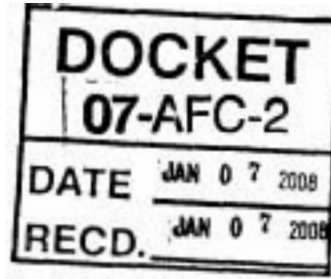


GALATI | BLEK LLP

Plaza Towers  
555 Capitol Avenue Suite 600  
Sacramento CA 95814  
Tel • 916.441.6575  
Fax • 916.441.6553



January 7, 2008

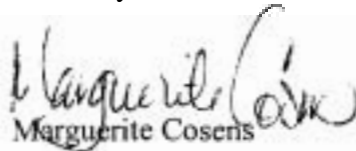
Ms. Angela Hockaday  
California Energy Commission  
Docket Unit, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

Re: **SAN GABRIEL GENERATING STATION  
STATUS REPORT NUMBER 3  
DOCKET NO. 07-AFC-2**

Dear Ms. Hockaday:

Enclosed for filing with the California Energy Commission are one original and 12 (Twelve) copies of the **SAN GABRIEL GENERATING STATION STATUS REPORT NUMBER 3**, for Reliant Energy's San Gabriel Generating Station project (07-AFC-2)

Sincerely,

  
Marguerite Cosens

Scott A. Galati  
David L. Wiseman  
GALATIBLEK LLP  
555 Capitol Mall  
Suite 600  
Sacramento, CA 95814  
(916) 441-6575

STATE OF CALIFORNIA

Energy Resources  
Conservation and Development Commission

In the Matter of:

DOCKET NO. 07-AFC-2

Application for Certification for the San  
Gabriel Generating Station

SAN GABRIEL GENERATING  
STATION STATUS REPORT  
NUMBER 3

---

Reliant Energy submits this Status Report Number 3, which addresses the current status of the San Gabriel Generating Station (SGGS).

AIR QUALITY

The primary obstacle facing the SGGS is the delay of the South Coast Air Quality Management District (District) in issuing a Preliminary Determination of Compliance (PDOC). Reliant has provided all information requested by the District including additional information demonstrating compliance with the District's adoption of its Priority Reserve Rule in August of 2007. Reliant understood that the PDOC would be delayed until adoption of the Priority Reserve Rule but fails to understand why it PDOC has not been released to date. Repeated requests for a realistic estimate of time for the District to issue the PDOC have been unanswered and Reliant remains frustrated by the process. Our understanding is that not a single PDOC or FDOC for any of the projects has been issued since adoption of the rule. Reliant remains concerned and seeks assistance from the Commission in obtaining the PDOC for this project. Reliant believes the District has all the information it requires to issue the PDOC. This is the sole issue that is preventing the timely progression of the SGGS certification process.

## **BIOLOGICAL RESOURCES**

Reliant will be meeting with United States Fish and Wildlife Service (USFWS) on January 14, 2007 to discuss timing on the issuance of the Biological Opinion. The issue is the extent of mitigation for potential impacts to the Delhi sands flower-loving fly within the construction laydown area. Based on this meeting, Reliant will update the Commission Staff regarding mitigation strategies and timing of the Draft Biological Opinion. Reliant believes that the CEC Staff can proceed to its Preliminary Staff Assessment without the Draft Biological Opinion.

## **WATER RESOURCES**

As described in the AFC, the SGGS is using an air-cooled condenser for its cooling needs. However, during high temperatures, the SGGS can provide additional output by engaging an evaporative chiller system. The projected water use for this evaporative chiller system is less than 100 acre-feet per year. As described in the AFC, the source of water for the chiller system will be the existing Etiwanda Generating Station (EGS) recycled water pond. The pond primarily contains recycled water delivered by the Inland Empire Utility Agency (IEUA) but during hot days when the EGS is operating, groundwater is pumped into the pond to regulate the temperature.

Staff has raised concerns that when the EGS mixes groundwater with the recycled water to regulate temperature some of this groundwater could be used by the SGGS evaporative chillers. Reliant's position is that the SGGS would separately contract for its recycled water needs from IEUA and would never cause the EGS to pump groundwater to meet its water needs. Therefore, Reliant is currently evaluating condition language that would ensure that the EGS does not pump additional groundwater as a result of the SGGS. Reliant remains confident that it can attain a workable solution with Staff.

## **LAND USE**

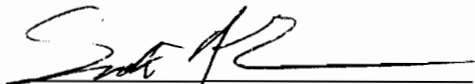
The SGGS has identified that it needs an easement from the IEUA and from Southern California Edison (SCE) for its transmission line. Reliant is continuing to work to finalize those easements but has not executed any agreements at this time. Reliant is willing to accept a condition of certification that requires these easements to be recorded with the County prior to construction of the transmission components of the SGGS.

