

DOCKETED

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CALIFORNIA ENERGY COMMISSION

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December 24, 2013

Mike DeSpain Director-OEPP
Mechoopda Indian Tribe of Chico Rancheria
125 Mission Ranch Blvd
Chico, CA 95926

RE: Sutter Energy Center Modification Project (97-AFC-02C) - Invitation to Participate
in California Energy Commission / Tribal Consultation

Dear Director DeSpain,

Your name was provided to the California Energy Commission (Energy Commission) by the Native American Heritage Commission, as a representative of a Native American entity who might be interested in the proposed modification to a power plant and related generation tie-line and substation facilities in Sutter County. The proposed project is located adjacent to Calpine's Greenleaf Unit #1 cogeneration power plant, approximately seven miles southwest of Yuba City, on South Township Road near the intersection with Best Road. Modifications are proposed 1) within the footprint of the existing Sutter Energy Center (SEC), a currently operating power plant, 2) along a 1.71-mile proposed underground generation tie-line running generally west of the power plant, and 3) at an approximate 35-acre location proposed for construction of a substation at the western end of the proposed transmission line (see attached regional and site location maps). This letter provides general information concerning the current project design, includes attached exhibits depicting the vicinity and project site locations, and invites you to participate in Energy Commission tribal consultations.

The Energy Commission has jurisdiction over the proposed modification and has received a petition to modify the power plant and related facilities. The Energy Commission will be analyzing this proposed modification in coordination with other local, federal, and state agencies.

General Project Description

Existing Facility

SEC is a 578-megawatt (MW), natural-gas-fired, combined-cycle facility owned and operated by Calpine Construction Finance Company L.P. (CCFC). The design consists of two combustion turbine generators (CTG), two heat recovery steam generators (HRSG) with duct burners, and a steam turbine generator (STG). SEC is currently interconnected with the Western Area Power Administration's (Western's) 230-kilovolt (kV)

transmission system at the O'Banion Substation, which is located approximately 2.3 miles southwest of the SEC site via an aboveground, 3.9-mile-long, 230 kV generator tie-line. SEC occupies approximately 16 acres of a 38.02-acre CCFC-owned parcel.

Adjacent and to the east of SEC is a cogeneration facility called Greenleaf 1 that is permitted and operated separately from SEC and occupies a separate, 39.5-acre parcel. The Petition proposes equipment modifications to the SEC facility, the addition of a new 1.71-mile-long generator tie-line, and a substation that will allow connection to Pacific Gas and Electric Company's (PG&E) Table Mountain-to-Tesla 500 kV transmission line that is located west of the SEC site.

Equipment Modifications

The following equipment modifications are proposed:

- **Auxiliary Boiler:** CCFC proposes to install an auxiliary boiler adjacent to one of the HRSGs. The auxiliary boiler will provide steam to both HRSGs and improve operating performance.
- **Air-cooled Condenser:** CCFC proposes to increase the capacity of the air-cooled condenser by adding two rows ("streets") of five fans each. This upgrade will improve the facility's heat rate.

Interconnection Modifications

Because Western is no longer a participant in the California Independent System Operator (CAISO), the O'Banion Substation no longer provides optimal distribution capabilities for power generated at the SEC. Therefore, CCFC is proposing to construct a new, underground replacement generator tie-line and substation that would connect with PG&E's Table Mountain-to-Tesla 500 kV transmission line and would facilitate power marketing to the CAISO-controlled grid that serves much of California. The new generator tie-line would exit the SEC site at the existing switchyard, and then travel west, south, and west along agricultural roads for approximately 1.71 miles to a new substation location adjacent to PG&E's 500 kV Table Mountain-to-Tesla transmission line. PG&E will construct the new substation on an approximately 35-acre site that is currently occupied by a rice field and duck hunting blinds, and CCFC will install a bank of step-up transformers on a 3- to 5-acre site adjacent to the new PG&E substation to transform power from 230 kV to 500 kV for export on the PG&E line. The first point of interconnection with the CAISO-controlled grid will be the new PG&E substation. After completion of the new generator tie-line and substation, CCFC will discontinue use of the existing 230 kV generator tie-line that connects the facility to the O'Banion Substation owned and operated by Western. Although CCFC has stated its preference to remove the existing generator tie-line, under the terms of CCFC's agreement with Western, CCFC is only permitted to do so at Western's discretion. Because the O'Banion Substation is integrated with Western's broader transmission system, it is likely that Western will continue to operate this facility.

Mike DeSpain, Director-OEPP

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Over the coming months, the Energy Commission will be developing a staff assessment of the proposed modifications to determine whether the proposed modifications should be approved for construction and operation and under what set of conditions. The staff assessment will be subject to a 30-day review period to provide the public and Native American entities, as well as local, state, and federal agencies, an opportunity to comment on the staff assessment. After the close of the 30-day comment period, the proposed modifications, the staff assessment, any new and revised conditions of certification, and any comments will be provided to the full commission at an Energy Commission Business Meeting where a decision would likely be made to either deny the proposed modifications or approve the modifications with conditions.

If you would like to be notified by e-mail whenever a public meeting is scheduled or a document is posted to the project website, you may sign up for the project list server on the Energy Commission's main web page by visiting the following address: <http://www.energy.ca.gov/sitingcases/sutterpower>. Public notices can also be sent to you by mail at your request. Should you request, Energy Commission staff will arrange for a separate meeting to discuss issues that you may wish to hold in confidence from the general public. To view a copy of the Petition to Amend (97-AFC-02C) and find more information about the project and proceedings, please visit the project website: <http://docketpublic.energy.ca.gov/PublicDocuments/Compliance/97-AFC-2C>.

The Energy Commission staff welcomes your comments or questions. If you have concerns regarding potential impacts of the SEC project, please contact Thomas Gates at (916) 654-5008; Fax: (916) 651-8868; or thomas.gates@energy.ca.gov.

Sincerely,

/S/

Roger E. Johnson
Deputy Director
Siting, Transmission
and Environmental Protection Division

Energy Commission Tribal Liaison

Enclosures: Regional Location Map
Site Location Maps (2)