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CALIFORNIA ENERGY COMMISSION

CALIFORNIA NATURAL RESOURCES AGENCY

STATEMENT OF STAFF APPROVAL OF POST CERTIFICATION CHANGE

PALOMAR ENERGY CENTER

(01-AFC-24C)

On August 8, 2025, San Diego Gas and Electric Company (SDG&E), the project owner, filed a Post-Certification Petition for Changes in Project Design, Operation or Performance and Amendments to the Commission Decision (Petition) (TN 265488) with the California Energy Commission (CEC) for the Palomar Energy Center (PEC), pursuant to California Code of Regulations, title 20, section 1769.

The PEC is a 500-megawatt natural gas-fired, combined-cycle facility located in the city of Escondido, San Diego County. The project was certified by the CEC on August 6, 2003, and began commercial operation on April 1, 2006.

DESCRIPTION OF PROPOSED CHANGE

SDG&E is seeking CEC's approval for the installation of:

1. Two Hydrogen Recovery Steam Generation (HRSG) isolation valves for the Hot Reheat (HRH) steam system;
2. Two HRSG isolation valves for the Cold Reheat (CRH) steam system; and
3. Working platforms for each of the new valves to support inspection, maintenance, and repair of the valves.

The proposed project modifications would allow operations and maintenance crews to isolate an individual HRSG in the event of HRH steam system equipment failure and perform repairs while maintaining operational availability of the non-impacted HRSG. The proposed modifications are aimed at supporting system reliability.

For additional information, go to the CEC's project webpage (https://www.energy.ca.gov/powerplant/combined-cycle/palomar-energy-project). In the box labeled "Compliance Proceeding," click on "Docket Log" to access documents for this proceeding.

CEC STAFF REVIEW AND CONCLUSIONS

California Code of Regulations, title 20, section 1769(a)(1) requires a project owner to petition the CEC for the approval of any change the project owner proposes to the project design, operation, or performance requirements of a certified facility. Pursuant to 1769(a)(3)(A), the petition may be approved by CEC staff (staff) only if the following criteria are met:

i. There is no possibility that the change may have a significant impact on the environment, or the change is exempt from the California Environmental Quality Act;
ii. The changes would not cause the project to fail to comply with any applicable laws, ordinances, regulations, or standards (LORS); and
iii. The changes would not require a change to, or deletion of, a condition of certification adopted by the Commission in the Final Decision (Decision) or subsequent amendments.

Staff reviewed the petition for potential environmental effects and consistency with LORS. Staff's conclusions for all technical and environmental areas are summarized in **Table 1**.

TABLE 1
Summary of Conclusions for all Technical and Environmental Areas

Technical Areas Reviewed	CEQA				Conforms with applicable LORS
	Potentially Significant Impact	Less Than Significant Impact with Mitigation (with Revised or New COCs)	Less Than Significant Impact (with or without Existing COCs)	No Impact	
Air Quality			X		X
Biological Resources		X			X
Cultural Resources				X	X
Efficiency				X	
Facility Design					X
Geological and Paleontological Resources			X		X
Hazardous Materials Management			X		X
Land Use				X	X
Noise and Vibration				X	X
Public Health			X		X
Reliability					
Socioeconomics				X	
Soil and Water Resources			X		X
Transportation			X		X
Transmission Line Safety and Nuisance				X	X
Transmission System Engineering					X
Visual Resources			X		X
Waste Management			X		X
Worker Safety and Fire Protection			X		X

Areas shown in gray are not subject to CEQA consideration or have no applicable LORS the project must comply with.

Staff has determined that the modified project would continue to comply with applicable LORS, and the project change would not result in any significant adverse environmental impacts. The basis for each of staff's conclusions are provided below:

AIR QUALITY

Air Quality impacts associated with the proposed installation of isolation valves on two existing HRSGs, along with the construction of working platforms for valve access within existing project areas at the PEC would be less than significant. Short-term construction would generate minor and temporary emissions and would not require any ground disturbance. The proposed modifications would not alter the current operational schedule, and the operational emissions. Air quality and greenhouse gas emissions impacts are expected to be less than significant with existing conditions of certification (COCs). The project would remain in compliance with all LORS related to air quality and greenhouse gases.

