

DOCKETED

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Project Title:	Compliance - Application for Certification for Midway-Sunset Cogeneration Project
TN #:	201327
Document Title:	Midway Sunset Cogeneration Divestiture of a Portion of Its Main Steam Line
Description:	Midway Sunset Cogeneration Divestiture of a Portion of Its Main Steam Line
Filer:	Mary Dyas
Organization:	Midway Sunset Cogeneration Company
Submitter Role:	Applicant
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November 12, 2013

CC-1816

Ms. Mary Dyas
Compliance Project Manager
California Energy Commission
1516 Ninth Street (MS-2000)
Sacramento, CA 95814

Subject: Midway Sunset Cogeneration Company (MSCC) Divestiture of a Portion of Its Main Steam Line.

Dear Ms. Dyas,

Our sincere thanks to you for arranging our meeting with you and Mr. Chris Marxen October 8, 2013. This correspondence is the result of the discussion we had concerning MSCC's divestiture of a portion of its main steam distribution line and the uncertainty as to whether the divestiture required a Post Certification Amendment or whether a letter of notification would suffice.

As you are aware, MSCC is a cogeneration facility comprised of three GE Frame 7E combustion turbine generators (CTGs). The three CTGs were designed to produce electricity for sale to utilities and across the fence to the steam host who is a 50% owner of MSCC. The steam host purchases all the steam generated by the CTGs for use in thermally enhanced oil recovery (TEOR). Over the past twenty four years of operation, oil production and, subsequently, steam demand has declined. Starting November 2010, the steam host required steam from only two CTGs and starting October 2014, steam demand will drop further and require steam from only one CTG. Since the original steam distribution was designed for steam output from three CTGs, steam production from one CTG is not enough to maintain the required pressure, temperature and quality at distant injection wells. To maintain pressure and quality throughout the distribution system at these reduced flow rates, MSCC will, in October 2014, remove from service approximately 9000 feet of the steam distribution system, isolating the furthest portion of the distribution system (please see attached sketch). The steam host, who as a 50% partner already owns half of the distribution system, is purchasing the remaining interest in the abandoned line from MSCC for use in their local steam distribution.

Please accept this as a letter of notification of MSCC's divestiture of approximately 9000 feet of the originally designed steam distribution system. If it is determined that a Post Certification Amendment is required, please find attached a draft copy. If needed, the draft copy can be signed by MSCC's Executive Director and formally submitted.

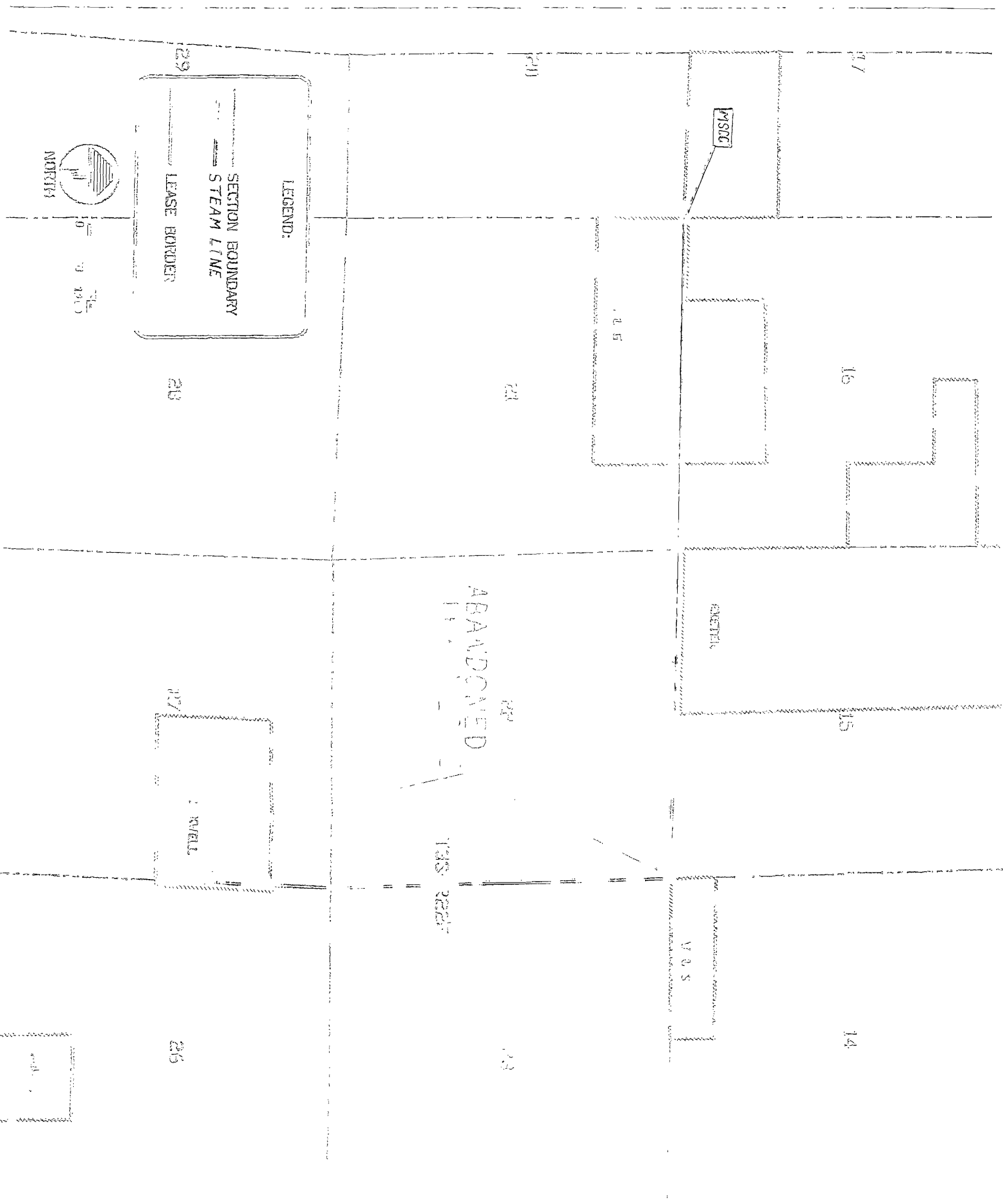
Thanks for your time and help in this matter. If you have any questions or comments, please contact me at (661)768-3020 or Ray Smith at (661) 768-3016.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Faiella". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Dave Faiella
Executive Director

