The parties also anticipated that the GMAC would play an advisory role in evaluating whether supposedly “questionable practices” should result in a penalty. The GMAC was to consist of thirteen (13) members, including ten (10) representatives of generating asset owners, one (1) CPUC representative, and two (2) ISO representatives.

While comments by Mr. Kahn and Mr. Pettingill on December 20<sup>th</sup> appear to support the continued existence of an advisory committee made up largely of generating asset owners<sup>3</sup>, the Standards have completely removed any reference to the GMAC. PG&E respectfully submits that a stakeholder advisory committee is *essential* to the fair and effective implementation of generator maintenance standards. Such a committee, while advisory in nature, would bring indispensable real-world experience and expertise to the process of implementing, modifying, and enforcing these new standards. The committee would also provide an important “check” on the enforcement and applicability of the Standards to specific circumstances and generating units. This is particularly important because, as discussed above, so much of the Standards are entirely subjective in nature.

**V. The Performance Metrics May Be An Effective Screening Device, But Are Not Necessarily Indicative Of A Poor Maintenance Program**

In addition to the performance standards, the Standards propose using quantitative, statistical measures to determine whether a particular generating unit is experiencing greater than expected outage time. While PG&E is not opposed to the use of such statistical measurements as

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<sup>3</sup> Mr. Kahn noted the importance of stakeholder input at “every phase of [the Committee’s] activities so that we don’t get off track and that we do things that are not only workable for the citizens but are also workable for the constituent members.” R.T. at 3:12 – 17. Similarly, Mr. Pettingill suggested that “we probably want to modify or improve these standards as we go forward and learn lessons” and recognized that “there should be some form of advisory Committee to help conduct that process.” R.T. at 51:21 – 28.

a screening device, the Standards must recognize that exceeding the threshold limits for the capacity unavailability factor (“CUF”) does not necessarily translate into a poor, or inappropriate, maintenance program.

The fact is that good maintenance requires outage time. In some cases, the CUF may exceed historical thresholds for entirely legitimate reasons. For example, PG&E’s Hunters Point Power Plant is scheduled for a turbine overhaul this year, which will extend the typical scheduled outage time by eight (8) or more weeks. While such an overhaul will result in greater than “expected” outage time based on the CUF, it reflects a perfectly appropriate maintenance program.

Moreover, despite suggestions that the inputs into the CUF are “directly controllable by the maintenance program” (R.T. at 41:12 – 13), the CUF can be affected by a number of elements beyond the generators’ control, including weather, design flaw in parts, and regulatory and fuel restrictions. Accordingly, the mere exceedance of a performance metric does not necessarily reflect a “questionable practice” and should not automatically trigger a full-scale audit of a generator’s maintenance program.

## **VI. The Standards Must Be Well-Coordinated With Existing Generator Maintenance Requirements**

As the Committee is aware, generators in California are already subject to a host of standards and requirements related to maintenance, including standards established by the ISO, the WECC, and the NERC. The Standards must recognize, be consistent with, and give appropriate deference to these existing standards. Indeed, California Public Utilities Code § 761.3(e)<sup>4</sup> specifically directs the Committee to consider the ISO’s operational authority and its

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<sup>4</sup> All statutory references are to the California Public Utilities Code unless otherwise indicated.

FERC-approved Tariff when adopting the Standards. Such consideration and coordination is critical to avoid unnecessary and inappropriate regulatory overlap and conflict.

For example, the ISO has adopted (and FERC has approved) an Outage Coordination Protocol applicable to generators in California that have signed a Participating Generator Agreement with the ISO.<sup>5</sup> Among other things, the Outage Coordination Protocol requires participating generators to request and obtain approval from the ISO before taking planned outages. The Standards must recognize that an individual generator's ability to effectively implement its maintenance program is potentially limited by the ISO's competing mandate to coordinate generator outages to maintain system reliability. For example, during the height of the energy crisis from November 2000 through June 2001, the ISO declared over 200 "no-touch" days during which generators were not permitted to conduct routine maintenance without the ISO's consent. During this period generating units were run hard and scheduled maintenance was deferred, resulting in increased outage time once the crisis subsided. In adopting these Standards, the Committee must recognize that generators do not have unilateral control over their maintenance schedules. Generators must not be penalized for failing to meet performance standards or metrics when they have been unable to take the necessary outage time to effectively maintain their units.

