

DOCKETED

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CALIFORNIA ENERGY COMMISSION

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**NOTICE OF AVAILABILITY
FINAL STAFF ASSESSMENT
CARLSBAD ENERGY CENTER PROJECT AMENDMENT (07-AFC-06C)**

To: MEMBERS OF THE PUBLIC

The Final Staff Assessment (FSA) of the Carlsbad Energy Center Project Petition to Amend/ Petition to Remove (amended CECP) is now available and contains the California Energy Commission (Energy Commission) staff's final evaluation of the proposal. The FSA is available for review on the Energy Commission's website at:

http://docketpublic.energy.ca.gov/PublicDocuments/07-AFC-06C/TN203696_20150217T141737_CECP_Amendment_Final_Staff_Assessment.pdf.

The FSA is not a decision document for the CECP. The FSA will serve as staff's formal testimony in evidentiary hearings to be held by the Energy Commission's Committee assigned to hear this case. The Committee has scheduled evidentiary hearings for April 1 and April 2, 2015 in Carlsbad, California and will consider the recommendations presented by the staff, petitioner, 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 Presiding Member's Proposed Decision. To receive notice of future hearings and other project related events, go to the project web page at <http://www.energy.ca.gov/sitingcases/carlsbad/>, and subscribe to the Carlsbad Listserve Automated E-mail Notifications.

SUMMARY OF THE PROPOSED AMENDED CECP PROJECT**Background**

On May 31, 2012, the California Energy Commission approved the 558-megawatt (MW) combined-cycle Carlsbad Energy Center Project (licensed CECP) for construction and operation. The licensed CECP was to be a natural gas-fired, air-cooled power plant on the northeastern section of the existing Encina Power Station (EPS) site in Carlsbad, California. An amendment to the licensed CECP evolved from a series of meetings and discussions in late 2013 between the project owner and its parent company (NRG, Inc.), the city of Carlsbad, its water agency (Carlsbad Municipal Water District), and the local investor-owned utility, San Diego Gas and Electric (SDG&E.) The meetings and discussions resulted in a "Settlement Agreement" between the parties that promulgated an amended project with six combustion-turbine generators (CTGs) and provided for, among other things: (i) the retirement, decommissioning, demolition and removal of the EPS, (ii) the remediation and redevelopment of the site formerly housing the EPS, (iii) future construction and redevelopment of the CECP, (iv) the relocation and construction of a new service center for SDG&E, and (v) "other changes in energy infrastructure and property considerations beneficial to the residents of Carlsbad."

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Project Location

The amended CECP would be located on approximately 30 acres (an expansion of seven acres from the licensed CECP footprint) at the northeastern corner of the 95-acre EPS in the northern coastal San Diego County city of Carlsbad, California, west of Interstate 5, adjacent to the Agua Hedionda Lagoon, at 4600 Carlsbad Boulevard.

Project Description

The amended CECP would include six simple-cycle LMS100 natural gas-fired combustion turbines (designated amended CECP Units 6, 7, 8, 9, 10, and 11), that 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 North County Transit District (NCTD) railroad tracks within the 30-acre project footprint. Relocated features would include a new administrative and control building and smaller warehouse. A more detailed description of the project's technical elements is included in the **Project Description** section of the FSA at: http://docketpublic.energy.ca.gov/PublicDocuments/07-AFC-06C/TN203696_20150217T141737_CECP_Amendment_Final_Staff_Assessment.pdf.

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 current demolition of those ASTs already permitted for demolition in the licensed CECP Decision, i.e. ASTs, 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 EPS decommissioning 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, a 14-MW EPS peaker, the 200-foot tall concrete enclosure building housing the units, the 400-foot tall exhaust stack, and other above-ground ancillary facilities located west of the 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 Desalination Project, and transmission and linear features necessary for the operation of the amended CECP power plant.

SUMMARY OF STAFF'S FINAL CONCLUSIONS

Energy Commission staff concludes that the amended CECP complies with all laws, ordinances, regulations and standards (LORS), with the exception of exceeding a 35-foot height limitation in the city of Carlsbad Agua Hedionda Land Use Plan for future buildings. The May 31, 2012, Energy Commission Final Decision for the licensed CECP adopted override findings, under both the Warren-Alquist Act and the California Environmental Quality Act (CEQA), for nonconformance with land use LORS, including the 35-foot height limitation. Staff does not believe the amended CECP's nonconformance with the height limitation would be a significant impact under CEQA, and recommends that only a LORS override is needed for this nonconformity. Staff further concludes that the amended CECP would not result in new, significant environmental effects not previously analyzed during approval of the licensed CECP, nor an increase in the severity of impacts that could be significant, with the mitigation staff proposes in the conditions of certification in the FSA, with the possible exception of a significant cumulative impact in the area of visual resources.

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AVAILABILITY OF PROJECT INFORMATION

The status of the amended CECP, copies of notices, and other relevant documents are available on the Energy Commission's project webpage at:

<http://www.energy.ca.gov/sitingcases/carlsbad/>.

Copies of the FSA are also available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at California public libraries in Eureka, Fresno, San Francisco, Los Angeles, and San Diego. Additionally, copies of the FSA were mailed to the following public libraries:

Georgina Cole Library,
1250 Carlsbad Village Drive,
Carlsbad, CA 92008

Oceanside Public Library,
330 North Coast Highway,
Oceanside, CA 92054

Carlsbad City Library,
1775 Dove Lane,
Carlsbad, CA 92011

Copies of the FSA have also been sent to those public agencies (such as the city of Carlsbad) that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

PUBLIC RESOURCES, CONTACT INFORMATION AND ADDITIONAL SOURCES FOR INFORMATION

If you desire information on how to participate in the Energy Commission's review of the proposed project, please contact the Energy Commission's Public Adviser, Alana Mathews, at (916) 654-4489 or toll free in California at (800) 822-6228, or by email at publicadviser@energy.ca.gov.

For additional information about the amended CECP project or schedule, contact either Mike Monasmith, Project Manager at (916) 654-4894, or by email at mike.monasmith@energy.ca.gov, or Jon R. Hilliard, Project Manager at (916) 654-3936, or by email at jon.hilliard@energy.ca.gov.

News media inquiries should be directed to Information Officer, Michael Ward at (916) 654-4394 or by email at mediaoffice@energy.ca.gov.

Those persons with limited English knowledge may request interpreter services by contacting Mike Monasmith, Project Manager at (916) 654-4894, or by email at mike.monasmith@energy.ca.gov.

Date: 02/24/2015


Roger E. Johnson, Deputy Director

cc: Mail list: 7260, 7261

Carlsbad Energy Center Project Amendment listserve