BIOLOGICAL RESOURCES

The proposed modifications to the PEC include installation of isolation valves on two existing HRSGs and construction of working platforms for valves access within existing project areas. The project site no longer supports native habitat, and therefore, no impacts to biological resources associated with loss of habitat are expected. However, birds, including those protected under the federal Migratory Bird Treaty Act and state California Fish and Game Code, have the potential to nest in or on project infrastructure or adjacent to the project site in native habitat. Suitable coastal sage scrub habitat is present adjacent to the site and may be within 300 feet of proposed activities; this habitat may support the coastal California gnatcatcher (*Polioptila californica californica*), a federally listed threatened species.

Project modifications are anticipated to start in February 2026; thereby potentially overlapping with nesting bird season (February 15 through August 31). Since construction activities would be temporary and limited to areas within the developed facility, formal pre-construction nesting bird surveys would not be required. However, if suitable habitat is present adjacent to the project site and construction activities are initiated during the breeding season (February 15 through August 31), then surveys for California gnatcatchers are required to be conducted in accordance with existing Conditions of Certification **BIO-6** and **BIO-8**. Additionally, if construction occurs during the nesting season, onsite personnel involved in the proposed activities are required to

immediately report any nests or nesting activity found within the construction area to the Designated Biologist pursuant to existing Condition of Certification **BIO-5** [(Worker Environmental Awareness Program (WEAP)]. The Designated Biologist is required to implement appropriate monitoring activities and avoidance measures in compliance with existing Condition of Certification **BIO-6**.

All construction and onsite staff involved with the proposed activities would be required to complete WEAP training before participating in construction activities. The existing WEAP shall be updated to include the nesting bird avoidance and reporting requirements listed above, importance of reporting any nesting bird activity in or near the construction area to the Designated Biologist, as well as relevant local, state, and federal LORS regarding nesting bird protections.

Compliance with the existing Conditions of Certification **BIO-2** (Designated Biologist Selection), **BIO-3** (Designated Biologist Duties), **BIO-4** (Designated Biologist Authority), **BIO-5** (WEAP), **BIO-6** (Biological Resources Mitigation Implementation and Monitoring Plan (BRMIMP), and **BIO-8** (Construction Mitigation Management to Avoid Harassment or Harm), would ensure any impacts to biological resources, including nesting birds, would be less than significant and ensure the project continues to comply with LORS.

CULTURAL RESOURCES

The proposed modifications to the PEC would all occur on the existing HRSGs and supporting structures. As such, the proposed modifications would not require any ground disturbance. Therefore, construction of the proposed modifications does not have the potential to affect historical resources, unique archaeological resources, or tribal historical resources. The PEC would remain in conformance with applicable cultural and tribal cultural resource LORS.

EFFICIENCY

The thermal efficiency and total power generating output of the power plant would not be affected by the addition of the isolation valves in the HRH and CRH systems within the HRSGs at the PEC. The proposed modifications also include installation of working platforms for each of the valves. These components are support-related and structural in nature and would not impact power plant efficiency. No LORS apply to the power plant efficiency.

FACILITY DESIGN

Installation of the isolation valves in the HRH and CRH systems within the HRSGs, including the installation of the working platforms, must be in accordance with the 2022 edition of the California Building Standard Code (CBSC). Implementation of the existing Facility Design COCs adopted in the Commission Decision (Decision) and construction compliance oversight by the Delegated Chief Building Official would ensure compliance with the COCs and applicable LORS.

GEOLOGICAL AND PALEONTOLOGICAL RESOURCES

The proposed installation of four HRSGs isolation valves and associated working platforms would occur within existing facilities on previously disturbed land. Construction must comply with the 2022 CBSC, applicable to Facility Design and Geological Resources COCs, and all applicable LORS. During construction and operation, compliance would mitigate potential impacts from geologic hazards, such as strong seismic ground shaking, on human life, property, and grid reliability to less than significant.

Construction and operation are not anticipated to exacerbate existing geologic hazards. Compliance with the 2022 CBSC, applicable Facility Design and Geological Resources COCs, and all applicable LORS would ensure construction and operation have a less-than-significant impact on geologic hazards.

