

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

August 1, 2007

James Troyer, Director
City of Rancho Cucamonga Planning
10500 Civic Center Drive
Rancho Cucamonga, CA 91730

DOCKET 07-AFC-2	
DATE	AUG 01 2007
RECD.	AUG 01 2007

RE: San Gabriel Generating Station (07-AFC-2)

Dear Mr. Troyer:

On April 13, 2007, San Gabriel Power Generation (SGPG), LLC (Applicant), submitted an Application for Certification (AFC) to the California Energy Commission to construct and operate the San Gabriel Generating Station (SGGS), a new 656 megawatt (MW) natural-gas fired combined-cycle generating facility. The SGGS would be located on the Etiwanda Generating Station property in the City of Rancho Cucamonga. In May, 2007, SGPG provided a supplement to the AFC to satisfy the Energy Commission's informational requirements. On May 23, 2007, the Energy Commission accepted the AFC with the supplemental information as complete.

The Energy Commission has the exclusive authority to license all new or modified power facilities, 50 MW or greater in the state (Public Resources Code section 25500). The Energy Commission's license takes the place of all other state, regional, or local permits (e.g., conditional use permit), and other entitlements for use that would otherwise be required. 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's responsibilities are those of a lead agency under the California Environmental Quality Act (CEQA), except the Energy Commission's analysis includes multiple environmental and decision documents rather than an Environmental Impact Report.

As part of the licensing process, the Energy Commission must determine whether a proposed facility complies with all applicable state, regional, and local laws, ordinances, regulations, and standards (LORS) (Public Resources Code section 25523(d)(1)). The Energy Commission must either find that a project conforms to all applicable LORS or make specific findings that a project's approval is justified even where the project is not in conformity with all applicable LORS (Public Resources Code section 25525).

We have begun the discovery and analysis phases of the project's 12-month licensing process. The Energy Commission staff is an independent party in a licensing case and has the responsibility to perform an independent assessment of each energy facility application filed with the Energy Commission. The decision on

PROOF OF SERVICE (REVISED 5/24/07) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 8/1/07
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Mr. Troyer
August 1, 2007
Page 2

whether to grant a facility a license and under what set of conditions is ultimately made by the Energy Commission (a five-member body appointed by the Governor). The project's current schedule estimates that the Preliminary Staff Assessment (PSA) on the SGGS will be published in the fall of 2007.

We are interested in working with you and your staff to understand the City's position related to the land use, traffic/transportation, visual resources, cultural resources, and any other aspects of the project that may be of concern to your agency (Title 20, California Code of Regulations section 1714.5). We would like to incorporate the City's input and address any concerns it may have in our PSA.

Land Use

Because the proposed project is located in Zone C of the City of Rancho Cucamonga's Industrial Area Specific Plan, the project would normally require a use permit, but for the Energy Commission's exclusive licensing jurisdiction. Prior to making findings for its license, the Energy Commission needs to know what conditions the City of Rancho Cucamonga would attach to this project, were it the permitting agency. Any conditions recommended by the City of Rancho Cucamonga will be considered by Energy Commission staff for inclusion in the conditions of certification for the project. As part of the City's discussion of the conditional use permit, we are also interested in understanding the City's position on the proposed project's consistency with the City of Rancho Cucamonga 2001 General Plan and Zoning Ordinance.

Also, the project's stacks would exceed the City's height limit of 75 feet and the project would normally need a variance from the City, but for the Energy Commission's exclusive licensing jurisdiction. Similar to the discussion on the conditional use permit, we need to know whether, in the City's opinion, a variance could be granted and if so, what conditions the City of Rancho Cucamonga would require were it the permitting agency. Please cite the section of the zoning or other code that states the findings the City would make for a variance, were it the permitting agency.

As stated in the City of Rancho Cucamonga's Industrial Area Specific Plan (Plan), the Heavy Industrial land use designation has a probable Floor Area Ratio (FAR) of 0.4 and maximum FAR of 0.5. According to the Plan, the FAR is applied to the gross acreage of a project or lot, less that portion of the site to be dedicated to arterial highways as defined in the Circulation section of the Plan, flood control channels and easements. To determine the proper FAR for the project, we would like to know what portion of the proposed project site (if any) would the City require to be dedicated to arterial highways, flood control channels, and easements?

