

CALIFORNIA ENERGY COMMISSION

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



December 11, 2008

**NOTICE OF AVAILABILITY
 PRELIMINARY STAFF ASSESSMENT FOR THE CARLSBAD
 ENERGY CENTER PROJECT (07-AFC-6)**

NOTICE OF PUBLIC WORKSHOP

Wednesday, January 7, 2009

10am – 7pm

&

Thursday, January 8, 2009

11am – 5pm

**Sheraton Carlsbad
 5480 Grand Pacific Drive
 Carlsbad, CA 92008
 (Wheelchair Accessible)
 (Map Attached)**

**DOCKET
 07-AFC-6**

DATE DEC 11 2008

RECD. DEC 12 2008

TO: MEMBERS OF THE PUBLIC

This notice is to inform you of the availability of the Preliminary Staff Assessment (PSA) for the Carlsbad Energy Center Project (CECP) Application for Certification (07-AFC-6). The PSA contains the California Energy Commission staff's preliminary engineering and environmental evaluation of the proposed CECP project.

This notice is also to inform you that the Energy Commission staff will hold a public workshop to further encourage public participation, as it relates to the proposed CECP and the Energy Commission's permitting process. The workshop will be held on Wednesday, January 7, 2009, from 10:00 a.m. until 7:00 p.m. and Thursday, January 8, 2009, from 11a.m. until 5 p.m. Based on the workshop dialogue, written comments received regarding the PSA, and additional information that will be gathered, the Energy Commission staff will revise the PSA where appropriate and issue a Final Staff Assessment (FSA) in the second half of March, 2009.

The Energy Commission encourages public participation in the review of the CECP Application for Certification (07-AFC-6). The public comment period for this PSA is from December 11, 2008 to January 30, 2009. All public comments received by January 30, 2009, will be considered by the Energy Commission staff for incorporation into the FSA.

Written comments on the PSA should be provided to Mike Monasmith, Project Manager, no later than 5:00 p.m., Friday, January 30, 2009, at the address on this letterhead or by email to mike.monasmith@energy.state.ca.us. Technical or project schedule questions

**PROOF OF SERVICE (REVISED 11/19/08) FILED WITH
 ORIGINAL MAILED FROM SACRAMENTO ON 12/12/08**

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should be directed to Mr. Monasmith at (916) 654-4894, or by email, at the address above.

Summary of the Proposed Carlsbad Energy Center Project (07-AFC-6)

The 23-acre CECP would be located on the northeast section of the 95-acre Encina Power Station (EPS), located along the western, coastal border of the city of Carlsbad in northern San Diego County. The proposed site is currently occupied by the EPS tank farm, including above-ground fuel oil Tanks 5, 6, and 7. As proposed by the applicant, these fuel oil tanks would be demolished and removed, and the soil upon which the tanks currently stand would be remediated, as appropriate. The EPS has been in operation since the early 1950s and periodically expanded. EPS Units 1, 2, and 3 (circa 1950 steam boilers that provided the initial electrical generation) would be permanently retired once the CECP (Units 6 and 7) is approved and operational. EPS Units 4 and 5, part of a subsequent EPS expansion that occurred in the late 1970s, would continue generating electricity regardless of this proceeding or its outcome. CECP construction is proposed to begin during the third quarter of 2009 and take 25 months to complete. The applicant expects commercial operations to begin in late summer, 2011.

The CECP would connect its nominal 540 megawatts (MWs) of electricity to the existing Encina 138 kilo-volt (kV) switchyard and to a proposed new Encina 230 kV switchyard. Transmission interconnections to these adjacent switchyards would be comprised of an overhead line from CECP Unit 6 to the 138-kV switchyard, and a combined, above and below ground cable from CECP Unit 7 to the proposed new 230-kV substation.

Natural gas would be provided through a new 1,100-foot long interconnection to an existing Southern California Gas Company high pressure natural gas line located adjacent to the CECP site. The existing natural gas pipeline currently fuels all EPS units, which only burn fuel oil #6 in the event of a forced outage of natural gas or to test fire the existing units on fuel oil to meet California Independent System Operator (California ISO) requirements. The new CECP units would be natural gas-fired only, with no fuel oil emergency backup capability. Of the tank farm units, only EPS Tank 4 would continue to store fuel oil as a precautionary emergency fuel source in the unlikely event that natural gas deliveries to the facility were unexpectedly interrupted.

