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| Docket Number: | 01-AFC-25C |
| Project Title: | Malburg City of Vernon-Compliance |
| TN #: | 222641 |
| Document Title: | Bicent California Malburg LLC's Phasing Approval Letter to CEC |
| Description: | Letter Regarding Authorization to Install Turbine Upgrade Components |
| Filer: | Marie Fleming |
| Organization: | DayZen LLC |
| Submitter Role: | Applicant Representative |
| Submission Date: | 2/21/2018 11:09:22 AM |
| Docketed Date: | 2/21/2018 |



February 21, 2018

Mr. John Heiser, Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Subject: *Malburg Generating Station*
01-AFC-25C
Authorization to Install Turbine Upgrade Components

Dear Mr. Heiser,

DayZen, LLC represents Bicent (California) Malburg, L.L.C. (Bicent), the owner of the Malburg Generating Station (MGS). Bicent filed a Petition To Amend (Petition) its California Energy Commission (Commission) License on November 21, 2017. Bicent also filed an application for modification to its Permit To Operate (Air Permit) with the South Coast Air Quality Management District (District) on November 13, 2017.

This Petition requests approval of three specific items. The first is to install and operate the Siemens A+ turbine upgrade package to both combustion turbines to be completed during the Spring 2018 outage and includes minor modifications to existing Conditions of Certification. The second is to conform certain Air Quality Conditions of Certification to modifications made by the South Coast Air Quality Management District (SCAQMD) to its air permit in 2015. The third item is a request to make a minor modification to a condition that restricts the time for testing of the existing fire pump.

At this time the District is still reviewing the application for modification to its Air Permit and will not be able to complete its review prior to the maintenance activities for the Spring 2018 outage, scheduled to begin in early March 2018.

According to Siemens, the manufacturer and installer of the turbine upgrade components; the Turbine Upgrade consists of two distinct phases. Phase I includes installation of the enhanced turbine and compressor blades during the maintenance activities of the Spring 2018 outage and Phase II will include tuning and installation of

engineering software necessary to achieve the enhanced performance discussed in the Petition. Please see the attached letter from Siemens.

After discussions with the District it was agreed that Phase 1 would not require modification of the Air Permit because the physical components that would be installed during the scheduled maintenance activities are functionally equivalent in design to the previously installed components. Until the turbine tuning and the additional engineering software is installed by Siemens as part of Phase II, the facility will operate without the enhanced performance and therefore will not require amendment of any of the conditions of the Air Permit or Commission License.

Therefore, Bicent proposes that the Commission authorize Phase I as a compliance approval and continue to process the Petition in coordination with the District. Phase II will not be undertaken until such time as the District amends the Air Permit and the Commission amends the License to conform the conditions to the District amended Air Permit.

Time is of the essence to coordinate the installation of the Phase I components during the Spring 2018 outage beginning in early March. Thank you for your consideration.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Scott A. Galati", with a stylized flourish at the end.

Scott A. Galati
Counsel to Bicent (California) Malburg, L.L.C.