## **VII. The Standards Must Make Clear That Nuclear Facilities Are Exempt With The Exception Of Limited Reporting Requirements**

Section 761.3(d)(1) clearly provides that nuclear facilities are exempt from any operation and maintenance standards adopted by the Committee, with the exception of limited reporting

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<sup>5</sup> The ISO's Outage Coordination Protocol can be found on its website at <http://www.caiso.com/docs/2002/02/04/200202041544542455.html>.

and notification requirements.<sup>6</sup> Contrary to subsection (d)(1), the Standards do not appear to exempt nuclear facilities; nor do they address the reporting requirements applicable to nuclear facilities. Accordingly, the Standards must be revised to make clear that nuclear facilities are exempt.

As PG&E noted in its Prehearing Conference Statement, the ISO Tariff and protocols already contain reporting requirements similar to those contemplated by subsection (d)(1). As a Participating Generator under the ISO structure, PG&E's Diablo Canyon Power Plant is required to submit to the ISO, among other things, (a) an annual proposed maintenance plan by October 15 of each year, (b) quarterly updates to the annual plans by the 15<sup>th</sup> of each January, April, and July, (c) written notification of any known changes to the outage plan, and (d) immediate notification of any forced outages. *See* ISO Tariff §§ 5.5.1 & 2.3 & ISO OCP 2.2.1, 2.2.2, 2.2.3, 2.2.4, 6.1 & 6.2. Based on this information, the ISO publishes a daily list (updated four times throughout the day) of all California power plants that are not operational due to planned or unplanned outages. *See* "Non-Operational Generator Report" published at <http://www.caiso.com>.

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<sup>6</sup> Specifically, subsection (d)(1) provides:

(A) Except as otherwise provided in this subdivision, this section shall not apply to nuclear powered generating facilities that are federally regulated and subject to standards developed by the Nuclear Regulatory Commission, and that participate as members of the Institute of Nuclear Power Operations.

(B) The owner or operator of a nuclear powered generating facility shall file with the Oversight Board and the commission an annual schedule of maintenance, including repairs and upgrades, updated quarterly, for each generating facility. The owner or operator of a nuclear powered generating facility shall make good faith efforts to conduct its maintenance in compliance with its filed plan and shall report to the Oversight Board and the Independent System Operator any significant variations from its filed plan.

(C) The owner or operator of a nuclear powered generating facility shall report on a monthly basis to the Oversight Board and the commission all actual planned and unplanned outages of each facility during the preceding month. The owner or operator of a nuclear powered generating facility shall report on a daily basis to the Oversight Board and the Independent System Operator the daily operational status and availability of each facility.

PG&E believes the existing ISO Tariff and Outage Coordination Protocol largely address the reporting and notification requirements for nuclear generating facilities contemplated by Section 761.3(d)(1). PG&E does not believe it is necessary or appropriate for the Committee to adopt a redundant set of reporting requirements. Rather, PG&E proposes that nuclear facilities can meet the requirements of Section 761.3(d)(1) by simply submitting to the CPUC and the Oversight Board the same information they currently provide to the ISO.

### **VIII. FERC-Licensed Hydroelectric Facilities Must Also Be Exempt From The Standards**

As discussed at length in its Prehearing Conference Statement, PG&E believes application of Section 761.3 to FERC-licensed hydroelectric projects must also be limited to the same type of reporting and notification requirements applicable to nuclear plants, in recognition of FERC's exclusive jurisdiction over such facilities under Part I of the Federal Power Act ("FPA").

Courts have long recognized that in enacting Part I of the FPA, Congress "occupied the field" in regulating FERC-licensed hydroelectric projects except for a limited "savings provision" granting state authority over proprietary water rights. See First Iowa Hydro-Electric Cooperative v. FPC, 328 U.S. 152, 165 (1946) (holding that a state statute which required, among other things, state approval of the method of *operation and maintenance* of project dams was preempted by Part I of the FPA); FPC v. Oregon, 349 U.S. 435, 446 (1955) (authorization of a hydroelectric project under Part I of the FPA is "within the exclusive jurisdiction of the Federal Power Commission"); California v. FERC, 495 U.S. 490, 499 (1990) (holding that the "broad and paramount federal regulatory role" under the FPA preempted the California Water Resources Control Board from imposing higher minimum flow requirements than FERC.); Sayles Hydro Associates v. Maughan, 985 F.2d 451, 456 (9th Cir. 1993), (holding that Congress had "occupied

the field” with Part I of the FPA thus preempting every state authority save those pertaining to proprietary rights to water.)

