

Ratepayers for Affordable Clean Energy  
CPUC. R04-01-025  
March 23, 2004

Addendum E, Exhibit 9

On Wednesday, March 3, 2004, the HFMA Board of Directors voted unanimously to oppose bringing the Calpine LNG terminal to Humboldt Bay.

HFMA represents about eighty local crab fishermen, who provide about two hundred local winter jobs. Many of our members also fish for salmon or albacore, or both. While yearly catches naturally vary, these are all steady, sustainable fisheries that should still be healthy for our children and grandchildren - and yours.

We share the concerns of all Humboldt County citizens over safety and environmental issues associated with the Calpine LNG project. As fishermen we have some additional issues which we briefly address here. We met recently with four representatives of Calpine to discuss our specific issues. Our paramount question concerns the conflict between the legitimate security needs of the LNG ships and terminal and our right and need to transit the Bay: Will we be able to operate when this terminal is operating? Will we still be able to leave, enter, and transit Humboldt Bay at our discretion? If the answer is anything but yes, it could mean that Humboldt Bay would be effectively closed to the fishing industry. Unfortunately neither Calpine nor the Coast Guard have been able to answer to this fundamental question, and we cannot wait indefinitely, perhaps to find out too late that the answer is no.

What we have learned has not been promising. In other ports a three mile long, half mile wide "security bubble" has been employed around moving LNG ships, while security zones around moored LNG ships discharging cargo have been 400 yards to 1000 yards: equal to or larger than the breadth of Humboldt Bay at the proposed site. Smaller zones might be useless for their intended purpose. Authority to OK transit through the security zone is with the Captain of the Port, in our case a Coast Guard officer in Alameda. We cannot operate if we have to put such a fundamental daily decision in the hands of a remote and often unknown government official.

We understand Calpine is no longer considering the Simpson site, in part because Simpson offered to sell it as is, meaning the buyer would be responsible for any toxic cleanup costs, which are currently unknown. In other words, Calpine very sensibly refused to buy a pig in a poke. So do we: since we cannot be assured that we will be able to decide when we come and go once the Calpine project is operating, we must oppose the project.

We reached this decision based on the threat to our businesses that this specific project presents. We are not opposed to industrial development and shipping in Humboldt Bay. We benefit directly from the Bay's status as a deepwater port, and welcome any shipping

enterprise that does not threaten our ability to fish out of Humboldt Bay.

Now let's address some of the other issues:

HFMA's conversation with Calpine representatives was limited to fishing fleet and industry concerns and did not address the following:

1. Catastrophic release of LNG and subsequent large scale combustion hazards, both at the terminal and on the harbor entrance bar.
2. Job loss from closure of the two existing local power plants.
3. Visual industrial blight and lowered real property values.
4. Local legacy of abandoned industrial sites when such business are no longer profitable.

The other HFMA concerns addressed in our talk with Calpine, and our response, are as follows:

1. Humboldt Bay's is excellent habitat and nursery for anchovies, herring, sardines, Dungeness crabs, and other fish, birds, and mammals. This function of the bay could be seriously harmed by the sediment disturbed and suspended, especially in summer and fall, by the maneuvering of four 5000hp tugboats and one 1000 foot by 150 foot ship. Dungeness crabs are the primary commercial species for the fleet based in Humboldt Bay.

2. Increased ship and tractor tug traffic in the ocean off Humboldt Bay. During the months of December through April, most of the fishing fleet fishes for Dungeness crab with fixed gear traps commonly known as crab pots. The pots typically cost \$90 to \$110 each. Fishermen will experience significant uncompensated gear loss due to ship and tug traffic operating outside of designated transit lanes. By Cal-Pine's own admission, LNG ships and large assist tugs will be operated by subcontractors not directly in Cal-Pine's control.

3. Calpine says they would keep a hopper dredge on site to maintain the channel depth necessary for their 38' draft ships. Currently maintenance dredging occurs during the summer; presumably the Calpine dredge would operate year-round as needed (most shoaling happens in the winter). Dredging equipment and dredge ships are restricted in their ability to maneuver and command the right-of-way over all other vessels. Dredging will at times close access to the harbor entrance. Dredging, especially in the winter, will probably take place during the exact times favorable for a safe trip home for fishermen.

