

CALIFORNIA ENERGY COMMISSION

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www.energy.ca.gov

08-AFC-11DATE DEC 04 2008RECD. DEC 04 2008

December 4, 2008



TO: AGENCY DISTRIBUTION LIST (STATE AND FEDERAL)

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE CPV VACA STATION PROJECT, APPLICATION FOR CERTIFICATION (08-AFC-11)

On November 18, 2008, CPV Vacaville, LLC (CPVV) submitted an Application for Certification (AFC) to the California Energy Commission to construct and operate an electrical generating plant in the City of Vacaville, Solano County, California. The CPV Vaca Station (CPVVS) would be a combined-cycle, nominal 660-megawatt (MW) power generation facility.

Project Location

The proposed project would be located on a 24-acre parcel (Assessor's Parcel Number [APN] 0142-200-040) owned by the City of Vacaville, located at the intersection of Lewis and Fry roads in a rural area within the city limits of Vacaville. On the northwest of the site is the City of Vacaville's Easterly Wastewater Treatment Plant (EWTP), and to the east, west, and south is agricultural use.

Project Description

Highlights of the Project are as follows:

- The proposed project is a 660-megawatt (MW) nominal, natural gas-fired, combined-cycle generating plant which will either utilize two General Electric Frame 7FA or two Siemens SGT6 5000F combustion turbine-generators (CTGs), a single condensing steam turbine generator (STG), a deaerating surface condenser, a 12-cell mechanical draft cooling tower, and associated support equipment.
- The CTGs would be equipped with evaporative coolers on the inlet air system and dry low nitrogen oxide (NO_x) combustors.
- The heat recovery steam generators (HRSGs) would be of the horizontal, natural circulation type, equipped with duct burners. The emission reduction system would include a selective catalytic reduction (SCR) unit to control NO_x stack emissions and an oxidation catalyst to control carbon monoxide and volatile organic compounds emissions.
- A nominal 1,000-kilowatt (kW), diesel-fired emergency generator would also be included in the project.
- The project makeup water supply would consist entirely of reclaimed secondary-treated wastewater (1,185 million gallons per year) from the EWTP. The secondary-treated wastewater supply from the EWTP would be treated on site to meet California Title 22 requirements for the industrial reuse of secondary-treated wastewaters. Tertiary treatment filter backwash would be returned to the headworks of the EWTP.

- A zero liquid discharge (ZLD) treatment system would process all plant wastewater streams not recovered for reuse within the project. Small quantities of specific wastewaters (such as some equipment cleaning wastewaters) that cannot be made suitable for treatment in the ZLD system or plant reuse would be collected for offsite disposal at a licensed treatment, storage, and disposal (TSD) facility. As a result, no process wastewater (except for the tertiary-treatment system filter backwash) would be discharged from the project.
- The project would use a small amount of the local municipal drinking water supply for plant personnel potable water uses.

If approved, construction of the project would begin in the spring of 2011 and would last for 30 months. Pre-operational testing of the power plant would begin in the fall of 2012 with full-scale commercial operation commencing by spring 2013.

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 Energy Commission is the lead agency under the California Environmental Quality Act (CEQA), but through its certification regulatory program, produces several environmental and decision documents rather than an Environmental Impact Report.

The first step in the review process is for Energy Commission staff to determine whether or not the AFC contains all the information required by our regulations. When the AFC is deemed data adequate, we will begin the data discovery and issue analysis phases. At that time, a detailed examination of the issues will occur.

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 ten days prior to the meeting.

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. (See, Cal. Code Regs., tit. 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:

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- 1) a discussion of those aspects of the proposed 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 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 provide any written comments you may have regarding potential issues of concern by **December 19, 2008**. Please address your comments to Rod Jones, Project Manager, 1516 9th Street, MS-15, Sacramento, CA 95814, or by email to rjones@energy.state.ca.us. Your agency may also present its comments and recommendations in person at the Energy Commission's **January 14, 2009** Business Meeting. The limited purposes of that meeting will be to determine whether the AFC is data adequate in accordance with our regulations and to assign a committee of two Commissioners to oversee the proceeding.

When the AFC is accepted as data adequate, your participation in the proceeding will continue to be valuable and encouraged and will allow you to identify and try to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the proceedings after the AFC has been determined to be data adequate. Local agencies may seek reimbursement for costs incurred in responding to these requests. However, comments provided in response to this request during data adequacy are not reimbursable under Energy Commission regulations.

Assuming that the proposed project is found to be data adequate on December 31, 2008, your agency's preliminary and final determinations and opinions (such as those contained in a Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) would be due by **April 20, 2009** (120 days) and **June 18, 2009** (180 days), respectively.

Enclosed is a copy of the AFC in electronic format (CD). If you would like to have a hard copy of the AFC sent to you, if you have questions, or if you would like additional information about reimbursement or how to participate in the Energy Commission's review of the proposed project, please contact Rod Jones, Project Manager, at (916) 654-5191, or by email at rjones@energy.state.ca.us. The status of the proposed

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project, copies of notices, an electronic version of the AFC, and other relevant documents are also available on the Energy Commission internet website at <http://www.energy.ca.gov/sitingcases/vacastation/index.html> . By being on the mailing list, you will receive notices of all project related activities and documents related to the proposed project's evaluation and review. You can also subscribe to receive email notification of all notices at <http://www.energy.ca.gov/listservers>.

Sincerely,

Original signature in Dockets

Eileen Allen, Manager

Energy Facilities Siting and Compliance Office

Enclosure