

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
CRAMENTO, CA 95814-5512
w.energy.ca.gov

| | |
|-----------------|-------------|
| DOCKET | |
| 07-AFC-2 | |
| DATE | AUG 28 2007 |
| RECD. | AUG 28 2007 |



August 28, 2007

TO: AGENCY DISTRIBUTION LIST (LOCAL)**DISTRIBUTION OF SUPPLEMENTAL INFORMATION FACILITATING AGENCY PARTICIPATION IN THE REVIEW OF THE SAN GABRIEL GENERATING STATION PROJECT, APPLICATION FOR CERTIFICATION (07-AFC-2)**

On April 24, 2007, your agency was sent a copy of the Application for Certification (AFC) to construct and operate the San Gabriel Generating Station (SGGS) Project in the city of Rancho Cucamonga, San Bernardino County, with a request for your agency's comments. A supplement to the AFC was sent on June 4, 2007. Enclosed is a copy (CD) of an additional supplement to the AFC that was subsequently received from San Gabriel Power Generation, LLC (applicant) on August 17, 2007. This supplement describes changes made to the proposed combustion turbine generators (CTGs) and auxiliary boiler stack. The original equipment included two 180-MW (nominal) natural gas-fired CTGs. The proposed project will now include two CTGs rated at 190 MW each. The capacity of the proposed plant will have the ability to generate up to 735 MW. However, the applicant intends to limit output to 696 MW.

On May 23, 2007, the California Energy Commission accepted the AFC with the first supplement as complete. Energy Commission staff has now begun the data discovery and analysis phases of the proposed project's 12-month process. During this time, staff will conduct a detailed examination of the proposed project's potential for public health and safety and environmental impacts, and its compliance with all applicable laws, ordinances, regulations and standards (LORS). As part of our review process, the Energy Commission staff works closely with local, state and federal agencies to ensure that all LORS are met and incorporated into the final decision of the Energy Commission. Your agency now has the opportunity to assist Energy Commission staff in identifying significant issues and any additional information necessary for proper analysis and resolution.

Energy Commission's Facility 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 issuance of a certificate by the Energy Commission is in lieu of any local, state or federal permit (to the extent permitted by federal law). The Energy Commission is the Lead Agency under the California Environmental Quality Act (CEQA), although it produces several environmental and decision documents rather than an Environmental Impact Report.

Agency Participation

To ensure that the Energy Commission has the information it needs in order to make a decision, our regulations identify a special role for local agencies (Cal. Code Regs., Title 20, Section 1714, 1714.3, 1714.5, 1742, 1743, and 1744). As a result, we request that you conduct a review of the AFC and provide us with the following information:

August 28, 2007

Page 2 of 2

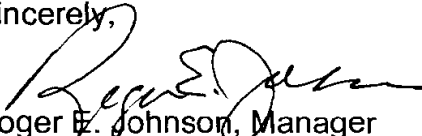
- 1) A discussion of those aspects of the proposed project site and related facilities for which your agency would have jurisdiction, but for the exclusive jurisdiction of the Energy Commission to certify sites and related facilities;
- 2) A determination of the completeness of the list in the AFC of the laws, regulations, ordinances, or standards which your agency administers or enforces and would be applicable to the proposed project site and related facilities, but for the Energy Commission's exclusive jurisdiction;
- 3) A description of the nature and scope of the requirements which the applicant would need to meet in order to satisfy the substantive requirements of your agency, but for the Energy Commission's exclusive jurisdiction, and identification of any analyses that the Energy Commission should perform in order to determine whether these substantive requirements can be met; and
- 4) An analysis of whether there is a reasonable likelihood that the proposal will be able to comply with your agency's applicable substantive requirements.

We request that you complete and provide to us your review of these issues by **September 20, 2007**. Please note that you may be asked to present and explain your conclusions at a public hearing on the proposed project (Cal. Code Regs., Title 20, Sections 1714.3, 1714.5, 1743). Local agencies may seek reimbursement for costs incurred in responding to these requests.

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the proposed project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 10 days prior to the meeting. We encourage your agency to participate in these proceedings.

If you have any questions on reimbursement or how to participate in the Energy Commission's review of the proposed project, please contact Stanley Yeh, Project Manager, 1516 9th Street, MS-15, Sacramento, CA 95814, or e-mail at syeh@energy.state.ca.us. The status of the proposed project, copies of notices, electronic version of the AFC and supplement and other relevant documents are also available on the Energy Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/sangabriel>. You can also subscribe to receive e-mail notification of all proposed project-related activities and availability of reports by subscribing to the List Server at <http://www.energy.ca.gov/listservers>.

Sincerely,



Roger E. Johnson, Manager
Energy Facilities Siting and Compliance Office

Enclosure