4. Calpine told us that economic impacts and environmental damages (large and small) would be mitigated, but left the issue of who is responsible for mitigation murky. They also did not explain how some environmental effects, such as erosion and habitat damage to nursery areas of the bay, could be mitigated. Will Calpine pay for and make good all damages from their project? How?

5. Calpine implied that, if their project doesn't happen, current levels of harbor maintenance

dredging and Coast Guard presence could disappear, compromising the value of Humboldt Bay as a commercial fishing harbor. Just how and why this might happen was not explained. We don't believe maintenance of Humboldt Bay's current status requires the presence of Calpine.

6. Cal-Pine stated that the most significant benefit of this project to the fishing industry is that the harbor entrance will be dredged to accommodate their large ships. They assert that this will make the harbor entrance safer for all vessels. The overall impact of their modifications to Humboldt Bay, however, may result in the harbor entrance becoming more dangerous for the fishing fleet. Dredging a turning basin and deepening a significant portion of the bay will increase the amount of water that moves in and out of the bay during each tidal cycle. This will result in higher tidal currents at the harbor entrance, especially during maximum ebb tides. The hazard may increase at the entrance bar due to wave-current interactions that can result in overfalling waves. We believe that Calpine has not demonstrated that further deepening of the harbor entrance will improve safety for the fishing fleet or increase the amount of time that fishing vessels can transit the harbor entrance. In addition, their reps told us that 1) reworking the harbor entrance is essential to their project, and 2) they haven't done any feasibility or design work yet. Huh?

7. Upper bay erosion caused by further channel deepening by Cal-Pine. H.F.M.A. members with over thirty years of fishing in, and residing directly on Humboldt Bay have observed heavy channel bank erosion in middle and north Humboldt Bay after the deepening project by the Humboldt Bay Harbor, Conservation, and Recreation District. Sand removal of up to 14 inches has been observed on the south side of Indian Island. In North Bay, eel grass beds located on channel bank slopes have been damaged or removed altogether. We believe further dredging and subsequent increased current velocities will worsen this condition with detrimental effects to the eel grass habitat and the fisheries dependent upon eel grass for spawning or rearing habitat.

8. Impacts to the in-bay fisheries. Security closures around the LNG ships and terminal will significantly impact fishing for pacific herring and seining for live anchovy and sardines. Humboldt Bay is an unloading, provisioning, and live bait procurement site for the west coast offshore tuna fleet. Most of the bait seining takes place in the main channel, near the proposed LNG site. Without access to live bait the offshore tuna fleet will not use Humboldt Bay.

9. Environmental monitoring. H.F.M.A. members asked Cal-Pine to explain who would be responsible for long term environmental monitoring of Cal-Pine and all of Cal-Pine's subcontractors, partners, and business affiliates. Cal-Pine representatives explained that local and state agencies would monitor and oversee LNG activities on Humboldt Bay. H.F.M.A. members believe that because of severe budget constraints, little or no monitoring or enforcement will ever take place.

Calpine repeatedly refers to the proposed \$250,000 study to be commissioned by local governments and paid for by Calpine as the source of answers to persistent questions about this project. But Calpine also tells us they have spent \$1,000,000 studying all aspects of the project already. Did they get no answers for their million bucks? Why won't they share the results of their study with the public of Humboldt County?

We recognize that many of the above concerns will eventually be addressed by future studies if this project goes forward, but a handful of critical issues remain for which we believe adequate answers may not be possible. First, as addressed above, is the question of whether the fishing fleet will be able to enter and exit Humboldt Bay as needed. There is simply no way to predict the impact of future national security policies, changing of command of the Captain of the Port, or the impact of intentional or accidental collisions between LNG tankers and other vessels that might occur anywhere in the world. Events and decisions occurring far from our community, and completely outside our control, can have dramatic impacts on the ability of H.F.M.A. members to make a living.

The HFMA Board of Directors