Construction would not include ground disturbance activities; therefore, the proposed modifications would have no impact on paleontological, mineral, and geologic resources of commercial, recreational, or scientific value.

HAZARDOUS MATERIALS MANAGEMENT

The proposed changes to install four HRSGs isolation valves and associated working platforms for each of the new valves would not involve extremely hazardous materials. During construction, hazardous materials such as gasoline, solvents, lubricants, paints, and welding gases would be used in minimal quantities. Hazardous materials would be stored, handled, and used in accordance with applicable LORS. Compliance with the existing COCs and applicable LORS would ensure less than significant impacts related to hazardous materials management. Therefore, the proposed changes would have a less-than-significant impact on the public or the environment.

LAND USE

Installing isolation valves for the HRSGs and erecting working platforms to access these valves would cause no land use impacts. These would be minor alterations to existing

equipment on the project site and would have no impact on adjacent land uses. The modifications would also be consistent with the existing land use at the site. The project would remain in compliance with all LORS related to land use.

NOISE AND VIBRATION

In accordance with the City of Escondido Noise Ordinance restrictions, construction activities are exempt between the hours of 7:00 A.M. to 6:00 P.M. on weekdays and 10 A.M. to 5 P.M. on Saturdays. As long as construction activities occur within these hours and follow applicable existing COCs in the Decision, the impact due to construction noise would be less than significant.

Activities associated with the installation of the proposed isolation valves and working platforms would be identical to the ones occurring during the operation of the facility. Therefore, operational noise would either be identical or quieter than the original facility specifications. Furthermore, the project would continue to meet operational noise requirements established in the Decision. Therefore, the generated noise would result in a less-than-significant impact with the implementation of the existing noise COCs in the Decision.

PUBLIC HEALTH

Public Health impacts associated with the proposed changes to install the isolation valves and working platforms would be less than significant. Short-term construction activities would generate minor and temporary emissions and would not require any ground disturbance. No changes to operational emissions are anticipated. Therefore, no meaningful increase in public exposure to criteria pollutants or air toxics would occur. Public health impacts are expected to be less than significant with existing COCs. The proposed modifications do not require changes to the existing COCs for Public Health. The project would remain in compliance with all LORS related to public health.

RELIABILITY

The project modifications would not adversely impact the reliability of the project. The operation would be identical to the original proposed operation and would serve to potentially improve reliability by allowing isolation of specific components for repair, which would allow other components of the project to function and as well as reducing the overall downtime. There are no LORS associated with the facility reliability.

SOCIOECONOMICS

The project modifications would have no workforce-related impact on population, housing, public services, and recreation. The installation of the HRSGs would take

approximately 3 weeks to complete and require approximately 12 workers. There are no socioeconomic related LORS or existing COCs applicable to the project modifications.

SOIL AND WATER

The installation of four HRSGs valves would not involve activities that would require modification to the existing Soil and Water Resources COCs for the PEC. There is an existing Stormwater Pollution Prevention Plan and Erosion and Sediment Control Plan under the state Construction General Permit for stormwater that this modification, therefore, the proposed modification would remain in compliance with existing COCs and would have a less than significant impact. The project would comply with the applicable LORS.

TRANSPORTATION

Any construction-worker-generated vehicle miles traveled would be temporary and minor given the small scope of the project. Project construction would occur on existing equipment. As a result, construction or operation would not obstruct any part of the traffic circulation system, including transit, roadway, bikeway, or pedestrian facilities. Additionally, it would not increase hazards or result in inadequate emergency access. Therefore, traffic and transportation impacts would be less than significant, and the project would remain in compliance with the applicable LORS.

TRANSMISSION LINE SAFETY AND NUISANCE

The proposed HRSGs insolation valves would not include activities affecting the transmission line safety and nuisance. Therefore, the project would remain in compliance with applicable Transmission Line Safety and Nuisance LORS and would not require any change to the existing COCs.

TRANSMISSION SYSTEM ENGINEERING

The proposed HRSGs insolation valves would not include activities affecting the transmission lines and would have no impact on the transmission grid. Therefore, the project would remain in compliance with applicable Transmission System Engineering LORS and existing COCs.