## **DEPARTMENT OF TOXIC SUBSTANCES CONTROL**

SCE has been working with SCE to characterize whether there is any residual contamination associated with the existing abandoned cooling towers and basin located within the footprint of the SGGS. Sampling was conducted in the summer of 2007 and minor contamination was discovered in small, localized

areas and under some portions of the cooling water canal. SCE has been working with DTSC in implementing a workplan to implement remediation of these localized areas, which will be performed by SCE after the EGS demolishes the towers and cooling water canal. As described in the AFC, demolition of the cooling towers and associated infrastructure is not part of the SGGS, as the EGS will be removing these structures for fire and safety reasons irrespective of whether the SGGS is licensed or constructed. Similarly, any remediation required is governed by the existing purchase agreement governing the sale of the EGS to Reliant by SCE. Under this agreement SCE retains cleanup responsibility of the property. SGGS has proposed that Staff include a condition of certification that construction of the SGGS components cannot be commenced in areas with contamination until SCE completes the remediation in accordance with DTSC oversight.

Dated: January 7, 2008

A handwritten signature in black ink, appearing to read "Scott A. Galati", is written over a horizontal line.

Scott A. Galati  
Counsel to Reliant Energy

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  
(Revised 10/19/2007)

**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](mailto:docket@energy.state.ca.us)

**APPLICANT**

Mike Alvarado, Director  
Reliant Energy  
1000 Main Street  
Houston, TX 77002  
[malvarado@reliant.com](mailto:malvarado@reliant.com)

Robert W. Lawhn, Director  
Environmental Compliance  
Reliant Energy  
7251 Amigo Street, Suite 120  
Las Vegas, NV 89119  
[rlawhn@reliant.com](mailto: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](mailto:denise_heick@urscorp.com)

Anne Connell  
Deputy Project Manager  
URS Corporation  
221 Main Street, Suite 600  
San Francisco, CA 94105  
[anne\\_connell@urscorp.com](mailto:anne_connell@urscorp.com)

**COUNSEL FOR APPLICANT**

Scott Galati, Esq.  
Galati/Blek, LLP  
Plaza Towers  
555 Capitol Mall, Suite 600  
Sacramento, CA 95814  
[sgalati@gb-llp.com](mailto:sgalati@gb-llp.com)

**INTERESTED AGENCIES**

Mohsen Nazemi  
South Coast Air Quality Mgmt. District  
21865 E. Copley Drive  
Diamond Bar, CA 91765-4182  
[mnazemi1@aqmd.gov](mailto:mnazemi1@aqmd.gov)

James Pratt, Project Specialist  
Ca. Independent System Operator  
151 Blue Ravine Road  
Folsom, CA 95630  
[jpratt@caiso.com](mailto:jpratt@caiso.com)

Electricity Oversight Board  
770 L Street, Suite 1250  
Sacramento, CA 95814  
[esaltmarsh@eob.ca.gov](mailto:esaltmarsh@eob.ca.gov)

### **INTERVENORS**

### **ENERGY COMMISSION**

JAMES D. BOYD  
Presiding Member  
[jboyd@energy.state.ca.us](mailto:jboyd@energy.state.ca.us)

JACKELYNE PFANNENSTIEL  
Associate Member  
[JPfannen@energy.state.ca.us](mailto:JPfannen@energy.state.ca.us)

Susan Brown  
Adviser to Commissioner Boyd  
[sbrown@energy.state.ca.us](mailto:sbrown@energy.state.ca.us)

**\*Ken Celli**  
**Hearing Officer**  
[kcelli@energy.state.ca.us](mailto:kcelli@energy.state.ca.us)

Stan Yeh  
Project Manager  
[syeh@energy.state.ca.us](mailto:syeh@energy.state.ca.us)

Kevin W. Bell  
Staff Counsel  
[kwbell@energy.state.ca.us](mailto:kwbell@energy.state.ca.us)

Nick Bartsch  
Public Advisor's Office  
[pao@energy.state.ca.us](mailto:pao@energy.state.ca.us)

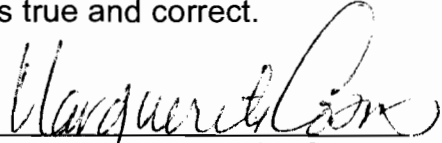
### **DECLARATION OF SERVICE**

I, Marguerite Cosens, declare that on January 7, 2008, I deposited copies of the attached **SAN GABRIEL GENERATING STATION STATUS REPORT NUMBER 3** 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.

  
Marguerite Cosens