There is no question that FERC actively regulates the operation and maintenance of FERC-licensed hydroelectric projects pursuant to its authority under Part I of the FPA. In general, licensees are not permitted to modify project operations without prior FERC approval. FERC regularly inspects licensed facilities to evaluate, among other things, “the history of the performance of the project works” and the “quality and adequacy of maintenance, surveillance, and methods of project operations for the protection of public safety.” 18 C.F.R. §12.35(a)(3). FERC follows-up on inspections with detailed orders, as necessary, requiring licensees to perform various operation and maintenance activities. Licensees also file periodic reports with FERC regarding the operational status of their facilities.

Although Section 761.3 does not explicitly address FERC-licensed hydroelectric projects, the Committee is nevertheless obliged to interpret the statute in a manner that preserves its constitutionality where possible.<sup>7</sup> Accordingly, PG&E submits that the Committee must implement Section 761.3 in a manner that recognizes FERC’s exclusive jurisdiction over the operation and maintenance of FERC-licensed hydroelectric projects. Consistent with FERC’s authority, PG&E believes that standards for FERC-licensed hydroelectric facilities must be limited to the type of notification and reporting requirements applicable to nuclear generating facilities.

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<sup>7</sup> See Shealor v. Lodi (1944) 23 Cal.2d 647, 653 (a statute susceptible of more than one interpretation will if possible be construed as constitutional); Welton v. Los Angeles (1976) 18 Cal.3d 497, 505 (holding that where a statute suffers from overbreadth courts should, if possible, “construe the enactment so as to limit its effect and operation to matters that may be constitutionally regulated or prohibited.”)

## **IX. References To “Transmission Lines” In The Standards Should Be Deleted**

Unlike the draft standards developed by the ISO, the Standards now include references to transmission lines. *See e.g.* Standards, Section 1, “Performance Standards - Executive Summary” at p. 7. PG&E believes inclusion of transmission lines in the Standards exceeds the stated scope of Section 761.3 and unnecessarily impedes on the ISO’s existing regulation and jurisdiction. On its face, section 761.3 applies to the “maintenance and operation of facilities for the generation of electric energy.” The ISO already has an extensive maintenance program in place for transmission facilities in California. *See* ISO Transmission Control Agreement, Appendix C & ISO Maintenance Procedures, both of which can be found on the ISO website at <http://www.caiso.com/thegrid/operations/maintenance/>. Accordingly, the new reference to transmission lines in the Standards should be removed.

## **X. The “Regulatory Requirements” Performance Standard Is Unnecessary**

The Standards include a “Regulatory Requirements” performance standard, which provides:

Regulatory compliance is paramount in the operation of a generating asset. Each regulatory event is properly identified, reported and appropriate action taken to prevent recurrence.

Standards, Section 1, “Regulatory Requirements” at p. 27. The assessment guidelines related to this performance standard include statements such as, “[l]iquid waste are identified and segregated during collection according to the treatment specified for each waste stream,” and “[e]stablished criteria are used to routinely evaluate effluent and emission processing equipment, such as stack treatment systems, or filters, demineralizers.” *Id.* at p. 28.

PG&E respectfully submits that this standard is unnecessary and should be deleted. As the standard recognizes, generators (indeed, business generally) are subject to a myriad of

regulatory programs, including for example, programs related to management and disposal of hazardous waste, air emissions, occupational safety and health, labor and employment, taxation, and general corporate and securities issues. The list goes on and on. Each regulatory program has its own detailed requirements and associated penalties for non-compliance. Most of them have nothing to do maintenance of generating facilities. A performance standard that simply requires generators to comply with other regulations adds little, if any, value to the Standards and creates the potential for duplicative penalties for non-compliance. This performance standard should be eliminated entirely. Moreover, the Standards should make clear that they are limited to generator maintenance issues.

#### **XI. Proposed Procedure For Adopting Final Standards**

Under the current schedule for adopting the Standards, the Committee is scheduled to hold another meeting on January 24<sup>th</sup> (two days after reply comments are submitted) and adopt final standards just over a week later on February 3<sup>rd</sup>. PG&E respectfully submits that this schedule is not sufficient to incorporate comments by interested parties and should be extended.

PG&E wholly supports the recommendation by Dynegy Generation to use the January 24<sup>th</sup> meeting as a roundtable/technical workshop instead of a more formal Committee meeting. This forum would provide an opportunity for clear, open dialogue and would be the most productive for addressing stakeholder concerns.

PG&E also believes parties must be given another opportunity to submit written comments on the revised standards that result from the January 24<sup>th</sup> roundtable/technical workshop. This additional comment period could be accommodated by a short (3 –4 week) extension of the current schedule.