VISUAL RESOURCES

The proposed HRSGs valves installation would occur on 20.44-acre power plant site. The HRSG exhaust stack height is 110 feet. The HRSGs design includes the installation of two isolation valves for the Hot Reheat system and two isolation valves for the Cold

Reheat system, along with permanent steel exterior maintenance platforms, including decks and stairs on the steam turbine pipe rack and the HRSG pipe rack supporting future inspection, maintenance, and repair of the valves.

Staff reviewed the project site and surrounding area, including aerial and street-view imagery of Google Maps, site and vicinity photographs, and project diagrams and drawings. Based on this review, staff concluded that the installation of the valves and platforms would not occur within a designated scenic vista and would not eliminate or obstruct public views of a scenic resource. The proposed modifications would not conflict with applicable zoning or other regulations governing scenic quality, nor would they introduce a new source of substantial light or glare in the area. These conclusions inform the evaluation of "Aesthetics" under the CEQA Guidelines, as amended.

The physical change to the visual environment introduced by the proposed modification would not necessitate a revision to the adopted COCs of the Visual Resources section of the Decision.

The requested modification would result in a less-than-significant effect on the environment, as defined by the CEQA Guidelines, and would conform to applicable LORS related to aesthetics and visual resources.

WASTE MANAGEMENT

The installation of four HRSGs valves would not involve activities that would require modification to the existing Waste Management COCs for the PEC. Generated solid waste complies with existing LORS and COCs included in the Decision. Therefore, the modification would have a less than significant impact on solid waste management and the project would remain in compliance with existing COCs.

WORKER SAFETY AND FIRE PROTECTION

During construction of the proposed changes to install four HRSGs isolation valves and associated working platforms for each of the new valves, existing Condition of Certification **WORKER SAFETY-1** would ensure compliance with applicable LORS and would ensure less than significant impacts related to worker safety and fire protection. Therefore, the proposed changes would have a less-than-significant impact on the offsite public or worker's health and safety.

CALENVIRONSCREEN 4.0

Staff reviewed CalEnviroScreen 4.0 (CalEnviroScreen) data to determine whether the United States census tract where the Palomar Energy Project is located (06073020307) is identified as a disadvantaged community. This science-based mapping tool is used by

the California Environmental Protection Agency (CalEPA) to identify disadvantaged communities based on geographic, socioeconomic, public health, and environmental hazard criteria pursuant to Health and Safety Code section 39711 as enacted by Senate Bill 535 (De León, Chapter 830, Statutes of 2012). The census tract is in the 29.7 percentile for pollution in CalEnviroScreen, and thus, is not identified as a disadvantaged community[1].

ENVIRONMENTAL JUSTICE

Environmental Justice Figure 1 shows 2020 census blocks in the six-mile radius of the PEC with a minority population greater than or equal to 50 percent. The population in these census blocks represents an environmental justice (EJ) population based on race and ethnicity as defined in the United States *Guidance on Considering Environmental Justice During the Development of Regulatory Actions.* Staff conservatively obtains demographic data within a six-mile radius around a project site based on the parameters for dispersion modeling used in staff's air quality analysis. Air quality impacts are generally the type of project impacts that extend the furthest from a project site. Beyond a six-mile radius, air emissions have either settled out of the air column or mixed with surrounding air to the extent the potential impacts are lessens than significant. The area of potential impacts would not extend this far from the project site for most other technical areas included in staff's EJ analysis.

Based on California Department of Education data in the **Environmental Justice Table 1**, staff concluded that the percentage of those living in the Escondido Unified Elementary school district (in a six-mile radius of the project site) and enrolled in the free or reduced price meal program is more than those in the reference geography. Thus, it is considered an EJ population based on low income as defined in *Guidance on Considering Environmental Justice During the Development of Regulatory Actions*. **Environmental Justice – Figure 2** shows where the boundaries of the school district are in relation to the six-mile radius around the PEC site.