File CC-1816
GJans
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This petition for a Midway Sunset Cogeneration Company (MSCC) post-certification modification of the steam line is being submitted under the provisions of Section 1769(a) of Title 20, California Code of Regulations seeking divestiture of approximately 9000 feet of the existing steam line. The petition is organized to address the informational requirements of Section 1769(a) in order of appearance. The requirements are in ***bold italics*** with the responses in standard type.

(A) A complete description of the proposed modifications, including new language or any conditions that will be affected.

MSCC respectfully petitions the CEC to allow the divestiture of approximately 9000 feet of steam line. The divestiture of the steam line requires no new language nor does it affect any conditions.

(B) A discussion for the necessity for the Proposed Modification.

MSCC is a cogeneration facility comprised of three GE Frame 7E combustion turbine generators (CTGs). The three CTGs were designed to produce electricity for sale to utilities and across the fence to the steam host who is a 50% owner of MSCC. The steam host also purchases all the steam generated by the CTGs for use in thermally enhanced oil recovery (TEOR). Over the past twenty four years of operation, oil production and, subsequently, steam demand has declined. Starting November 2010, the steam host required steam from only two CTGs and, recently, MSCC was notified by the steam host that as of October 2014, steam demand will require steam from only one CTG. Since steam production from one CTG is not enough to maintain the required pressure, temperature and quality of steam required at the far reaches of a system designed for steam distribution from three CTGs, MSCC will, as of October 2014, remove from service approximately 9000 feet of the steam distribution system. The steam host, who as a 50% partner already owns half of the isolated line, is purchasing the remaining interest in the line from MSCC for use in their local steam distribution.

(C) If the modification is based on information that was known by the petitioner during the certification proceeding, an explanation why the issue was not raised at that time.

An accurate life span for MSCC and its steam distribution system was not known during the certification proceeding.

(D) If the modification is based on new information that changes or undermines the assumptions, rational findings, or other bases of the final decision, an explanation of why the changes should be permitted.

The divestiture of 9000 feet of steam line does not change or undermine the assumptions, rational findings, or other bases of the final decision.

(E) An analysis of the impacts the modification may have on the environment, and proposed measures to mitigate any significant adverse impacts.

The divestiture of 9000 feet of steam line will have no impact on the environment.

(F) A discussion of the impact of the modification on the facilities ability to comply with applicable laws, ordinances, regulations and standards.

The divestiture of 9000 feet of steam line will not impact MSCC's ability to comply with applicable laws, ordinances, regulations and standards.

(G) A discussion of how the modification affects the public.

The divestiture of 9000 feet of steam line will have no effect on the public.

(H) A list of property owners potentially affected by the modification.

The divestiture of 9000 feet of the steam line will affect only the steam host. No other property owners will be affected.

(I) A discussion of the potential effect on nearby property owners, the public and the parties in the application proceedings.

The divestiture of 9000 feet of steam line has no potential effect on nearby property owners.