The new CECP facility would be air-cooled, eliminating the daily need of large quantities of once-through cooling seawater. The minimal water necessary for CECP's industrial purposes would be provided through an on-site ocean water purification (desalination) system. Purified ocean water will be used for CECP's process water, evaporative cooling water, miscellaneous plant uses (e.g., equipment wash water), and possibly onsite irrigation. The proposed desalination system would utilize EPS' current ocean water intake and discharge facilities. Approximately 4.32 million gallons of ocean water per day would generate approximately 700,000 gallons per day of industrial water during peak generation. Potable water (suitable for drinking and showering) for the proposed project would be obtained through the City of Carlsbad's water delivery

system. Stormwater would be collected on site and directed to a detention basin on the northernmost section of the proposed site.

Energy Commission Licensing Authority

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications for construction and operation of thermal electric power plants, 50 MW and greater, proposed for construction 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), and produces several environmental and decision documents rather than an Environmental Impact Report.

Summary of the California Energy Commission Staff's Preliminary Findings

Staff's preliminary analysis shows that, with the exception of Air Quality, Biological Resources, and Visual Resources, the CECP's potential impacts will be mitigated to a less than significant level. Staff believes the impacts to Air Quality are not currently mitigated. Staff's preliminary analysis has identified undetermined cumulative impacts in the areas of Biological Resources and Visual Resources.

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 Elena Miller, the Energy Commission's Public Adviser, at (916) 653-5898 or toll free in California at (800) 822-6228, or by email at: publicadviser@energy.state.ca.us.

To request special accommodations for those persons with disabilities, please contact Lourdes Quiroz, the Energy Commission's Equal Employment Opportunity Officer at lquiroz@energy.state.ca.us or by telephone (916) 654-5146. For those persons with limited English knowledge, request interpreter services by contacting the Project Manager, Mike Monasmith.

The status of the project, copies of notices and other relevant documents are also available on the Energy Commission's Internet web site at: <http://www.energy.ca.gov/sitingcases/carlsbad/index.html>. News media inquiries should be directed to Assistant Director, Susanne Garfield, at (916) 654-4989, or by email at: mediaoffice@energy.state.ca.us.

The PSA will be available for review at the following local libraries:

Carlsbad City Library
1775 Dove Lane
Carlsbad, CA 92011

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

The PSA will also be 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. In addition, copies will be distributed to those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

If you would like a paper copy or CD of the PSA, please fill out the enclosed form and return it to California Energy Commission, Attention: Mineka Foggie, Siting Project Secretary, at (916) 653-1608, or by e-mail at mfoggie@energy.state.ca.us.

Sincerely,

Date: 12/11/08


TERRENCE O'BRIEN, Deputy Director
Siting, Transmission and Environmental
Protection Division

Enclosure

Mailed to lists:
- General
- Property Owners

Please send me a paper copy / CD (circle one) of the California Energy Commission staff's Preliminary Staff Assessment for the Carlsbad Energy Center Project (CECP) Application for Certification (07-AFC-6).

Name:

Address:

City/State/Zip:

FOLD HERE

California Energy Commission
Attention: Mineka Foggie
1516 Ninth Street, MS-15
Sacramento, CA 95814-5512

FOLD HERE

Staple or Tape closed.

**PSA WORKSHOP
CARLSBAD ENERGY CENTER PROJECT**
Wednesday, January 7, 2009
10am – 7pm
&
Thursday, January 8, 2009
11am – 5pm

Sheraton Carlsbad
5480 Grand Pacific Drive
Carlsbad, CA 92008
(Wheelchair accessible)





BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV

APPLICATION FOR CERTIFICATION
FOR THE **CARLSBAD ENERGY
CENTER PROJECT**

Docket No. 07-AFC-6
PROOF OF SERVICE
(Revised 11/19/2008)

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-6
1516 Ninth Street, MS-15
Sacramento, CA 95814-5512
docket@energy.state.ca.us

APPLICANT

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Ron Ball, Esq., City Attorney
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INTERVENORS

* California Unions for Reliable Energy ("CURE")

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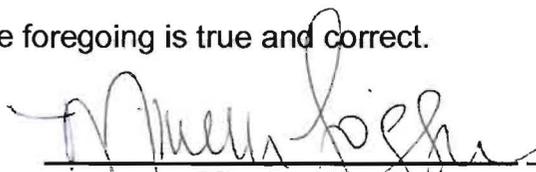
DECLARATION OF SERVICE

I, Mineka Foggie, declare that on December 12, 2008, I deposited copies of the attached Notice of Availability Preliminary Staff Assessment for the CarlsBad Energy Center Project in the United States mail at Sacramento, CA 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.



Mineka Foggie