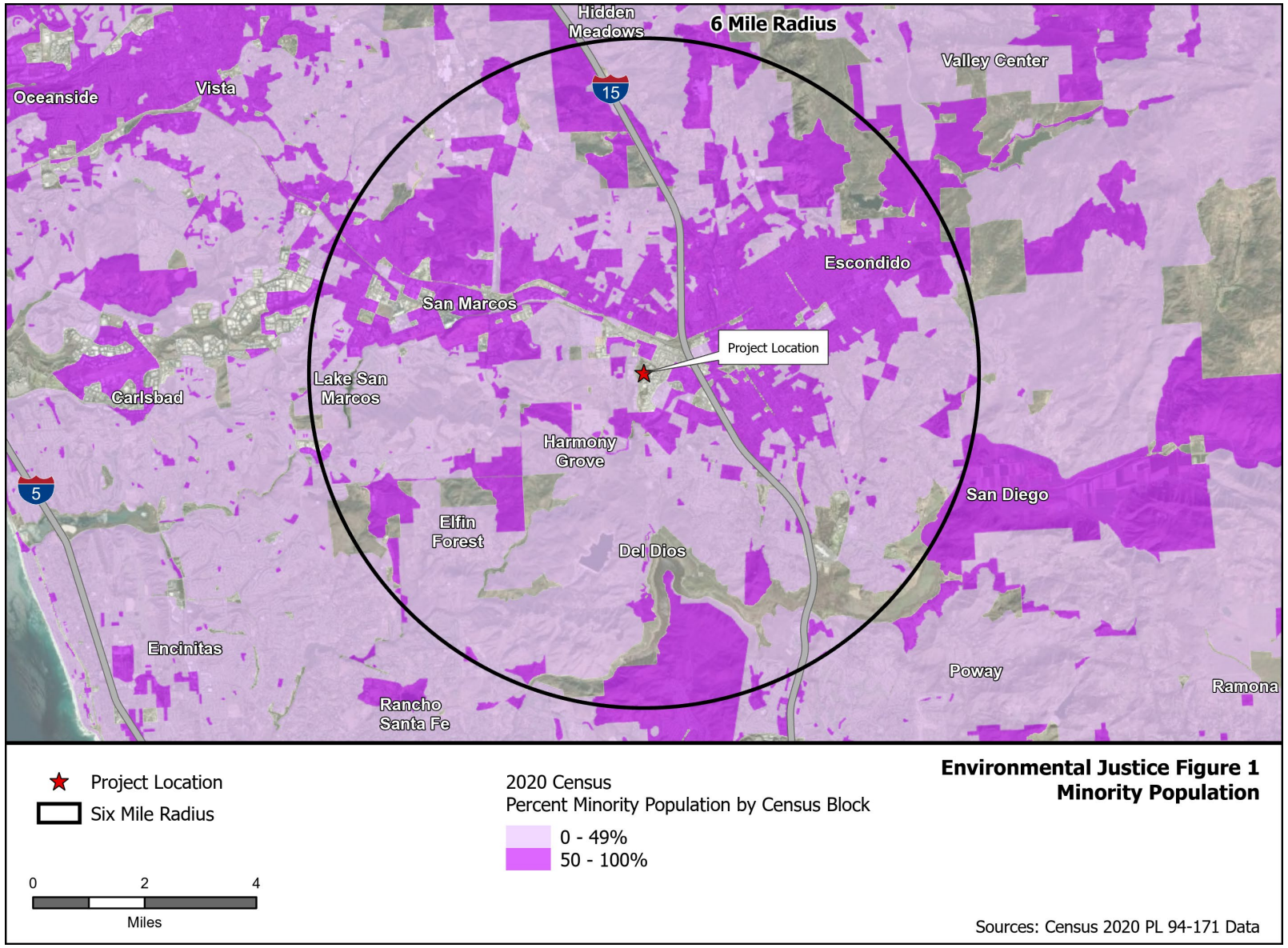
[1] The four categories of geographic areas identified by CalEPA as disadvantaged are: 1) Census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0, 2) Census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps, but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative pollution burden scores, 3) Census tracts identified in the 2017 DAC designation, regardless of their scores in CalEnviroScreen 4.0, and 4) Lands under the control of federally recognized Tribes. Source: CalEPA Final Designation of Disadvantaged ComPomunities: May 2022 https://calepa.ca.gov/envjustice/ghginvest/