Traffic and Transportation

The Traffic and Transportation section of the AFC (pages 7.10-1 through -33) presents the applicant's assessment of the proposed project's consistency with the City of Rancho Cucamonga's traffic and transportation plan, policies and regulations. We would like to know whether the applicant's traffic/transportation information is complete and accurate and what traffic/transportation conditions, if any, would be required.

Visual Resources

The Visual Resources section of the AFC (pages 7.11-1 through -26) outlines the applicant's assessment of the proposed project's consistency with City of Rancho Cucamonga's aesthetic/visual regulations, architectural design review, landscape requirements, and scenic area regulations for the site. Energy Commission staff would like to know whether the applicant's visual information is complete and accurate and what aesthetic/visual conditions, if any, would be required.

Cultural Resources

The Cultural Resources section of the AFC (page 7.3-18) summarizes the provisions of the General Plan of the City of Rancho Cucamonga with respect to the preservation of archaeological and paleontological resources. Energy Commission staff would like to receive a copy of the portion of the City's General Plan that addresses the identification and preservation of cultural resources.

We request that the City of Rancho Cucamonga provide a letter within 30 days after receiving this letter, addressing the land use, traffic/transportation, visual, and cultural resources questions noted above. In your review of the AFC, if you have any other issues or concerns, or need additional time to respond, please let us know. Please contact Eric Knight, Community Resources Unit Supervisor, by phone at (916) 653-1850 or by email at eknight@energy.state.ca.us should you have any questions.

Sincerely,



Paul C. Richins, Jr., Manager
Environmental Office
Energy Facilities Siting Division

cc: Docket (07-AFC-2)
Proof of Service List

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE
STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION
FOR THE SAN GABRIEL
GENERATING STATION

Docket No. 07-AFC-2
PROOF OF SERVICE
(Est. 5/24/2007)

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 07-AFC-2
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

APPLICANT

Mike Alvarado, Director
Reliant Energy
1000 Main Street
Houston, TX 77002
malvarado@reliant.com

Robert W. Lawhn, Director
Environmental Compliance
Reliant Energy
7251 Amigo Street, Suite 120
Las Vegas, NV 89119
rlawhn@reliant.com

APPLICANT'S CONSULTANTS

Denise Heick – URS
Vice President
221 Main Street, Suite 600
San Francisco, CA 94105-1917
denise_heick@urscorp.com

Anne Connell
Deputy Project Manager
URS Corporation
221 Main Street, Suite 600
San Francisco, CA 94105
anne_connell@urscorp.com

COUNSEL FOR APPLICANT

Scott Galati, Esq.
Galati/Blek, LLP
Plaza Towers
555 Capitol Mall, Suite 600
Sacramento, CA 95814
sgalati@qb-llp.com

INTERESTED AGENCIES

Larry Tobias
Ca. Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630
LTobias@caiso.com

Electricity Oversight Board
770 L Street, Suite 1250
Sacramento, CA 95814
esaltmarsh@eob.ca.gov

Susan Brown
Adviser to Commissioner Boyd
sbrown@energy.state.ca.us

Paul Kramer
Hearing Officer
pkramer@energy.state.ca.us

Stan Yeh
Project Manager
syeh@energy.state.ca.us

Kevin W. Bell
Staff Counsel
kwbell@energy.state.ca.us

Nick Bartsch
Public Advisor's Office
pao@energy.state.ca.us

INTERVENORS

ENERGY COMMISSION

JAMES D. BOYD
Presiding Member
jboyd@energy.state.ca.us

JACKELYNE PFANNENSTIEL
Associate Member
JPfannen@energy.state.ca.us

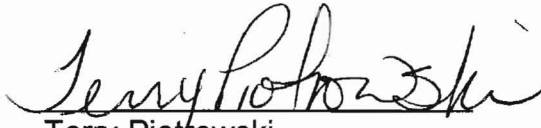
DECLARATION OF SERVICE

I, Terry Piotrowski, declare that on August 1, 2007, I deposited copies of the attached Letter Regarding California Energy Commission's Acceptance of SGGGS AFC and Supplemental Information in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.


Terry Piotrowski
Siting Office