

DOCKETED

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CALIFORNIA ENERGY COMMISSION

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December 17, 2014

**REQUEST FOR COMMENTS ON THE PRELIMINARY
STAFF ASSESSMENT FOR THE PROPOSED
CARLSBAD ENERGY CENTER PROJECT AMENDMENT (07-AFC-06C)**

To: AGENCY DISTRIBUTION LIST

The enclosed Preliminary Staff Assessment (PSA) for the Carlsbad Energy Center Project Petition to Amend (PTA, the "CECP amendment") (07-AFC-06C) was published on December 15, 2014, and contains the Energy Commission staff's analysis and proposed mitigation measures and conditions of certification for potential impacts in the areas of engineering, the environment, and public health and safety resulting from proposed modifications to the CECP.

The California Energy Commission encourages agency participation in the review of the CECP amendment. The agency comment period for this PSA is from December 17, 2014 through January 21, 2015.

If you wish to comment on the document, please submit comments by going to the Energy Commission's webpage <http://www.energy.ca.gov/sitingcases/carlsbad/> and click on the "Submit e-Comment" link. Please provide your full name, an organization name, an e-mail address, a reference to Docket No. 07-AFC-06C in the subject line, and preferably put your comment in an attached document (Microsoft Word .doc, .docx, or in Portable Document Format - .pdf format). After entering characters to ensure that responses are generated by a human user and not a computer, click on the "Agree & Submit Your Comment" button to submit the comment to the Energy Commission Dockets Unit.

If you wish to mail written comments on the project, please submit them to the Energy Commission Dockets Unit. Please include the docket number (07-AFC-06C) for the CECP amendment in the subject line or first paragraph of your comments, and mail or hand-deliver them to:

California Energy Commission
Dockets Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

All written comments and materials filed with the Dockets Unit will become a part of the public record of the proceeding. Additionally, comments will be posted on the CECP amendment webpage of the Energy Commission's website.

The PSA will serve as a precursor to the Final Staff Assessment (FSA). After allowing for a public comment period and holding public workshops on the PSA,

staff will prepare and publish a FSA that will address comments received and serve as staff's formal testimony in evidentiary hearings to be held by the Energy Commission Committee assigned to hear this case. The Committee will hold evidentiary hearings and will consider the recommendations presented by the staff, applicant, intervenors, government agencies, and the public, prior to proposing its decision. The Energy Commission will make the final decision, including findings, after the Committee's publication of its proposed decision.

SUMMARY OF THE PROPOSED CECP AMENDMENT

The Energy Commission approved the 540-megawatt (MW) CECP on May 31, 2012, with combined-cycle technology powered by natural gas and air-cooled by fin-fan heat exchange condensers. Necessary linear features approved for the licensed CECP include the option to use either reclaimed or desalinated seawater for the project's daily industrial water requirements. Following a change in regional reliability requirements due to the June 2013 decommissioning of the San Onofre Nuclear Generating Station, plans to amend the licensed CECP began. Amendments to the CECP were filed by the petitioner/project owner in two separate petitions (one filed on April 29, 2014, and the second on May 2, 2014). The two petitions were consolidated and combined into one single proceeding by the Committee reviewing this case on September 23, 2014.

Modifications to the licensed CECP electrical generation equipment and associated linear features include changes that would help fulfill the power generation needs of San Diego Gas & Electric (SDG&E) service territory, as well as provide local and electrical transmission grid support in San Diego County and the southern Orange County and Inland Empire communities served by SDG&E.

The amended CECP electrical generation power plant re-configuration would include six simple-cycle LMS100 natural gas-fired combustion turbines (designated amended CECP Units 6, 7, 8, 9, 10, and 11). Similar to the licensed CECP, the amended CECP units would interconnect with SDG&E's 138-kv and 230-kV switchyard facilities. All key power plant operation and maintenance features would be located to the eastern side of the NCTD railroad tracks within the 30-acre project footprint. Relocated features would include a new administrative and control building and smaller warehouse.

The amended CECP would be developed in several phases over a 64-month period. These phases include the Phase I demolition of above-ground fuel oil storage tanks (ASTs) 1, 2, and 4 (following demolition of those AST's permitted by the licensed CECP for demolition, i.e. AST's, 5, 6, and 7). Phase II would involve the construction, commissioning and commencement of operation of the amended CECP power plant. Following start-up of commercial operation, Phase III would begin a maximum 12-month phase that includes cessation of all once-through seawater cooling (OTC) at the EPS, per the state water board OTC deadline of December 31, 2017. The final Phase IV of the CECP amendment involves the demolition of EPS Units 1-5, the 200-ft. concrete enclosure building housing the units, the 400-ft exhaust stack, and other above-ground ancillary facilities located west of the North Coast Transit District (NCTD) railroad tracks. The only facilities west of the railroad tracks that would remain following Phase IV demolition would be facilities associated with the Carlsbad Seawater Desalination Project (CSDP), and transmission and linear features necessary for the operation of the amended CECP power plant.

ENERGY COMMISSION'S SITE CERTIFICATION PROCESS

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts, and engineering aspects of proposed power plants and all related facilities such as electric transmission lines and natural gas and water pipelines. The Energy Commission has a certified regulatory program and is the lead agency under the California Environmental Quality Act (CEQA).

SUMMARY OF STAFF'S PRELIMINARY CONCLUSIONS

Based upon the information provided, discovery achieved and analyses completed to date, Summary Table-1 on the following page illustrates the Energy Commission staff's preliminary assessment of the CECP amendment and also identifies the areas where staff has requested additional information. The PSA contains a detailed discussion of staff's preliminary conclusions, all of which are subject to change in the FSA depending upon additional information and comments received.

**Summary Table 1
Environmental and Engineering Assessment**

| Technical Area | Complies with LORS | Impacts Mitigated | Additional Information Required |
|-----------------------------------|--------------------|-------------------|---------------------------------|
| Air Quality/Greenhouse gases | Yes | Yes | No |
| Biological Resources | Yes | Yes | No |
| Cultural Resources | Yes | Undetermined | Yes |
| Hazardous Materials | Yes | Yes | No |
| Land Use | No | Yes | No |
| Noise and Vibration | Yes | Yes | No |
| Public Health | Yes | Yes | No |
| Socioeconomics | Yes | Yes | No |
| Soil and Water Resources | Yes | Yes | Yes |
| Traffic & Transportation | Yes | Yes | No |
| Transmission Line Safety/Nuisance | Yes | Yes | No |
| Visual Resources | Yes | Yes | No |
| Waste Management | Yes | Yes | No |
| Worker Safety and Fire Protection | Yes | Yes | No |
| Facility Design | Yes | Yes | No |
| Geology & Paleontology | Yes | Yes | No |
| Power Plant Efficiency | Yes | Yes | No |
| Power Plant Reliability | Yes | Yes | Yes |
| Transmission System Engineering | Yes | Yes | Yes |
| Alternatives | Yes | Yes | No |

Availability of the Preliminary Staff Assessment

The status of the project, copies of notices and other relevant documents are available on the Energy Commission's web site <http://docketpublic.energy.ca.gov/PublicDocuments/12-AFC-03/TN203457>.

Date: 12/17/14

Sincerely,



Chris Davis, Manager
Siting Office

Mailed to Agency list 7262