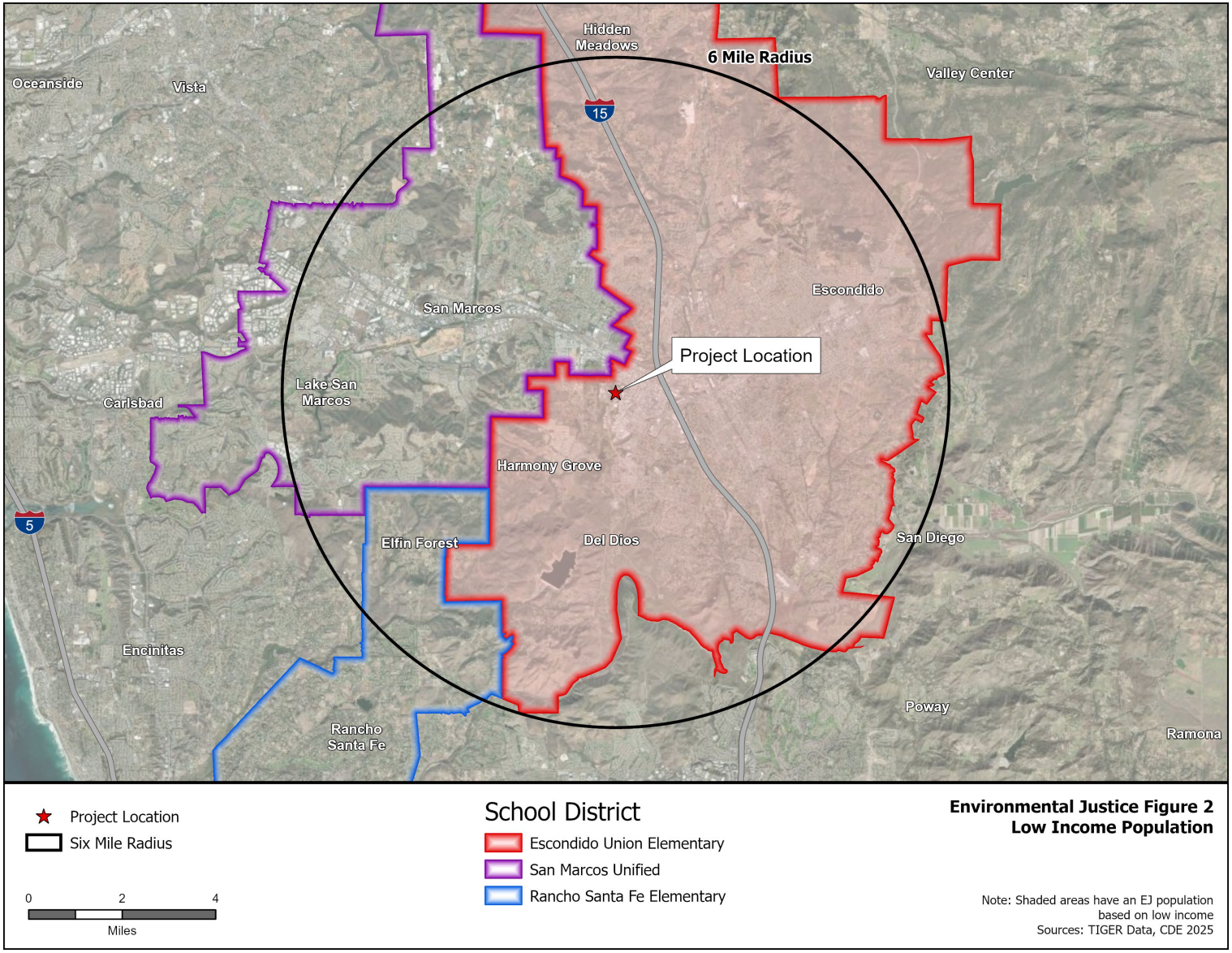
Environmental Justice – Table 1
Low Income Data within the Project Area

SCHOOL DISTRICTS IN SIX-MILE RADIUS	Enrollment Used for Meals	Free or Reduced Price Meals	
Escondido Union Elementary	16,848	11,927	70.8%
Rancho Santa Fe Elementary	505	29	5.7%
San Marcos Unified	18,950	7,194	38.0%
REFERENCE GEOGRAPHY			
San Diego County	476,844	256,067	53.7%
Source: CDE 2025. California Department of Education, DataQuest, Free or Reduced Price Meals, District level data for the year 2024-2025, http://dq.cde.ca.gov/dataquest/.			

Environmental Justice Conclusions

For this petition, staff did not identify any impacts to the EJ population represented in **Environmental Justice Figure 1**, **Figure 2**, and **Table 1**.


Hidden Meadows
6 Mile Radius
Valley Center
Oceanside
Vista
15
Escondido
San Marcos
Project Location
Lake San Marcos
Carlsbad
Harmony Grove
5
San Diego
Elfin Forest
Del Dios
Encinitas
Poway
Ramona
Rancho Santa Fe
Project Location
Six Mile Radius
0
2
4
Miles
2020 Census
Percent Minority Population by Census Block
0 - 49%
50 - 100%
Environmental Justice Figure 1
Minority Population
Sources: Census 2020 PL 94-171 Data


Hidden Meadows
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San Marcos
Project Location
Lake San Marcos
Carlsbad
Harmony Grove
5
Elfin Forest
Del Dios
San Diego
Encinitas
Poway
Rancho Santa Fe
Ramona
Project Location
Six Mile Radius
0
2
4
Miles
School District
Escondido Union Elementary
San Marcos Unified
Rancho Santa Fe Elementary
Environmental Justice Figure 2
Low Income Population
Note: Shaded areas have an EJ population based on low income
Sources: TIGER Data, CDE 2025

CEC STAFF DETERMINATION

Staff has determined that the Petition meets the criteria for approval by staff, and therefore, submission to the CEC for approval is not required. Specifically, based on the environmental and other analysis set forth above, staff has determined the proposed changes described in the petition meet the following requirements:

1. There is no possibility that the change may have a significant impact on the environment, or the change is exempt from the California Environmental Quality Act;
2. The changes would not cause the project to fail to comply with any applicable laws, ordinances, regulations, or standards; and
3. The changes would not require a change to, or deletion of, a condition of certification adopted by the Commission in the final decision or subsequent amendments.

Staff also concludes that none of the findings specified in 1748(b) apply to the proposed changes and the proposed changes do not meet any of the criteria requiring the production of subsequent or supplemental review pursuant to Public Resources Code section 21166 and California Code of Regulations, tit. 20, section 15162.

WRITTEN COMMENTS

This statement of staff summary and approval of the proposed project changes has been filed in the docket for this project. Pursuant to California Code of Regulations, title 20, section 1769(a)(3)(C), any person may file an objection to the CEC staff's determination within 14 days of the filing of this statement on the grounds that the project change does not meet the criteria set forth in section 1769(a)(3)(A). Absent any objections as specified in section 1769(a)(3)(C), this petition will be approved 14 days after this statement is filed.

The CEC's project webpage has a link to the PTA and this Statement of Staff Approval. In the box labeled "Compliance Proceeding," click on the "Docket Log" to access documents for this Proceeding.

Written comments or objections to staff's determination may be submitted using the CEC's e-Commenting feature, as follows: Go to the CEC's project webpage and click on either the "Comment on this Proceeding," or "Submit e-Comment" link. When your comments are filed, you will receive an email with a link to them.

Written comments or objections may also be mailed to:

California Energy Commission
Docket Unit, MS-4
Docket No. 01-AFC-24C
715 P Street
Sacramento, CA 95814-5512

All comments and materials filed with the Docket Unit will be added to the facility Docket Log and be publicly accessible on the CEC's project webpage.

If you have questions about this document, please contact Compliance Project Manager Anwar Ali, Compliance Monitoring and Enforcement Unit, Safety and Reliability Branch, at (916) 698-7498, or via email at anwar.ali@energy.ca.gov.

For information on public participation, please contact the CEC's Office of Public Advisor, Energy Equity, and Tribal Affairs at (916) 957-7910 or email at publicadvisor@energy.ca.gov.

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